



**Fifth Session - Thirty-Fifth Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**  
**(Hansard)**

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Speaker*



**Vol. XLIII No. 14 - 1:30 p.m., Tuesday, April 26, 1994**

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fifth Legislature**

**Members, Constituencies and Political Affiliation**

NAME	CONSTITUENCY	PARTY
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHOMIAK, Dave	Kildonan	NDP
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
GRAY, Avis	Crescentwood	Liberal
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
KOWALSKI, Gary	The Maples	Liberal
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MACKINTOSH, Gord	St. Johns	NDP
MALOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCORMICK, Norma	Osborne	Liberal
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
ORCHARD, Donald, Hon.	Pembina	PC
PALLISTER, Brian	Portage la Prairie	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROBINSON, Eric	Rupert's Island	NDP
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
SCHELLENBERG, Harry	Rossmere	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary, Hon.	Fort Garry	PC
WOWCHUK, Rosann	Swan River	NDP

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 26, 1994

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

#### READING AND RECEIVING PETITIONS

##### APM Incorporated Remuneration and Pharmacare and Home Care Reinstatement

**Mr. Speaker:** I have reviewed the petition of the honourable member (Ms. Friesen). It complies with the privileges and the practices of the House and complies with the rules. Is it the will of the House to have the petition read?

**Some Honourable Members:** Yes.

**Mr. Speaker:** The Clerk will read.

**Mr. Clerk (William Remnant):** The petition of the undersigned citizens of the province of Manitoba, humbly sheweth that:

WHEREAS the Manitoba government has repeatedly broken promises to support the Pharmacare program and has in fact cut benefits and increased deductibles far above the inflation rate; and

WHEREAS the Pharmacare program was brought in by the NDP as a preventative program which keeps people out of costly hospital beds and institutions; and

WHEREAS rather than cutting benefits and increasing deductibles the provincial government should be demanding the federal government cancel recent cuts to generic drugs that occurred under the Drug Patent Act; and

WHEREAS at the same time Manitoba government has also cut home care and implemented user fees; and

WHEREAS the Manitoba government paid an American health care consultant over \$4 million to implement further cuts in health care.

WHEREFORE your petitioners humbly pray that the Legislative Assembly urge the Premier to personally step in and order the repayment of the \$4 million paid to Connie Curran and her firm APM Incorporated and consider cancelling the recent cuts to the Pharmacare and Home Care programs.

#### TABLING OF REPORTS

**Hon. Harold Gilleshammer (Minister of Culture, Heritage and Citizenship):** Mr. Speaker, I would like to table the Annual Report 1992-93 for the Manitoba Centennial Centre Corporation and the Annual Report 1992-1993 for the Manitoba Arts Council.

**Hon. Clayton Manness (Minister of Education and Training):** Mr. Speaker, I would like to table the Annual Report 1992-93 for Education and Training, also the Annual Report for the year ended June 30, 1993, of The Public Schools Finance Board, and on behalf of the Minister of Justice (Mrs. Vodrey), I would like to table the Annual Report 1991-92 of the Public Trustee.

**Hon. Eric Stefanson (Minister of Finance):** I would like to table the Quarterly Reports for Manitoba Telephone System for the Second Quarter and Third Quarter of 1993.

**Hon. Glen Cummings (Minister of Environment):** Mr. Speaker, I would like to table the Annual Report 1993 for the Manitoba Public Insurance Corporation and the Annual Report 1992-93 for the Department of Environment.

\* (1335)

#### INTRODUCTION OF BILLS

##### Bill 203—The Small Business Regulatory Relief Act

**Mr. Jerry Storie (Flin Flon):** I would like to introduce The Small Business Regulatory Relief Act, Mr. Speaker, as the first bill of this session.

Mr. Speaker, I move, seconded by the member for Concordia (Mr. Doer), that leave be given to introduce Bill 203, The Small Business Regulatory Relief Act (Loi sur l'assouplissement de l'application des règlements aux petites entreprises) and that the same be now received and read a first time.

**Motion presented.**

Mr. Storie: As is custom, I would like to introduce it with a few brief remarks.

Mr. Speaker, we continue to hear from this Chamber and outside of this Chamber of the importance of small business in the province of Manitoba.

In 1986, a task force was established to review the impact of business regulation on the success and viability of small businesses in the province. Although there were recommendations in that report, there have not been significant moves to implement those recommendations, and in the intervening years, Mr. Speaker, the complexity of regulations facing small business has increased.

Mr. Speaker, there is a need to make sure that business regulations are imposed in a fair and a practical way on small business. Over the past few months, in discussion with small business and in discussion more recently with the Winnipeg Chamber of Commerce, which is supportive of these kinds of initiatives, it has been determined that this particular legislation that requires the government to predistribute regulations they have plans to introduce over the course of a year, requires government to look at the practicality of business regulation, particularly as it relates to the size of the business.

The larger businesses, Mr. Speaker, it is clear, can and have the resources to assess impacts and to attempt to modify regulations in an appropriate fashion, and small businesses cannot.

This is an important first step, and I hope that all members opposite will support this legislation.

**Motion agreed to.**

**Introduction of Guests**

Mr. Speaker: I would like to draw the attention of honourable members to the Speaker's Gallery, where we have with us this afternoon Mr. Charlie Mayer, the former member of Parliament for Lisgar-Marquette, Mr. Terry Clifford, the former member of Parliament for London-Middlesex, and they are accompanied also by Mr. Kan Yuk Lam and Mr. Thomas Wong from the Lamko Group.

On behalf of all honourable members, I would like to welcome you here this afternoon.

Also with us this afternoon we have, from the John Henderson Junior High School, fifty-seven Grade 9 students under the direction of Mrs. Manuella Vieira. This school is located in the constituency of the honourable member for Elmwood (Mr. Maloway).

Also, from the Grant Park High School, we have thirty-one Grade 9 students under the direction of Mr. Norman Roseman. This school is located in the constituency of the honourable member for Crescentwood (Ms. Gray).

On behalf of all honourable members, I would like to welcome you here this afternoon.

\* (1340)

**ORAL QUESTION PERIOD**

**Drug Patent Legislation  
Government Action**

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, my question is to the Premier.

Drugs in Manitoba represent a very high cost in the budget in terms of the cost of our health care system, both directly through the Pharmacare program and also through our hospitals in the province of Manitoba.

In November of 1992, the former Minister of Health indicated, Mr. Speaker, that nine provinces in Canada were opposed to C-91, the imposition of a drug patent law in this country that would have impact on the cost of drugs to the consumer, the cost of drugs in our health care system and also would be prohibitive, in fact contrary to the job investment interests in the generic drug industry with their investment intentions in Manitoba. This

is a very important issue for both health and investment in our province and in Canada.

I would ask the Premier whether he raised this issue with the Prime Minister when they met on March 2 to get an agreement to reverse C-91, reverse the former Mulroney government's drug patent law and get a program that is appropriate for the people of Manitoba.

**Hon. Gary Filmon (Premier):** Mr. Speaker, the member is quite right. This government vigorously opposed the former federal government in its implementation of that bill. In fact, my recollection is that the former Minister of Health and the former Minister of Industry, Trade and Tourism appeared at the committee hearings in Ottawa that looked into this bill.

We remain of the view that that bill did some unfair things, particularly in its retroactive application to particular patents that denied us the opportunity of an expansion of some of our generic drug producers here in Manitoba.

**Mr. Doer:** Mr. Speaker, I agree with the Premier's analysis. I was wondering whether he had raised this with the Prime Minister at his March 2 meeting dealing with Manitoba-federal issues.

Mr. Speaker, the costs are projected to be over half a billion dollars to the health care system in Canada. These are not my words. These are the words of Lloyd Axworthy during the last federal election. The drug patent companies—and I think he is right; I think his numbers were correct—now are saying that the retroactive provisional loan will cost the health care system some \$2 billion.

I would like to know, given the fact that Manitoba was opposed to the changes before, we remain opposed to the changes now, did we raise this issue with the Prime Minister at his last visit with the Premier? Did we raise this with the lead federal minister for Manitoba, Mr. Axworthy, at any recent meetings we have had? What action are we taking now to reverse this law and get investment and good prices for our drugs here in Manitoba?

**Mr. Filmon:** Mr. Speaker, the member opposite may want to engage in cute gamesmanship. The

member opposite knows that the meeting with the Prime Minister was directed towards pressing issues of the infrastructure agreement, which has since been signed, of the Core Area renewal agreement, which is under discussion at the moment, issues that involve some hundreds of millions of dollars of investment in the province of Manitoba. The issue that he raises is indeed an issue that we will be pursuing.

I would say, Mr. Speaker, that we have remained consistent on this issue, that we do not support the kinds of legislation that were introduced and the negative effects that they have had, both on our Treasury in terms of the escalating costs of drugs in this province but also on the opportunity for some of our generic drug manufacturers to expand in this province.

**Mr. Doer:** During the committee hearings in November and December of 1992, all provinces opposed the imposition of Bill C-91 except Quebec at that point. We are now told, Mr. Speaker, that the federal government is very concerned about Quebec's position on this matter and wants to tiptoe this issue past the next provincial election in the province of Quebec.

Now, if it is going to cost us in health care costs and if it is going to cost us in terms of jobs in the other nine provinces, I would like to know what action the Premier will take, maybe at the western Premiers' meeting scheduled a month from now or at other forums, to raise the issue on behalf of the other nine provinces that want to change Bill C-91 now and not wait for some distant period of time after one provincial government's election in the province of Quebec.

**Mr. Filmon:** Mr. Speaker, I would assure the member opposite that our government will raise the issue with the Government of Canada, and we will raise it as quickly and as effectively as possible. We can begin, I think, with appealing directly to the federal government through our ministers involved with the process.

I think it would be appropriate if perhaps we got the support of the Liberal Party here in this

Legislature provincially to urge their federal colleagues to take some action on this issue.

\* (1345)

### **Provincial Judges Early Retirement Package**

**Mr. Gord Mackintosh (St. Johns):** Mr. Speaker, my question is to the First Minister.

In the face of historical backlogs in the Provincial Court that the government now has apparently spurred on by the resignation of eight Provincial Court judges with an attractive retirement package, it certainly baffles Manitobans as to the government's motive in doing this at this time. Particularly disturbing is that this deal was apparently done in secret without this Assembly's knowledge and approval as required by law.

My question to the First Minister, Mr. Speaker, is: Would he now table any legal opinion that the government has advising that it can conclude this retirement package without the approval and knowledge of this Assembly?

**Hon. Gary Filmon (Premier):** Mr. Speaker, the member opposite should know that matters of employment between employees of the government of Manitoba and the government of Manitoba are matters that can be dealt with by any administration in power.

If he doubts that, Mr. Speaker, I invite him to initiate a legal action and show his legal expertise.

**Mr. Mackintosh:** Mr. Speaker, as the First Minister should well know, The Provincial Court Act of Manitoba requires that this Assembly first approve any such packages that are offered to judges.

My question is: If the minister will not table a legal opinion, will he now table the retirement package and advise when the Judicial Compensation Committee last met?

**Mr. Filmon:** Mr. Speaker, I will take the latter part of that question as notice, but I repeat, if the member opposite feels so strongly about his legal position, let him initiate action, and we will be prepared to demonstrate that the government acts

within not only the letter of the act, but the spirit of the act.

**Mr. Mackintosh:** Mr. Speaker, this is not simply a matter of legal positioning; it is a matter of broad social interest and economic interest to Manitobans.

My final supplementary is: Would the First Minister confirm that there are eight judges now retiring, that they are to receive a one-year salary at a cost of almost \$1 million? In other words, the judges are being paid, Mr. Speaker, \$1 million not to deal with the backlog.

**Mr. Filmon:** Mr. Speaker, the member, if he is concerned about people accepting significant sums of money from the government, ought to talk with his member for Flin Flon (Mr. Storie) about the money that he is accepting from the government of Manitoba, from three different sources.

### **Workforce 2000 GWE Group Inc.**

**Mr. Paul Edwards (Leader of the Second Opposition):** Mr. Speaker, my question is for the Minister of Education and Training.

Last October, GWE Group Inc. was awarded a contract or was given a grant by the government of \$600,000, a forgivable loan, as part of their \$1.4-million facility that they are building in Brandon.

In addition to that, under the Workforce 2000 program, we have recently learned they were given at least another \$130,000—it may be more—for training.

Mr. Speaker, part of that money, \$42,000 of it, is going to a company from Tampa, Florida. The company is named Decision Strategies, and that company has been given this \$42,000 contract to train the trainers at this centre.

My question for the minister: What are the criteria under Workforce 2000 for giving monies to companies not only outside of this province but outside of this country to train people?

These are Manitoba taxpayers' dollars. What are the criteria for giving a contract like this of \$42,000 to a company from Tampa?

**Hon. Clayton Manness (Minister of Education and Training):** Mr. Speaker, I regrettably cannot answer that question specifically with respect to providing funds to organizations which provide training expertise which may be housed outside of our province.

But I point out to the member that indeed the Provincial Auditor has looked at these issues and has said as recently as the report that as of May '93, the program objectives are clearly defined in consistence with the program's mandate. Training activities are appropriately organized and controlled, performance criteria in place to monitor achievement of results, management decisions are timely and based upon relevant information, and accountability reporting—and I think this is the essence of the member's question—on financial activities undertaken and results achieved is provided.

Mr. Speaker, that is the outside, third-party endorsement of the principles around this program and the general criteria that are in place as having been judged by the Provincial Auditor.

I say to the member and indeed all Manitobans, who of course are interested in this program, that the highest independent court in the land, this being the Provincial Auditor, has looked at this program and certainly has given it endorsement.

\* (1350)

**Mr. Edwards:** Again for the minister—and I will look forward to the minister bringing forward the specific criteria as to giving Manitoba taxpayers' dollars to outside individuals, indeed outside of this country—can the minister indicate what criteria were applied to this specific contract, given that there was at least one other company with an office already located in Winnipeg, the Phone Power company, which is a division of Stentor?

Can the minister indicate with respect to this particular grant to this company, which ended up having \$42,000 leave the country, what the criteria applied for this training decision were and why the company already with an office in Winnipeg was not given the contract?

**Mr. Manness:** I can only again, at this time, and I will take the question as notice, indicate that the introduction of this company to Manitoba and the partnership between ACC and GWE allows for the development of an education infrastructure in telecommunications in Manitoba at Assiniboine Community College. This will result in an ongoing provincial training capability that will be instrumental in attracting other such businesses to Manitoba in the future.

What we attempted to do was put into place a synergy where that type of training could be provided at the community college that is located in Brandon.

So, through all of this and through gentle guidance and yet recognizing that criteria of the program had to be met, we were trying to establish within that training facility in Brandon that there would be an opportunity, in spite of the protestations from the member for Brandon East (Mr. Leonard Evans) who did not want to see this company—we sensed there was greater opportunity for the community of Brandon, but that would be, of course, aided if indeed there were training capabilities at ACC.

**Mr. Edwards:** The minister uses the words "gentle guidance" which is one thing, Mr. Speaker, but having significant amounts of taxpayers' dollars leave this province and go to a company in Florida is a serious concern, I think, for all Manitobans. I will look forward to receiving more specifics, as the minister indicates.

My final question for the minister: Given that the overall cost of establishing this operation is \$1.4 million, and with the Workforce 2000 money, the government is paying, in effect, in excess of 50 percent of that, does this represent the government's strategy which is essentially to look to outside investors to come in and essentially cover in excess of 50 percent of their start-up costs? Is that going to be the new policy of this government in the coming years as they try to attract business, to pay in excess of 50 percent of the start-up cost?

**Mr. Manness:** Mr. Speaker, the short answer to the question is no.

This initiative, again, is consistent with the government's focus on telecommunications as a priority sector for provincial economic growth and renewal.

Mr. Speaker, I do not have to tell the member opposite that the telemarketing industry in Canada is about to provide upwards of 200,000 to one million jobs by the end of this decade. The member has to decide for his party whether or not he believes Manitoba should have a place within this important sector.

Mr. Speaker, I say to him at this point in time, if we can support to some extent the training within this industry, and if the member chooses not to accept the thrust that we would like to see within this industry, then all he has to do is stand and say so.

This government is firmly committed to trying to carve out for itself, and indeed the people of this province, opportunities within this sector.

\* (1355)

### Bill 22 Health Care System

**Mr. Dave Chomiak (Kildonan):** Mr. Speaker, in the health care field, this government continues to act first and then, after they get into trouble, ask questions. They did this in home care. They have done it in Pharmacare. They have done it in home care equipment and supplies.

Mr. Speaker, my question is to the Premier (Mr. Filmon).

By superimposing Bill 22 on all facilities, rural health facilities, personal care homes, community clinics, they have imposed a very unfair burden on many institutions. I am wondering, in light of the letters we have received from Winnipegosis, from Grandview, from Gilbert Plains and from other agencies, will the government now withdraw its application of that bill—as it has, in a strait-jacket fashion on all facilities, that it is affecting patients—and rethink its policy in an area, for

example, of hospitals where they have already cut out \$58 million?

**Hon. Leonard Derkach (Acting Minister of Health):** Mr. Speaker, on behalf of the Minister of Health, I will take that question as notice.

### Bill 22 Health Care System

**Mr. Dave Chomiak (Kildonan):** Mr. Speaker, my supplementary is also to the Premier.

Will the Premier order his Minister of Health (Mr. McCrae) to ask the department to withdraw its March 28 letter that was directed to all facilities that said Bill 22 must be imposed, because even organizations like the Manitoba Health Organization are not certain what the application is, except they have maybe heard something from the Premier in an interview?

Will they immediately withdraw that letter and clarify the situation for all those hospitals?

**Hon. Gary Filmon (Premier):** Mr. Speaker, the Minister of Health is already on record that he will not allow any of the measures that are taken to impair patient care in the hospitals and personal care homes.

I further advise the member that the minister has a meeting scheduled with MHO later this week and that the whole issue is going to be resolved as a result of that meeting.

### Health Care System Layoffs

**Mr. Dave Chomiak (Kildonan):** Mr. Speaker, my final supplementary: Will the Premier now meet with the Minister of Health (Mr. McCrae) and can he advise this House that the last round of Connie Curran layoffs that we are awaiting from the Health Sciences Centre and St. Boniface, will they put those on hold?—because those layoffs are sitting on the desk of the minister.

Will the Premier today announce to this House that he will formally put those on hold?—because the system can no longer tolerate any more layoffs by this government.

**Hon. Gary Filmon (Premier):** Mr. Speaker, I just caution the member opposite not to try and create fear and anxiety in minds of people. Any of the changes and decisions that will be made in the hospitals will be made by the administration in consultation with their staff, their patient-care people and so on. The decisions that are made will be made only under the assurance that patient care will not be negatively impacted by any decisions that are made within the hospital scheme.

#### **Work and Social Opportunities Inc. Staffing**

**Mr. Doug Martindale (Burrows):** Mr. Speaker, last year serious allegations were made about very serious problems at Work and Social Opportunities Inc. At that time I wrote to the minister and asked her to investigate and make changes. The reply from the minister was that they had investigated and everything was okay.

Given that there are still very serious concerns on the part of parents and staff about inadequate levels of staffing, inadequate levels of funding, inadequate staff training and no training at all for persons in the sheltered workshop, what is this minister prepared to do to ensure that there is qualified staff hired, adequate funding to do so and training for staff and clients?

**Hon. Bonnie Mitchelson (Minister of Family Services):** Mr. Speaker, I thank my honourable friend for that question. It does provide me with the opportunity to put on the record that there are many people with mental disabilities throughout our province of Manitoba that are served very well through over 60-some agencies that provide work experience and work day-program opportunities for over 1,700 mentally handicapped Manitobans. Our commitment has been strong as a government and we will continue.

Through this year's budget process I have worked long and hard to ensure that there would be increased funding for those with mental disabilities so that we could provide more day programming and more opportunity for those with a mental disability.

Mr. Speaker, we have been working with WASO, with the board and with the staff as a result of the very serious allegation that came forward. As a result of our investigation, they will be hiring more staff to deal with the issues around safety and security.

\* (1400)

**Mr. Martindale:** Mr. Speaker, I appreciate the answer of the minister, but I think that the report we heard today is really just symptomatic and what we need is some stability in this organization since 50—what is the minister prepared to do to provide some stability to this organization since they have had a 50 percent turnover in staff in the last year?

**Mrs. Mitchelson:** Mr. Speaker, we do contract with agencies to provide services through my department on a regular basis. It is the board's responsibility to ensure that appropriate staffing levels are in place. We do not get involved in a board/staff issue. The area that we become involved in as government is in the area of safety and security for those clients that are served through the process.

When that issue was brought to our attention, we were extremely concerned that appropriate levels of staffing were in place to meet the needs of the clients that are served. As a result of our working with WASO, they have indicated to us that they will be hiring more staff to deal with the issue.

**Mr. Martindale:** Mr. Speaker, I would like to repeat the question to the minister, because obviously there needs to be much more accountability to the taxpayers of Manitoba.

What is this minister going to do to intervene to ensure that the board carries out its mandate and is accountable to the taxpayers for the large sums of money they get so that these problems do not recur?

**Mrs. Mitchelson:** Mr. Speaker, I take some exception to the comments from my honourable friend that we have no commitment or do not care about the mentally disabled in the province of Manitoba, because actions speak louder than words.

I have already indicated that there is a considerable increase, some \$4 million, in this year's budget in the Department of Family Services to deal with issues surrounding the mentally disabled and their ability to live in the community and to work in the community and to have day programming opportunities in the community.

I have already indicated that a board/staff issue has to be dealt with at the board level, and we do entrust community boards to make decisions around appropriate levels of care. When an issue of safety or security comes to our attention, as the Department of Family Services we make every effort to ensure that there is that safety and security in place. We have already accomplished that by making recommendations that the board has accepted to put more staff in place to ensure safety and security.

#### **Fishing Industry Restocking Program**

**Mr. Clif Evans (Interlake):** Mr. Speaker, the commercial fishing industry in Manitoba has been in some tough times over the past few years—lower prices, higher costs and in most areas decline in pickerel and sauger stock in our lakes. This has been due to poor natural reproduction, some low water levels in the past few years, poor spawning success and a limited supply of pickerel fry for restocking from this province.

My question to the Minister of Natural Resources is: Can this minister tell this House and Manitoba fishermen what action is his department taking to correct the situation, and does he have a plan to restore and maintain the fishing stock in our lakes?

**Hon. Albert Driedger (Minister of Natural Resources):** Mr. Speaker, I am pleased to answer that question. Everybody that is involved with commercial fishing, of course, realizes that the prices have been dramatically low, not in Manitoba, not in Canada, but on an international basis. As a result of that, it has created a lot of pressure on our commercial fishing people as well as the fact that the last number of years have not

been good years for catching fish. This is common knowledge.

I have had the occasion to meet with various groups of the commercial fishermen, and we are looking at developing the possibility together with communities to develop fish hatcheries. We are in the process of having those discussions right now and, hopefully, we can bring something forward together with the communities to address that concern.

**Mr. Clif Evans:** Mr. Speaker, the commercial fishermen of Fisher River, Waterhen and Lake St. Martin submitted such a program to this minister just 10 days ago.

Has this minister had a chance to look at the proposal? Will he support this proposal? What is his department going to do with this project?

**Mr. Driedger:** Mr. Speaker, I just answered the question to some degree saying that we are talking with the various commercial fishing groups, that one of the priorities that I like to establish is we will take and do a lot more of the fish raising, fish hatcheries, together with the communities.

The fact that an application was made 10 days ago and the member is asking me what kind of action are we taking, Mr. Speaker, we are talking about changing the whole concept of fish stocking and we are in the process of doing that.

#### **Northern Freight Assistance Program Reinstatement**

**Mr. Clif Evans (Interlake):** Mr. Speaker, my final supplementary to the minister: Will this minister re-establish funding to the Northern Freight subsidy? Since funds were cut in a previous budget that have caused financial stress to our northern fishermen, will he at least bring the subsidy back to the level it was before?

**Hon. Albert Driedger (Minister of Natural Resources):** Mr. Speaker, when my colleague the member for Emerson (Mr. Penner) was Minister of Natural Resources, I think the subsidy was in the area of \$300,000 to \$400,000. My immediate predecessor the member for Lakeside (Mr. Enns),

when he was minister, that gradually escalated up to \$500,000.

Two years ago, the decision was made to limit it at \$250,000, and that program is still in effect there to try and assist the northern people. It is prorated based on distance, and it is still there to assist some of the commercial fishermen.

### Literacy Programs Funding

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, my question is for the Minister of Education.

The cost of illiteracy to the province is very high and at one point in time we felt somewhat optimistic that the government was in fact going to address the issue of illiteracy and try to do something about it. The reason why I felt that was false expectations I guess more than anything else.

I want to quote from the government throne speech in 1991: "Our education system will aim at increased levels of literacy and other basic skills . . ." This is what this government said in the throne speech of 1991. At the same time, what did we see in the most recent budget?

My question is: How does the government demonstrate its commitment to increasing levels of literacy by cutting back on literacy programs and continuing education? That appears to be a bit of a conflict, Mr. Speaker?

**Hon. Clayton Manness (Minister of Education and Training):** Mr. Speaker, the question of literacy today is on the minds of most people involved in public policy. I can indicate to the member that the councils that have been put into place, literacy council that was put into place by this government and which fostered the development of many volunteer groups throughout our communities, has worked extremely well. It is a model that is being followed throughout Canada because, indeed, this literacy question is not a government reserve. Indeed, it is not only the opposition parties that are interested or any formal government group. It is a community issue.

In the province of Manitoba, we have had many fostering groups throughout our communities

which have taken the lead and who have reached out to those who would want to have higher levels of learning. Mr. Speaker, that model has worked extremely well in our province. It is on that basis that we are able, through the volunteer efforts of so many Manitobans, to do a much better job in outreaching.

As far as within the public school system, that is the essence of the whole education reform that we are embarked upon at this time.

### Access

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, the minister talks in terms of what it is that he feels that he is doing in order to facilitate more access to literacy.

I would ask the Minister of Education, can the minister tell us today that this government will ensure that more people will be able to gain access to literacy courses this year over last year? Will he make that commitment?

**Hon. Clayton Manness (Minister of Education and Training):** Mr. Speaker, in the sense that we have a stable level of funding for that, I can. I can also, though—the question probably should be directed more so to all Manitobans, those of us who have skills, and to the extent that we are prepared to share in a volunteer effort with those who do not, the answer is quite obviously, yes.

**Mr. Lamoureux:** I hope that the Minister of Education will be very receptive in terms of what it is that we will be proposing this afternoon.

**Mr. Speaker:** Question, please.

### Private Sector Involvement

**Mr. Kevin Lamoureux (Inkster):** Will this minister acknowledge that in order to increase literacy, we need to get the private sector and the local communities involved?

New Brunswick, in fact, has a model in which they have seen tremendous response, where we see approximately 2,900 people applying in one year. That is almost triple the size of the province of Manitoba, fairly close to it.

My question to the Minister of Education is: Will he make a commitment to adopting a model similar to what is being accepted in the province of New Brunswick in order to really do something—

**Mr. Speaker:** Order, please. The honourable member has put his question.

**Hon. Clayton Manness (Minister of Education and Training):** Mr. Speaker, New Brunswick does not have the lead in this issue. The province of Manitoba has the lead and the model.

The member's colleague was in attendance with us when we opened the Winkler educational centre and jobs finding centre. That is the model. Indeed, it was one of the few openings of an educational facility that I was at where there were more people from the private sector there than there were bureaucrats.

So the issue is, as the member says, the business community. But that is not provincial dollars, that is the community itself rallying to the support.

The model is here. The model is in Manitoba, and it is the one we will build upon.

\* (1410)

#### VIA Rail Railex Purchase

**Mr. Daryl Reid (Transcona):** On Friday, the Acting Minister of Transportation (Mr. Driedger) said that reports of an offer by U.S.-based Railex to purchase VIA Rail and lay off all its employees in western Canada were rumour.

Given that the federal government has now admitted that it has received an offer, can the Minister of Highways and Transportation tell the House today what action he has taken to protect VIA Rail jobs in Manitoba and the routes in Manitoba? If he has not taken any action, why not?

**Hon. Glen Findlay (Minister of Highways and Transportation):** Mr. Speaker, it is my understanding that Transport Canada has received offers in the past for services of this nature. I understand that they have received another offer. We will be communicating with the minister. We have a council of ministers meeting in July, and

this is one of many issues that will be on the table for discussion.

We have corresponded with the Minister of Transport's office, attempting to get a meeting on a variety of issues—clearly, this is another one of the issues on the list—and they will respond as they deem necessary, according to the offer in front of them.

**Mr. Reid:** Mr. Speaker, if we wait until July, it could be too late for the jobs and the services in Manitoba.

Mr. Speaker, Railex made an offer to buy VIA Rail over a month ago, and I would like to table press releases from Railex dated March 16 this year.

Railex believes that restructuring VIA Rail is imminent. Is this government considering subsidizing Railex for a Winnipeg-to-Calgary service, or any passenger services in Manitoba, since Railex has indicated that is one of their items of consideration?

**Mr. Findlay:** No.

**Mr. Reid:** Since Railex suggest in their proposal that certain communities will suffer full curtailment of passenger services, Mr. Speaker, is it the policy of this government to accept selling our vital northern passenger services?

**Mr. Findlay:** Mr. Speaker, the federal government held hearings on VIA Rail in Manitoba. I appeared there and made presentations that the services to those isolated communities must be maintained.

#### Manitoba Hazardous Waste Corporation Financing Agreement

**Ms. Marianne Cerilli (Radisson):** Mr. Speaker, my question is for the Minister of Environment.

At the announcement of the preliminary agreement between Industrial Ecology Incorporated and the Manitoba Hazardous Waste Management Corporation on March 24, the minister stated that the financing had been secured for the \$15 million to \$20 million private investment.

Can the minister confirm this today and tell the House what the deadline is for this agreement to become a final agreement? Did we meet the 30-day deadline, which would have been this past Sunday, April 24?

**Hon. Glen Cummings (Minister of Environment):** Mr. Speaker, we are expecting finalization next week.

**Ms. Cerilli:** Mr. Speaker, can the minister tell the House what has to happen to turn this preliminary agreement into a final agreement so that we can see the construction begin this summer that was committed at the announcement of the project?

**Mr. Cummings:** Mr. Speaker, the conditions of closure for the first part of this agreement is that we receive a \$250,000 deposit.

**Ms. Cerilli:** Mr. Speaker, can the minister tell us where the \$15 million to \$20 million invested from IEI is coming from?

**Mr. Cummings:** No, Mr. Speaker. We will wait for that confirmation when they put their deposit down.

#### **ACCESS Programs Funding Reinstatement**

**Mr. Steve Ashton (Thompson):** Mr. Speaker, there are continuing concerns over this government's cuts in terms of education, particularly in terms of New Careers and ACCESS. These cuts are already having an impact. It is impacting on the ability to recruit students, impacting on the ability of northern aboriginal students to relocate, and particularly Metis students.

My question for the Minister of Education is: When will the minister recognize that when he talks about equality, Mr. Speaker, not everybody has equal access to education in this province? That is why we had the ACCESS programs. When will he reinstate the 20 percent cut to ACCESS programs in the province of Manitoba?

**Hon. Clayton Manness (Minister of Education and Training):** Well, first of all, Mr. Speaker, a little history. Since we have been in government, we have accepted of flooding from the federal

government to the tune of, I believe, \$4 million a year within the ACCESS program, and we have acknowledged our responsibility with respect to providing opportunities for those who are disadvantaged in our community.

When we looked in greater depth into the program, what became obvious was that there were some students under this program who did have means beyond what many other students within our province did. Consequently, to put everybody onto a fairer level, particularly those who graduate from this and are almost guaranteed with certainty a job, we sensed that it would be fairer if there was a call upon those who were chosen to be part of this program to also borrow and have some indebtedness with respect to the first tier of Canada Student Loans.

**Mr. Ashton:** Mr. Speaker, when will the minister recognize that we are talking about people from remote northern communities, not Tuxedo? When will the minister recognize that he cannot talk about true equality without having the type of ACCESS funding that has been in place and that this government is now cutting?

**Mr. Manness:** Mr. Speaker, the member can try and make this a class struggle all he wants, but he is going to lose.

**An Honourable Member:** Class?

**Mr. Manness:** An economic class struggle. He will lose, Mr. Speaker, because the evaluations show that there were sizable numbers of people who had means, No. 1, and beyond that were guaranteed employment.

All we are saying, in being fair with all of the people who will try and access Canada Student Loans, certainly there should be some expectation that they might have a small part of student debt like indeed many, many Manitobans.

**Mr. Ashton:** Mr. Speaker, how can this minister talk about a class struggle? They have increased private school funding by 8 percent and cut ACCESS by 20 percent.

My final question is: When will this minister understand that the criteria for ACCESS are based on need and that he cannot talk about those

students having the means? Mr. Speaker, they do not. This government is strangling the ACCESS programs by funding cuts of 11 percent last year and 20 percent this year.

**Mr. Manness:** Mr. Speaker, the member is wrong. There will be no reduction in intakes. For those who do not have means, obviously the status quo will be in place. The reality is, there are those that do and they should be accessed and directed into the same student aid financial support that everybody else has. That is the fairer policy. That is what is in place. That is equity.

### Bill 22

#### Health Care System

**Ms. Avis Gray (Crescentwood):** Mr. Speaker, Bill 22 will continue to impact on patient care, particularly in the rural hospitals. We were told this morning that with the Morden and Winkler hospitals, because government home care workers have to take off Fridays, patients, rather than being discharged on a Friday, have to wait until a Monday or a Tuesday.

Can the Minister of Finance, who is responsible for Bill 22, tell this House today, what are the real costs of Bill 22, given that there are extra costs attached to this Bill 22, particularly in the case of hospitals and home care?

**Hon. Gary Filmon (Premier):** Mr. Speaker, the member opposite was obviously not listening to my response or to the responses of the Minister of Health (Mr. McCrae) when this issue was raised previously in the House.

First and foremost, we will not tolerate a situation in which there is a diminution of patient care in our institutions.

Secondly, the minister will be meeting later this week with MHO, which represents these various institutions, to seek a resolution to their concerns regarding this issue, but any resolution will not impair patient care in the hospital.

Obviously, we are not going to seek a solution that adds costs to the system.

**Mr. Speaker:** The time for Oral Questions has expired.

## ORDERS OF THE DAY

### BUDGET DEBATE (Fifth Day of Debate)

**Mr. Speaker:** On the proposed motion of the honourable Minister of Finance (Mr. Stefanson), that this House approve in general the budgetary policy of the government and the proposed motion of the honourable Leader of the Opposition (Mr. Doer) in amendment thereto and the proposed motion of the honourable Leader of the Second Opposition (Mr. Edwards) in further amendment thereto, standing in the name of the honourable Minister of Energy and Mines.

**Hon. Donald Orchard (Minister of Energy and Mines):** Mr. Speaker, this is a great day to be speaking on the seventh great budget that this government has presented to the people of Manitoba because April 26 was the first day of the election of this government—a proud day for Manitoba, Sir.

My honourable friends are anxious about the budget vote, and I am anxious to see them stand up and vote, but the budget is the most important document that is presented to a Legislature at any sitting. The budget presents our fiscal policy, it presents our taxation policy, it presents our funding levels to the various organizations and departments and, probably as important in today's environment, Sir, budgets signal to outside observers the general direction that a government is going to take. That general direction is observed, Sir, by financial markets, the business community and, more importantly, the investment community.

The Budget Debate in general, as I said earlier, is our most important debate because it gives time for opposition parties and individual members to lay out their concerns about the initiatives in the budget, to concur where they believe initiatives in the budget are appropriate and good for the Province of Manitoba and good for the people of Manitoba, but more importantly, it gives members of the opposition parties an opportunity to suggest alternative courses of action.

I must say that this Budget Debate is particularly important in that latter regard because this may

well be the last budget that is presented to the House prior to the next provincial election.

It is certainly incumbent upon the opposition parties to indicate to government what they would do differently. What they are against, we know, but it is incumbent that opposition parties tell us in this Budget Debate what they stand for in terms of taxation policy, fiscal policy, level of funding to different organizations, institutions, as well as to what they would do about the deficit.

Now, Mr. Speaker, I want to background my remarks by saying that no one in this House would disagree with the statement that the province of Manitoba, the nation of Canada, North America as a continent is facing a globalized economy. More and more, our economic activities are of relevance not just within the jurisdiction of Manitoba or the country of Canada, but they are very relevant in terms of a global market.

Canada has been a trading nation, and Manitoba as a province has been a trading province. We have created our wealth in terms of trading our resources to world markets, to North American markets particularly. When we sell and when we export from the province of Manitoba, we create wealth that is used to invest in the economy, is used to create jobs for the employment of our citizens and our youth. It is used to tax that creation of wealth so that we can provide for social programs and the amenities that we believe we have come to expect from government.

But, Mr. Speaker, government policy in terms of taxation and budget, taxation and our budgetary approaches, is very much an important factor in the cost of production of those goods that we wish to trade into a globalized market. All of us must recognize in this House, whether we are Liberals or whether we are New Democrats, that taxation levels affect the cost of production of all of the goods that we wish to trade into the world and globalized market, and that regulation does the same.

That is why this budget, Sir, is terribly important because, once again, we have a number of initiatives which are very, very important to the

taxation levels of our major businesses, designed specifically to lower their costs of production, to make their goods more tradeable and more competitive in a global market. Why do we do that, Sir? We do that because without that kind of competitive taxation environment, our industries, our businesses cannot sell their goods into a very competitive global market.

So, again, we are sending a clear and unequivocal signal to those observers in the investment community that Manitoba understands their needs in terms of the global market and their ability to participate in it and to compete in it from a production base in Manitoba. We understand, Sir, as no other party in opposition understands, that businesses must earn a profit. If businesses do not earn a profit, they will not be there creating the jobs and the investment in the future of this province.

Now, as for my honourable friends in the New Democrats and the Liberals, I have never heard once in the time that I have been here since April 26 in any of the sessions, any of the members opposite acknowledge that profit is a very important component of the business environment. It is simply not in their vocabulary.

#### Point of Order

**Ms. Becky Barrett (Wellington):** Mr. Speaker, on a point of order, if the minister responsible for whatever it is—

**Mr. Speaker:** Energy and Mines.

**Ms. Barrett:**—the minister is responsible for now would take a look at at least my speech on the Speech from the Throne, he would realize I did in fact say that businesses had a legitimate role to play—

**Mr. Speaker:** Order, please. The honourable member does not have a point of order. That is clearly a dispute over the facts.

\* \* \*

**Mr. Orchard:** Mr. Speaker, I appreciate my honourable friend's immaculate conversion, but then that begs the question, why is she voting against a budget which allows companies to profit

in Manitoba? It again follows that my honourable friends the New Democrats and the Liberals are rather inconsistent in what they say and what they do.

Important to that business community is a consistent climate where government does not do about-faces, sharp turns in policy, abrupt changes in taxation, abrupt changes in approach. That is the importance of this seventh consecutive budget in which we have not raised, in fact we have lowered, a number of taxes that affect our business community. I will deal with them later.

The important question I think, Sir, at this juncture is to ask ourselves as MLAs in this House, is the signal that Manitoba is a good place to invest, to create wealth, to employ Manitobans and to sell products into the global market, is that message and that signal to the outside investment community a good signal or a bad signal?

I think it is fair to say that without exception everyone in the investment community, in the financial advisory community, in the business community, even in the labour and academic communities acknowledge that we are leading Canada in terms of ability to understand the necessary ingredients of a growing economy, and they say that our record of budgeting in the Province of Manitoba is the best in Canada. That is said not by us as members of the current governing party, but that is said by financial houses in Canada and in the United States. That is said by financial editorial writers like Diane Francis and others. That is somewhat confounding to my honourable friends in the opposition, but without exception they endorse the goals that we are attempting to do through seven consecutive budgets.

Who supports this approach? Well, it is kind of interesting to look across the House. This is where my Liberal friends—and I know they will read my urgings in Hansard. My honourable friends the Liberals have voted against every single budget in the Province of Manitoba since we came to power, every single budget, and they have announced their intention to vote against this budget.

Mr. Speaker, my honourable friends the New Democrats have a somewhat different record in voting for budgets. There have been times when they have supported our budgetary measures, to their credit. When they have supported our budgets in 1988 and 1989, guess what happened? They went from the dirty dozen to the current 21, proof positive that if you support good policies the people of Manitoba will support you.

\* (1430)

The Liberals, in opposing every one of our budgets in '88 and '89, went from 22 seats down to the current seven. I urge my honourable friends, just with that one piece of logic to vote for this budget. It would be good for you to do that.

Mr. Speaker, a checkered record from the NDP, a consistent record of being against every budgetary measure in the Liberal Party of Manitoba, and then of course our public sector unions without equivocation have always opposed our budgetary measures. They are opposing these current ones with a new flurry of ads from the nurses' union and from other public sector unions in anticipation of an election at some point in time.

Now, Mr. Speaker, when we have the Liberals voting against every single budget that this government has brought to the Legislature, which has lowered taxes, which has lowered the deficit, which has created a business environment and an investment environment that is good for the creation of wealth and investment in jobs, we must conclude that when the Liberals vote against those, they would, should they govern, spend more. They would tax more, they would borrow more, and they would drive away our competitive advantage in the province of Manitoba.

To give one brief example of that, Sir, since we have been in office six years now—we have enjoyed six months of federal Liberal government. What have we got with six months into their mandate? We have a dollar that has dropped three cents. We have interest rates that have gone up two percentage points. Now, I wonder how many home buyers and people borrowing to sustain their businesses are thanking Mr. Chretien and Mr.

Martin for their wonderful economic policies that they are now governing this great country of ours with.

(Mrs. Louise Dacquay, Deputy Speaker, in the Chair)

So I say to my honourable friends the Liberals, we do not know exactly what Liberals in Manitoba stand for, because they sort of are on all sides of the issues, and depending on what time of the day or day of the week, you may or may not get a consistent position from Liberals. But one thing we do know is what provincial Liberal governments do in Newfoundland, Prince Edward Island, New Brunswick, Nova Scotia and the Province of Quebec. They reduce spending. They increase taxes. They increase deficits. They take pay increases away from civil servants. They take pay increases away from teachers, nurses, doctors. We know that Liberals in provincial governments do those sorts of things. We do not know whether a Liberal administration, Heaven forbid, in the Province of Manitoba would emulate that, because they have never consistently laid out a position.

Madam Deputy Speaker, my honourable friends the New Democrats say, what about Tories? I openly admit that we have approached the government and budgeting from the expenditure side, not the taxation and borrowing side. I openly admit that. We are emulated in that goal by provincial Liberal governments and provincial New Democratic Party governments.

Now I want to deal just briefly with my honourable friend the member for Elmwood (Mr. Maloway), my dear friend the member for Elmwood. My friend the member for Elmwood periodically cautions that we have not done a very good job of controlling the deficit. Madam Deputy Speaker, I will acknowledge that the deficit is higher today than I would like it to be, and, to every member on our side of the House, the deficit is higher today than we would like it to be. But let us consider the genesis of that deficit and let us understand what is driving the deficit in the Province of Manitoba today.

I offer to my honourable friend the member for Elmwood, in 1981-82, if he goes to the consolidated accounts of the Province of Manitoba, he will find the annual interest payment that we paid after 110 years of government was \$79 million. When we came into government in 1987-88, when we came into government six years ago, do you know what the debt had grown to under Howard Pawley and the NDP? It was \$552 million per year.

**An Honourable Member:** Interest.

**Mr. Orchard:** That was interest alone, but it was interest that was cleverly hidden by the New Democrats because in 1987-88, of course, we paid \$62 million in rental to Manitoba Properties Inc. to whom the NDP sold our public buildings and then rented them back to hide their borrowing requirements of almost \$600 million.

Madam Deputy Speaker, today the interest bill in this budget that we are asking concurrence on has grown to \$567 million. That is \$15 million more than the last year the NDP governed in Manitoba, \$15 million more. The point I make is every single dollar of increased debt load in the Province of Manitoba since we have come into government is interest on Howard Pawley's debt. Only that and nothing more, to the tune of \$473 million in seven consecutive budgets of additional interest costs of Howard Pawley and the NDP.

The interesting thing is—I want to draw to my honourable friends that I am going to table these two pages from the Estimates book. In the fiscal year ending 1989, it was estimated that we would pay just about \$62 million of rent to Manitoba Properties Inc. in that ill-fated scheme to sell our public assets to private corporations, to private investors to hide our deficit and our debt. Today that same rental is now \$34 million. Why is that? It is because this government under Premier Filmon and the Progressive Conservatives have bought back our buildings that the NDP sold. I table these for honourable friends.

Madam Deputy Speaker, let us deal with a couple of other issues while we are at it. Let us deal with some of the statements made by the Liberal

Leader in his address to this budget. My honourable friend the Liberal Leader, when in doubt about what to do with this budget, I think it is fair to say that he fudges and, indeed, my honourable friend the Liberal Leader even stretched the truth slightly.

My honourable friend the member for St. James (Mr. Edwards) said on page 527 of Hansard—this is what he said about the Canadian Federation of Independent Business, Mr. Botting, Mr. Edwards, and I will quote, said: “They say”—they being the Canadian Federation of Independent Business—“they say tax cuts across the board for everybody is fair. Of course they want less taxes. They say no to sectoral tax cuts, to saying this particular industry, that particular industry, this small group of companies, that small individual company, they say no to individual grants and tax cuts, and they have said that every year.” That is what the Liberal Leader said about the Canadian Federation of Independent Business.

Let me quote from the Winnipeg Sun. Dale Botting, executive director of the Canadian Federation of Independent Business said: I guess you could call this a birthday cake budget. We are celebrating those things which help small business.

He furthermore goes on to say—this is Mr. Botting—there are a lot of things that are not big-ticket items: phasing out the sales tax on electricity in mining and manufacturing, reducing the railway fuel tax and continuing to cut the small business corporation income tax which will help stimulate small business, said Botting. Home builders and renovators will also be happy because of rebates and grants to homeowners and first-time buyers.

I would suggest that the Liberal Leader did not exactly tell the House honestly what Dale Botting and the Canadian Federation of Independent Business thought of this budget. And I understand that because the Liberals do not know how to handle this budget and to be consistent in their approach. They want to hide from the real issues. They want to duck what they would stand for and what they believe in, because I do not think they know for certain what they believe in yet.

The Liberal Leader goes on to say in his remarks that we need a regional capital formation, that we need to have this Lloyd Axworthy idea of a western capital market as one of the original ideas.

Now I asked the Liberal Leader in the course of his remarks, well, if you want local capital empowerment, then how do you like Grow Bonds that you voted against? Well, he said he kind of liked Grow Bonds which help small business form capital.

I asked him, how did you like HydroBonds and Builder Bonds? He said, well, I kind of like those even though we voted against them. Then I asked him later on, well, how do you like the Vision Fund which provides entrepreneurial risk capital to new ventures? Well, he had not thought about that one.

\* (1440)

I asked him, how do you like the Crocus Fund which allows employees to invest in their future? Well, he had not really thought about that.

Madam Deputy Speaker, I use that because the Liberal Leader says, we need to have capital market formation. I name you five programs brought in by this government, all helping business to formulate capital, to borrow money to invest in the future of Manitoba. Where has the Liberal Leader been?

He goes on to say that we need to learn a lesson. This is what the member for St. James (Mr. Edwards) says. He says, and I quote the member for St. James: Let us learn the lesson of retention of our own investment capital in people that Quebec learned 10 years ago. They have successfully done that.

This is the Liberal Leader who is supporting the Quebec policy of their auto insurance company with no-fault insurance putting significant capital for reinvestment in the Quebec economy. The Liberal Leader is a lawyer voting against no-fault insurance for the people of Manitoba.

This individual does not have any consistency, Madam Deputy Speaker, because when you do not know where you are going, any road will do. [interjection] That is the problem with my

honourable friends, the windsock Liberals, and I want to thank my honourable friend for Niakwa (Mr. Reimer).

Madam Deputy Speaker, let us talk about the member for Flin Flon (Mr. Storie). I have to be fair in this debate. I cannot just pick on the Liberals.

My honourable friend the member for Flin Flon, and bear in mind he represents a constituency that has Hudson Bay Mining and Smelting, that has Granduc mining gold in Lynn Lake. It has High River Gold, the TVX Gold joint venture to produce gold in Snow Lake. He says, and I will quote the member for Flin Flon: We will take the mining tax breaks, for example. They have some superficial appeal, but the bottom line is, and I would invite the member for Portage (Mr. Pallister) to check out the facts, 1994-95, what is the net impact on the revenue of the provincial government of the tax changes in mining? He does not know. The answer is zero. It is a gimmick. It is a joke, like the budget. I rest my case.

The member for Flin Flon, representing a mining community, says our mining tax breaks are a joke. Madam Deputy Speaker, I want to point to the Winnipeg Free Press, Friday, April 22, a Mr. Dale Powell, who is vice-president of Hudson Bay Mining and Smelting in Flin Flon. He says that because the Filmon government delivered plums instead of bombs as far as the provincial mining industry is concerned, his worrying about the provincial budget was all for naught.

Plums and not bombs, says the vice-president of Hudson Bay Mining and Smelting, and he goes on further to say, Mr. Powell says: Hudson Bay Mining and Smelting has had several expansion projects under consideration for some time, but has not undertaken anything yet because of the costs involved. This is what Mr. Powell, Hudson Bay Mining and Smelting says.

He goes on to say: "But he said that on a \$50-million capital works project, the tax deduction under this new provision would be \$3.5 million."

That is the 7 percent capital investment tax on new mining projects.

Quote from Mr. Powell, "When you've got those kinds of things coming into play, these projects start to look very interesting," Powell said. "If it was dicey before, it may not be so dicey anymore."

Madam Deputy Speaker, the member for Flin Flon (Mr. Storie) says these mining tax initiatives are not good for his constituency, his people and his community, but people who invest in it, who work in the industry, say they are. Who represents Flin Flon, the current MLA, who ought to leave because he does not understand his constituency, or members of Hudson Bay Mining and Smelting? I suggest members of Hudson Bay Mining and Smelting.

I want to get down to some specifics in this budget. Everybody in this House will agree that jobs and the creation of jobs is the No. 1 issue. I do not think anyone will disagree. We all agree, maybe for different reasons.

I agree jobs are the important initiative because I want our youth to have an opportunity in this province. I want them to be able to create wealth that will make this province a better place to be, and all of us agree, I think, that small business is one of the best vehicles to create that new investment, that new wealth, those new jobs.

Owners of small business are probably people who make less than \$60,000 or thereabouts in terms of their annual income. I want to refer my honourable friend to a provincial income tax comparison which has shown how those small-business owners with the benefits of our budget since 1987, if they are a family of four, with a \$40,000 income, pay \$413 less income tax because of our budgetary measures. If they are a family of four, with \$60,000 income, they pay \$376 less provincial income tax. Now, of course, the Liberal Party has voted against that every time. They do not want those small-business owners to have those kinds of personal benefits so they make the choices as to how they spend their hard-earned dollars.

But, Madam Deputy Speaker, this goes even further. Let us talk about this budget and the

specifics for the small-business community. There are a number of measures. First of all, small business corporate capital tax rate will decline as a result of this budget from 10 percent to 9.5 percent this year, and to 9 percent in 1995, a reduction in the corporate small business tax rate. My honourable friends the Liberals will vote against that. The corporation capital tax exemption is expanded from \$1 million of capitalization to \$2 million of capitalization, tax relief for the small business community.

Madam Deputy Speaker, Business Start program is extended for one more year, helpful again to the small business community. Manufacturing investment tax credit is extended, helpful to small business community. Sales tax relief on electricity used in manufacturing, a benefit to our small manufacturing community.

Now, these measures are built on top of relief of the payroll tax that we brought in place through a number of budgets, our Grow Bonds and all of our other instruments for small business to formulate capital to make investments. My honourable friends in the Liberal Party and my honourable friends in the New Democratic Party consistently vote against those measures.

So, Madam Deputy Speaker, when they say they believe in jobs, why would they want to vote against measures which will help the small-business community create those jobs?

I want to deal with four members from the New Democratic Party: the member for Flin Flon (Mr. Storie), the member for Thompson (Mr. Ashton), the member for The Pas (Mr. Lathlin) and the member for Rupertsland (Mr. Robinson). Those four MLAs have in their constituencies the wealth creators of Hudson Bay Mining and Smelting, Grandduc mining, High River Gold, Inco in Thompson.

In the constituency of The Pas, we have the potential of significant mining investment at Cross Lake in the titanium vanadium deposit. We have Falconbridge exploring a major discovery of nickel. In Rupertsland, we have Rea Gold refurbishing, recommissioning, the old San

Antonio Gold Mine. The member for Rupertsland wanted that mine to go ahead. He is interested in mining according to the letter he wrote me shortly after his election last fall.

Yet the member for Rupertsland is going to stand up and vote against a budget which helps that mining industry employ his constituents. How can my honourable friend the member for Rupertsland in his new role in this house, stand up and vote against jobs in his constituency? I can understand the Liberals voting against mining incentives. I can understand that, because they have no hope of ever holding a constituency in which there is mining taking place.

For the members of the New Democratic Party to vote against sales tax relief on electricity used in mining and smelting, to vote against the new tax credit of 7 percent on new investment in mining, new mines and new mining process, to vote against, as the New Democrats are going to do, the doubling of the processing allowance from 10 to 20 percent of new processing equipment used in the mining industry, to vote against the reduction of the special tax in The Mining Tax Act from 1.5 percent to 0.5 percent, how can my honourable friends the New Democrats vote against these when they employ their constituents?

I guess what even further boggles my mind is, those are unionized jobs. Those are hard-working union members in Flin Flon, in Thompson and in other communities that supposedly are represented by the New Democrats in this House. Their jobs are going to be made more secure, and more of them, with this government and our mining policies, and New Democrats are going to vote against those measures. Some representation that my honourable friends the New Democrats are doing for their constituents, voting against this budget.

\* (1450)

The member for Selkirk (Mr. Dewar) has as a major employer in his constituency, Selkirk Rolling Mills. They are going to benefit significantly from the sales tax relief on the electricity they use. He will stand in his place and

vote against those steel worker jobs in Selkirk. Who is he representing? He is representing the ideologues in the New Democratic Party, because common sense would tell you that the member for Selkirk would use his ability to think and vote for his constituency and vote for jobs at the Selkirk Rolling Mills.

Well, he kind of waves his hand saying I am not sure. I know how he is going to vote. He is going to vote with the herd. He is going to vote against that benefit for his constituents.

The member for Brandon East (Mr. Leonard Evans), well, we know that he does not like jobs. He has been against GWE jobs since they were announced. He is going to vote against sales tax relief on electricity used at Simplot chemical. He is going to vote against the sales tax relief for electricity in Canadian OXY, a major employer in his constituency. He is going to vote against that same sales tax relief for Ayerst Organics.

I want to tell my honourable friend from Brandon East to read the Winnipeg Sun, Thursday, April 21. Jim Schultz is chair of the Manitoba Industrial Power Users Group. Mr. Schultz is the plant manager for Canadian OXY in Brandon. He describes this budget initiative of relieving sales tax on electricity used in his plant and by similar industries that he represents in Canada; he is tickled pink by those initiatives, rather excited, rather supporting.

Guess what the member for Brandon East is going to do to those employees at Canadian OXY, those employees at Simplot, those employees at Ayerst Organics, those employees at GWE. He is going to vote against budgetary tax measures to save their jobs and to add more jobs in this community. I say that is shameful.

Madam Deputy Speaker, let us deal with the member for Transcona (Mr. Reid). The member for Transcona is the railroader in the House. We used to have the member for The Pas as our railroader, but now our resident railroader is the member for Transcona. He supports the rail industry. He is going to stand up in this budget and vote against reduction of the railway diesel tax

payable to the province. He is going to vote against jobs in the railroad industry.

What is even more confounding to me is that the rail industry is very important to support the grain farmers in the member for Dauphin's (Mr. Plohman) area. It is very important to, for instance, Hudson Bay Mining and Smelting because they rail concentrate down to Flin Flon, and a reduction in the cost of operating in the railways through a reduction in railway fuel tax, paid to the Province of Manitoba, is going to significantly help keep them competitive.

But the member for Transcona (Mr. Reid), he is going to vote against the union jobs in the railway shops of Transcona. He is going to vote against those jobs as represented by tax relief to diesel fuel.

Now my honourable friends, both the Liberals and the New Democrats, are going to vote against jobs in the construction industry because they have all stood up and said, we do not want first-time home buyers in Manitoba to have up to \$2,500 of sales tax relief on the purchase of their first home.

My honourable friends the New Democrats probably want to go into those tenement houses like the British government just sold. They do not want people to own anything. They do not want first-time homeowners to buy their first home because they are voting against that measure in the budget. They are also voting against achieving up to \$1,000 of support for major structural changes in their homes through the construction industry, through the second program brought in this budget.

Now, Madam Deputy Speaker, I find that baffling. New Democrats and Liberals used to support young families trying to buy their first homes, but they are going to vote against the measure that is going to help them do that in this budget. That is bad enough, but what is even more confounding is, how could they vote against the jobs in the construction industry? And how can they vote against that program because, if you think about it and you do your macro-economic modelling, you will find that stimulation of the

construction industry does more for the Manitoba economy than most other forms of stimulation because more people are involved in supply, in jobs.

It is a good industry to stimulate. My honourable friends the Liberals are going to vote against that industry and vote against young families buying their first home. I cannot believe that.

Now, what is the alternative? I will be fair. Madam Deputy Speaker, I am going to be absolutely fair to the member for St. James (Mr. Edwards), the Liberal Leader. He did offer a suggestion. He said that we should eliminate the sales tax for a period of time, and that would stimulate buying.

Do you know, he is right? That would stimulate buying. It would stimulate people to buy cars quite likely, stimulate them to buy major appliances, possibly electronic stereos, VCRs, et cetera. And think of the number of jobs that would be created in Manitoba manufacturing those cars, those fridges and stoves and those stereos. Of course I jest, because we do not manufacture any of those in Manitoba. [interjection]

The member for Inkster (Mr. Lamoureux) said, why did we do it? Because we thought it was a good thing to do when we did it in 1978.

If we had to do it over again, we would do exactly what we are doing today, providing tax relief to first-time home buyers to focus your sales tax relief on the greatest job creation in the province of Manitoba, not some silly giveaway that you suggested without too much thought.

Does that answer my honourable friend the member for Inkster's question? The idea as advanced by your Leader will not work. It will not provide the kind of employment stimulus that all of us want to see, but you are going to vote against a measure that will. I find that, Madam Deputy Speaker, quite shameful.

Madam Deputy Speaker, where does this lead us all to? I mean, we know that members opposite are going to vote against new investment in the mining industry, development of new mines in Manitoba and the jobs that are associated with them. We

know they are going to vote against those. We know that New Democrats and Liberals are going to vote against increased production at Canadian OXY in Brandon and the wealth that stems and flows from that, increased production at Selkirk Rolling Mills, expansion opportunities with Dow-Corning, for instance, at Selkirk. The member for Selkirk (Mr. Dewar) is going to vote against that. We know that all members in the opposition party are going to vote against first-time couples buying their first new home. We know they are going to vote against that. We know they are going to vote against \$5,000 worth of renovations, major structural renovations to homes across the length and breadth of Manitoba employing workmen, carpenters, Manitoba industries supplying those construction industries. We know they are going to vote against that.

What we do think from time to time is that maybe our honourable friends from the New Democratic Party and the Liberal Party might tell us what they stand for. You know, it is almost as if they do not stand for anything because we do not know of a single alternative that they have offered that works. Madam Deputy Speaker, I have been more attentive than most in trying to hear these alternatives and these new suggestions. I listened for five and a half years as Minister of Health and heard none.

I have to conclude after listening intently to speakers on both sides of the House in both opposition parties, and I regret to have to say this, but my honourable friends in opposition engage in duplicity. I regret to say that. My honourable friends in opposition, they say they want jobs and then they will vote against measures in this budget to create jobs. My honourable friends in opposition complain about deficit, but yet every question in Question Period they want more spending. My honourable friends say they represent Manitobans, and they bring every vested-interest narrow group issue to this House. They demand vision from government, yet they wear blinders. My honourable friends, they cry tax breaks to small business yet say they are their friends. My honourable friends claim to have ideas but fail to

produce them. My honourable friends claim compassion for the disadvantaged but would founder the only system of support for those disadvantaged, namely the private sector.

I want to caution my honourable friends that no longer can today's compassion be tomorrow's taxes. We have for 20 years mortgaged the future of our children. This we must stop, and regrettably, I must conclude that both opposition parties are living in the past and they are afraid of the future. They demonstrate this by voting against a progressive budget for the people of Manitoba, for the creation of wealth, for new jobs, for investment, for stability, for a future for our children. They have voted against such budgets for the seventh year in a row. Madam Deputy Speaker, all I can say is shame. Thank you.

\* (1500)

**Mr. Conrad Santos (Broadway):** Madam Deputy Speaker, there was a couple who visited an exotic restaurant. The husband was looking at the menu and asked the wife, what is this escargot, my dear? Well, that is the slow-moving snail, said the wife. Oh, I will not recognize that, said the husband, I always eat fast food.

As slow as the snails, our economy in Canada is slowly recovering from the deepest recession we have ever gone through, the longest one so far within my knowledge. We are coming out of it slowly, but we still have lots of problems. Our economic development is very negligible compared to the rate of economic growth in Asia and particularly in China where economic growth can be as high as 10 percent—15. In general, in southeast Asia the rate of economic growth now is 7.5 percent. According to a survey of the United Nations, globally, the rest of the world, including the industrialized nations, have an economic growth only of 1.8.

**An Honourable Member:** Why the difference? Explain to me the difference, Conrad.

**Mr. Santos:** Because we have saturated our potential as part of the industrialized world.

We have still high-rising unemployment in this country. It is very critical to many of the young

families that the members have been talking about that should acquire a home. How can you acquire a home if you are unemployed and laid off? How can you undertake home renovations if the minimum amount that you have to spend is \$5,000 before you can get a grant of \$1,000? You do not even have that money. You cannot participate in a program that is directed to a segment of the population that is relatively wealthy and affluent. It is simple logic. Their program is directed to the privileged and wealthy class in our society.

The thing that bothered me the most when I look at the statistics is the mounting national debt in this country. This is mentioned by the honourable member for Pembina (Mr. Orchard), but he failed to cite what the figures are. The total debt in Canada is approximately \$700 billion. Madam Deputy Speaker, I cannot imagine a billion. A billion is how much? Is it a thousand million? That is just one billion. It is \$700 billion, and how much of that is owed by Canada from outside of the country? It is about 40 percent of that amount. What does it mean when we owe somebody else other than our own citizens? It means that the interest payment to those outside creditors leaves the country. What is the interest payment that we are paying to this outside creditor every year on a national accumulated debt of \$700 billion? It is approximately \$25 billion. I cannot figure out how big those amounts are.

How much of this debt is provincial? It is approximately \$200 billion, out of which Manitoba owes as a national provincial debt, \$14 billion, 25 percent of which is owed also to outside creditors. Manitoba's latest addition to this accumulated provincial debt is the deficit of \$460 million in the fiscal year 1993-1994 contributed by the present government.

What is the political significance of a mounting national debt? What does it mean other than paying a huge amount of interest charges on those debts? If our creditors are outside the country, they can tremendously influence our internal priorities. These creditors will dictate how we shall do things, because power resides now in the creditor, and therefore the debtors will have to do what the

creditor bids them to do. That is the political significance of having debts, particularly if a significant portion of that debt is owed to outsiders.

So, Madam Deputy Speaker, with all these tremendous problems in our midst, not to mention the escalating violence in our society, the lack of discipline in our youth, the inequalities in educational opportunities, notwithstanding all of this, what are we to suggest that the government should be doing? I would like to elaborate on at least three basic propositions.

First, in the budgetary process, a good government—and if this government wants to be called a good government, they must do this—must consider human needs first before human wants; second, the government must apply justice and equity and mercy in promoting the interests, not of the selected privileged few, nor the boisterous many, but the interests of everyone equally. The third proposition is that the government must promote mutual concern and beneficial co-operation, not cutthroat competition, as a basis for human interaction in a just and morally directed society.

\* (1510)

Let me go to the first proposition, Madam Deputy Speaker. How does a government perform its role in the economy of any society including our own through the budgetary process? What do we mean by the economy of the society? The economy of any society is simply the sum total of all the human activities in making choices about scarce human resources like managerial talents and skills and knowledge and labour, as well as the capital productive resources like land, machinery, mines, to produce commodities like wheat and beets and sugar and corn, or manufactured goods like cars which are nonconsumable or manufactured consumables like pizzas, as well as services like haircuts, by efficient ways, distributing such services and commodities equally among the citizens.

The means of production, the output of the economy, the manufactured goods and services are

then exchanged among all the participants in the economic system through the use of money or equivalent, like credit cards or electronic transfer of funds, in order to obtain maximum satisfaction and utility, in order to satisfy human needs and wants in our society.

But my first proposition, Madam Deputy Speaker, is that the human needs should take precedence over human wants, that the government should first look after the basic needs of people before they look after the ones who are motivated by man's natural tendency for accumulating things they really do not need.

On the production side, economists will look at the problem in our society since our productive human capital as well as natural capital means of production are by definition limited and because choices have to be made as to which commodities or goods or services the society may want to produce and forego other kinds of goods and services.

They usually depict this through the use of what they call the production possibilities curve. It is the economists' way of portraying and describing to us how they make choices in the production of goods, commodities and services.

The production possibilities curve is simply a vertical scale with a range of values or quantities of some typical capital goods on that side of the scale and a horizontal scale with a range of values or quantities of consumable goods. Then they will draw a line between the two scales which they call the frontier of possible production. Anything within the capacity of society as justified by the resources it has in its possession will be within the possibilities curve and those outside will be outside and unachievable.

**An Honourable Member:** How does that interface with demand?

**Mr. Santos:** I am describing the possibility curve, not the scale of supply and demand.

Also, on the consumption side, society will determine how much of these resources they will consume today and how much of this they will

leave for tomorrow, for the future, for next year. This is still part of the budgeting process.

**An Honourable Member:** How do we decide how much?

**Mr. Santos:** How is this decided? According to the best priorities they set up for themselves, the decision makers, the long-range priorities of the government in the case of the public budget.

Since budgeting is basically a choice of alternative ways of producing and alternative ways of distributing public and private benefits as well as advantages and also allocating burdens and disadvantages, it follows that the government as the decision maker in public budgetary process must know what revenue or money is coming in, what revenue or money is going out and what kind of program priorities they will have to put on all the things that they want to do. They shall order this scale of activities like a good steward and guardian of the public interest for the present as well as the future well-being of its being.

The Douglas government, when it started the CCF government in Saskatchewan, never incurred any deficit. They always balanced their budget. That is a good example for any government to follow.

The first proposition I put forward, Madam Deputy Speaker, is that the government as the chief decision maker in the budgetary process must first consider human needs before human wants. Why? How do I distinguish between the two? What do we mean by human needs as distinguished from human wants? Human needs are the things that are necessary in life. What are the things that are necessary in life? They are called necessities. That is why they are called necessities—necessary, hence the derivative word “necessities”—bread for example. Wants, those are convenient, good, satisfying, but you can get by without them, because they are simply additions to your basic needs. While your needs are determinable in terms of a particular culture, in terms of your physical requirements, wants are unlimited. There is no limit to what one can want or desire, virtually unlimited. That is why they go

beyond control. Some people are so wanting —[interjection]

The economists would say that the demand for necessities would be inelastic. That is economic terminology. What do we mean by inelastic? Inelastic means that if there is a change in the price, the outcome will be a change in the total revenue in the same direction as the change in the price. So if you increase the price, you increase total revenue. If you decrease the price, you decrease total revenue. That is what it means by having an inelastic demand or inelastic relationship. Why is that? Because the quantity demanded changes by a smaller percentage compared to the change in the price.

The wants that we have in life are beyond what we really need. They are simply for personal convenience or maybe for achieving some status in any kind of particular culture. People want sirloin steaks, for example. That is a status symbol. It sure is good, but it is expensive, and you do not really need it. Besides, it has some disadvantages.

If we are deprived of our needs, we risk our health, and we risk our life ultimately. If we are deprived of our wants, we feel unhappy, but it does not threaten our physical health, nor does it risk our loss of life.

\* (1520)

Demand for luxuries are described by economists as elastic. Again, we have to understand what they are talking about. It means that a change in the price will result in a change in total revenue in a direction opposite to the change in the price, which is the opposite direction. If the price is decreased, the total revenue will increase. Why is that?

**An Honourable Member:** Because they sell more.

**Mr. Santos:** That is right, because if the lesser price per unit is sold, a greater amount will be demanded, more units will be sold, and ultimately you will increase your total profit.

Even humans needs are many different kinds and many different kinds of levels. I talk about basic economic needs like food and shelter and

health care. Yet we still as human beings at the individual level also have some other needs.

**An Honourable Member:** Just like man cannot live by bread alone?

**Mr. Santos:** The basic needs. That is right. Man does not live, and by man I mean men and women, human beings, they do not live by bread alone. We also have some social needs as human beings, the ego needs, for example. You want to be recognized in your work. You want to work to be appreciated by other people. There are also other needs in relation to other people. You have a need for companionship, you have a need for friendship. These are essential needs.

In addition, you have some moral needs as well. You have a need to have some freedom of choice in the things that you do in life. Too often we get caught up in a slot in the economic system we cannot get out of. We are so unhappy about the environmental condition of the workplace. We cannot do anything about it. We are unhappy. That is a difficult situation that does not satisfy the basic moral needs of human beings.

Even at the individual level there is another level of human needs. This is at the group level, the collective need, the societal need of human beings living together in communities with one another. For example, we have a need for safety in our community. That is why the government provides law and order. They institute police to maintain enforcement of our laws, our rules and regulations, so there will be security of persons as well as security of property in our society. These are basic needs.

It is on this kind of need that the government must first focus its attention when they are allocating the resources of society, the human resources as well as the material resources. They must first look into the basic needs of human beings.

Would a government, in order to save money, without mercy fire people and nurses? Would you call that government a just one? Would you call that a government satisfying the basic human

needs? No, it is a cruel one, in order to save some money or achieve some efficiency.

It is written, no one can serve two masters. Either you hate the one or love the other, or else you hold onto the one and despise the other. If we so love the material savings of money and funds and neglect our concern for fellow human beings, we are serving Mammon, we are serving money, we are idolaters worshipping material things and forgetting the finer things in life.

No government should be so insensitive as to oppress the poor and the helpless and the disadvantaged people in our society. The moment you cut those patients of their basic needs, particularly those who are hopeless, and they can no longer pay what they need in order to achieve a sense of healthy living, you are oppressing them and you have departed from the true mission of a good government.

The second proposition is that, in addition to looking after the needs of human beings, before their wants, the government must also apply certain standards in their choice of alternatives in their decision making, in how they allocate the human and material resources in order to produce the basic goods, commodities and services that we need in our society. These are the basic standards of justice and equity especially in our materialistic economy which is described by many as a mixed economy. It is a mixed economy.

A mixed economy consists of a private sector segment as well as another sector called the public sector. The private sector economy is that segment of our economy where the participants individually own their property, and they are motivated by nothing else but self-interest. They exchange values with one another through what they call the market mechanism, the private market. The doctrine the private market operates they call laissez-faire which is the French term for let it be.

This is simply the law of the jungle, the survival of the fittest. It is social Darwinism. The stronger you are in the economy—and they want the government out as the umpire. They want to get

the most of what they can get under that system. So the rule is that the best form of government is the least form of government. If they can only get rid of the government, they would; but, if they get rid of the government, you know what will happen: society will break down. You can no longer protect your property. There will be no police department to protect you. So you cannot push it to the limit.

\* (1530)

The moment we start privatizing what is essentially basic social services we are getting worse in our social system, because that is the only area, the public sector, where those who have less power and less resources will have almost equal access from all those benefits and services offered by the government.

Now, let us look at the public sector. The public sector is that segment of the economy which is supposed to be for the public, all of the people. The public are all of the people. Not just a few. All of them, opting to the government which virtually own the properties and make collective decisions through a centralized planning in which the business firms are either government owned—and we have those, like the Crown corporations, whether they are provincial or federal—or government-controlled corporations owned by the state. The workers are assigned, in a certain extreme version, occupational roles. The products of capital goods used to produce other goods are allocated by central, decision-making, planning bodies that specify the long-term priorities, and whatever goods and services are produced are distributed to all of the citizens.

Our Canadian economy is best described as a mixed economy, but it is leaning more toward the private sector economy, although we have a very active government role in the public sector economy, producing goods that either will not be produced by the private sector or, if produced, will be underproduced. The public sector basically operates under a doctrine of economic socialism, which means that, although the bulk of business activity remains in private hands, the government is deeply involved in achieving economic stability and in redistributing income in Canada here in a

lesser degree compared to other socialist countries like Sweden.

Remember, property ownership is still in private hands, but the benefits are distributed and redistributed evenly as much as possible, equally accessible almost to everyone in a truly democratic socialist society or economy. This is according to the principle of social and economic justice. Social and economic justice is a basic principle, a good one to follow because it states basically that the existing resources, benefits and advantages must be so rearranged so that the greatest benefit should inure as much as possible to the least advantaged.

In other words, the less benefits you presently enjoy, morally you are entitled to a little bit more. Why? Because those who already have the most have a moral obligation as part of humankind to uplift those who are deprived and destitute and in poverty and in need so that they may be lifted up a little to a level of living which is consistent with decency and human dignity. That is the rationalization and justification for this doctrine of economic and social justice. Why is that? Because this is the implementation of a still higher moral and divine law which says, thou shalt love thy neighbour as thyself. If you do not want yourself to get hungry, you should not do things that make your fellow human beings hungry. If you do not want yourself to be deprived, you should not do things that shall make your fellow human being deprived, particularly of those basic necessities in life.

Why do some governments do such things that cannot be justified under this moral principle when they cut, for example, publicly assisted programs, when they cut help and assistance to single mothers, when they cut dental programs to children? How can this be justified on the basis of human needs?

Now let us analyze the private sector and the public sector in a layman's view, not the economic terminology which is so confusing. Private sector economy is primarily a competitive market. As we have analyzed, it operates under laissez-faire—do what you want to do, there should be no government regulation, no government control,

very little if at all possible. On the other hand, what good do private companies then do? Although the nature of the market in the private sector is basically competitive, the corporations, the private corporations, the business firms, they try as best as they can to be monopolistic. They may not succeed because of existing legislation against anti-combination and antimonopolies law. They at least become oligopolistic. Again, I am talking economic terminology which is difficult to understand.

A competitive market is simply a system of exchange of values, where there are so many numbers of sellers and buyers, suppliers, and consumers, where any individual participant cannot exercise any significant control in the setting of the product prices because its firm, its business participant, produces a very minute, small percentage of the total output.

It is basically governed by what they call the natural law of supply and demand. Therefore business firms must adjust to what the market price was decided by that law called supply and demand. They must adjust to the market price, and they are called price takers. Because there are so many firms and so many participants, consumers and producers, buyers and sellers, it is easy to get into any industry or any line of activity and easy to get out if it becomes unprofitable.

There is, therefore, a tendency for products to be sold in such a competitive market to be similar, homogenous or standardized products, and hence there is no reason for nonprice competition on the basis of quality or on the basis of sales promotion or advertising.

Contrast that with another kind of market called the oligopolistic market. There are very few firms, ranging from two to seven, could be homogenous kind of product like the big steel industries, big in the automobile industry, or it could be in depreciated kinds of products like automobiles. They are mutually interdependent; they collude with one another to set the price. A great deal of nonprice competition takes place there in that kind of market. They will describe one automobile as having these extras and the other automobile

having that extra and all kinds of nonprice competition.

Then there is the monopolistic market with only one firm. There is a unique product. There is no close substitute. There is impossible entry by any new firm where the one existing there is the price maker. Whoever that monopolist is, he sets the price.

Why is the public sector economy primarily monopolistic? Why cannot the government allow any kind of competitor? Because the government as the decision maker in the public sector economy is dealing mostly with what they call public good and services as well.

\* (1540)

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

**Hon. Clayton Manness (Minister of Education and Training):** Madam Deputy Speaker, it is a pleasure to rise again and speak to the budget. It is a different feeling, though, this time around. Let me say, though, that before I move to my formal remarks, I, too, would like to congratulate those new members who have accepted the incredible high calling of being a representative of the people. May they sense through their years to follow that they are contributing at a high level. May they always stay in close contact, if not direct, certainly in thought process, with their constituents. May they enjoy their period in this Legislature.

I would also, Madam Deputy Speaker, like to acknowledge the leadership provided by our Speaker. From time to time I question how difficult that role must be. Obviously, it takes one with a great asset of balanced views and reading, if not words, certainly types of expression and mood swings and all of the other factors that an umpire must do. I say to my colleague and friend, the member for Gladstone (Mr. Rocan), well done over the years, and, hopefully, this session will be of that nature.

Madam Deputy Speaker, it is a privilege to speak on the budget and not have to rebut some of the opposition members who, of course, have to

attack it. Our government has brought down now seven budgets in six years, and having been the author basically of six of those and listening to the representations made by members opposite during the course of budget debates, I always felt obliged to stand in my place and try to explain why it is we took certain actions or why it is we made the changes that we did. It is not that I am going to do an awful lot different this time, but I think at least I am going to allow myself the leeway to share certain insights with members opposite, because in listening to their contributions to date, particularly coming from the opposition benches, what has struck me is that some things have not changed. Some views have not changed, and the members can say, well, your budget has not changed, and I will explain why.

I will explain why our budget has not changed and why I stand here today as proud as I have ever been, Madam Deputy Speaker, with respect to any of the budgets that have come down, because we are on the right course. We are in the proper place, and I would welcome, of course, a reaction to, as I have over the course of budgets before this, those members who would try to put into place their view of the world. It is so easy, it is so simple, to pull out that expenditure booklet; and, when you cannot talk about the parameters around the fiscal reality or the assumptions or, indeed, have any vision of where the world is going, it is so easy and comfortable to pick up the expenditure booklet and see where there has been a reduction of 5 percent in one year over the other. My goodness, a six-year-old could do that.

Indeed, listen to the tenor of the remarks that come from the opposition benches, the focuses of the questions every day, they do not deal with the substance of the budget. They do not deal with the underlying assumptions. They do not deal with the vision of where the world is going and where Canada and Manitoba fit. What do they deal with? Simple arithmetic, line over line, the old political way, the old political way, Madam Deputy Speaker, because if there is more to spend on the people, the people want more to have to be spent

on them. Of course, people are happier, and they are going to tend to vote for you—the old way.

So, what have we done? I review only very, very quickly, but as I reiterate, I am as convinced as I ever was that we are on the right path, more so today than I was maybe even four years ago, with a certainty, with respect to decisions that have been made in developing the budget. Madam Deputy Speaker, let us try and recall from where we started. No revisionist history can alter the fact that we did not inherit a surplus. All the commentary coming from the NDP benches, all the writings by my friend Frances Russell in the Free Press cannot change the fact that Jim Walding voted against the budget that had a \$300-million deficit. Nothing can change that fact. [interjection] Oh, of course not, but you know the truth. If you are truthful people, you know it, and that is the truth.

Now, some can say, well, you lucked in. Well, now, that is a different issue. [interjection] Well, ha, ha, ha is the call that comes from the member for Inkster (Mr. Lamoureux). [interjection] That is right, and some can say, well, there was a 2 percent net income tax put into place by Gene Kostyra in the 1987 budget. That is the truth. Yes, we had the full benefit of an annualized level of income, and it was there. Yes, mining revenue happened to be pretty good in '88. As a matter of fact, I would pray for the time when it would be half that good again in the '90s. Thirdly, we had this so-called windfall revenue coming from Ottawa by way of transfers. What was the essence of that windfall? Members know it, if they understand transfers at all, we were not doing as relatively well as the average in the nation, so there was an expectation, a forecast, that Manitoba would receive so many hundreds of millions of dollars. In a relative sense, our economy did not produce as well, so we got more. Exactly the reverse of what is happening today—exactly. We had those three areas, and some would say, well, you lucked in, you had this windfall.

We came into office because the people of Manitoba wanted us to be in office. We opened the books, and on the revenue side, we found this. I

could spend 20 hours standing here and telling you what we found on the expenditure side and the horrors that we had there, but let us not —[interjection] Now the member says, you could have had a surplus budget. He is right, but we chose not to because, if you are a good practitioner of finances, you tend to have set aside some savings.

What we promised the people was we would not buy votes with it, and we were in a minority government at the time. If there was ever a compunction to want to buy votes with this surplus, it would be during the time that you were in a minority government. We chose not to. As a matter of fact, for five budgets, we drew from that, and just this budget, our present Minister of Finance (Mr. Stefanson) indicated it was now all gone. It was exhausted.

Madam Deputy Speaker, we set up the budget stabilization. The NDP supported it. They saw the wisdom, and I give them credit, to their credit. The Liberals have been against it from Day One because they do not believe in saving. They never do, never have. As a matter of fact, if you want to look at the root problem in the nation, you can draw it right back almost to the Liberal years, not Atlantic Canada Liberals, but certainly federal Liberals.

Nobody should be spared from this attack. I know there are Conservative administrations across this land that have been proliferate spenders to the same degree as federal Liberals. I understand that, but the reality is, when we took over government, we knew we had to set a different course because, in spite of what might have looked like a few dollars then, we knew—it has become abundantly obvious to myself, who has been leading Treasury Board decisions and discussions over many, many budgets. What became obvious is, when you rank our social programming as a province, in all the fields, whether you want to look in the Justice areas, Health areas, or you wanted to look into Education areas—and I could be specific.

\* (1550)

I could talk about the area of daycare. I could talk about Pharmacare. I could talk about medicare. I could talk about municipal support procedures on fee schedules, equity training. If you wanted to rank Manitoba as—the program they have and the resources needed to support it vis-à-vis the other provinces, we invariably ranked in the top two or third place. In very few were we the top, but in none of them were we fifth or lower. I dare say, if you could do a weighting of all the social programs, you would come to the undeniable conclusion that there is no province in Canada that had a greater social safety net than the province of Manitoba, without reference to our standard of living, without reference to our ability to create wealth, without reference to our income. That is an undeniable, indisputable fact—nothing wrong with it, I suppose, if we were able to afford it, when you rank all of our programs and you give them weight.

So what did we find? What do we know? We know, Madam Deputy Speaker, that without hesitation, we had probably the most, the greatest social-welfare-oriented province in Canada. It is part of our history. It is part of our political reality. I am just pointing that out as a fact. Yet we knew business was leaving, entrepreneurship drive was eroding, and people's ambition was growingly becoming to draw their livelihood from the public purse. That is the reality—[interjection] No, this speech has never been given. The member can say this is the same speech, but this speech has never been given, not by me; maybe it has been given, but not by me, because it will be a much different speech.

So, Madam Deputy Speaker, we were going to support this. We knew we could not allow this drift, this drift of wealth potential outside of this province. So what did we do? Well, we knew we had, obviously, to take control of the taxation side. We knew that we had to do something to try and convince people that within our means once again we would try to put into place a taxation regime that was friendly, friendly to people taking risks, friendly to people turning a profit, friendly to people trying to create jobs.

And another thing we had to do, of course, was look at the expenditure side. We had to know very quickly, we had to decide very quickly whether or not we could begin to reduce some of the levels of expenditure, bearing in mind obviously that some people were going to be impacted, obviously that some people would no longer be able to draw their livelihood from the public purse, and, all in all, trying to bring some balance as between expenditure and spending, and taxes and revenues.

So, Madam Deputy Speaker, we began to reduce taxes where we could, 54 points to 52; that has been well documented. We provided increased tax relief to low-income families of parents who were working, and I do not expect to get credit from people here, but the first budget we brought down, we know that we had to provide some type of additional relief to those people who were only earning income in the area of \$20,000, \$25,000, that we had to do what we could. If they looked and saw the alternative of not working and still doing relatively well, we knew that the incentive would disappear. In the budget so far in the taxation area, we took a taxation system which was skewed in support—this was the NDP's doing, no problem with that—and we enhanced it to the extent that we could. I am talking about the child tax exemption credit.

Madam Deputy Speaker, that is what we tried to do to bring forward a balance. We provided tax relief to business. Of course, that has made the opposition benches irate, and for those sectors that would respond by increasing production and employment and ultimately wealth, and, more importantly, give them some sense of confidence that this is a government that would be stable minded in the sense of not changing rules around radically. More importantly, it would not attack them for their endeavours of trying to create wealth.

Madam Deputy Speaker, we did this during a recession. Some would say a depression. The word is never used in this House. I do not think I would use it, but many have. We have done that during a period of recession. We did this with a small majority, but we did it consistently within the

bounds of principle. We tried to be as fair as we could across all sectors, and we tried to share whatever pain there was as broadly as possible so that the pain would be minimal.

The result, I say to you and I believe in an honest way, is that we have gone from the highest tax regime to basically the second lowest; some would say the third. We have established Manitoba as a place to invest and to be considered as a place for future investment. Yet we have maintained intact the social safety net. Some may argue that, but we have. It is in place. Some would say, well, it is kind of cracked, but I dare say, Madam Deputy Speaker, the difference between socialists and ourselves basically is that where they will—and this is the irony of it, the most ultraconservative people in this Chamber are the people sitting to the left of the Speaker—the most ultraconservative spelled with a small “c”.

Who wants to protect all of the programming that has been in place for 20 years? Who wants to protect all of the jobs that have been in place for 20 years? Who wants to protect all of the existing programs from any of the winds of change? The members who sit to the left of the Speaker. Why is that?

**An Honourable Member:** Not all of them.

**Mr. Manness:** Not all of them, fair enough, but the reality is when I hear the questions coming from the Liberal benches in most cases, not all, but in most cases, I dare say, most of them are critical of the changes.

So, Madam Deputy Speaker, we, in many cases, have done evaluations of the programs that have been in place for the last 20, 25 years, and some of them are wanting. Some of them are calling for change. If you believe in priorities at all, and I hear comments coming from the other benches with respect to priorities, you are always told why you should put your money here instead of there. Well, we have been doing some of that, and every time we have done it, we have been criticized. So be it; that is politics, but I dare say that is old-fashioned politics and it is not being practised any longer by

democratic parties in other parts of the world. It still is in Manitoba, unfortunately.

Madam Deputy Speaker, so just to tell you the result of the many budgets, in my view, we have established our province as a place to invest. Yet I find it strange that the member for Brandon East (Mr. Leonard Evans) stands and says: Look at the unemployment rate. Look at the fact that the budget is not balanced as yet. Your plan has failed. Instant gratification. That is what the members, of course, are expecting. Instant results. Old think. Old politics. Of course, buy jobs. Old politics. Create false hope. Old politics. Do not tell the people the truth. Old politics. The way the members would have it, the members across the way.

(Mr. Speaker in the Chair)

Yet I think it is important that all of us draw upon our other understandings as to where the world is going, what is the 21st Century going to look like, how are we going to position Manitoba and our nation to be part of that.

I had the great fortune of being with the Premier (Mr. Filmon) at the World Economic Forum in Davos, Switzerland. It was almost the highlight of my calling to public life. I sat with futurists, philosophers, visionaries from around the world. Everybody thinks it is the business people who come there and wax eloquently as to where they see the world going. It is not. No, no, it is the deep thinkers who sit there and try and share their views. The business community sits down below and tries to take it all in, because, obviously, they have to go back to their corporate boardrooms in most cases and try and make better decisions.

What did I learn? Well, I guess if one does a lot of reading today, a lot of it is printed, but the reality is, Mr. Speaker, the winds of change that are sweeping us and that we know we have been part of for basically the last 10 years are going to continue in a significant fashion.

People ask me, well, what do you mean by that? I heard the Premier the other day, he expressed it in part. I guess we have different ways of trying to capture the essence of what we learned, but I

captured it this way. Basically now, for 200 or 300 years, the world in the western context and, in a sense, the wealth has been sort of a ping-pong game between Europe and North America, but, of course, Japan has taught us that the world is a lot bigger than that, and what we are learning now is that the Pacific Rim is going to have a significant share of the world wealth.

What we have also learned is that the world's ability to create wealth, although not capped, is certainly not going to increase at the rate in which all of the developing countries and indeed this smaller globalized world wants to share. What we also realize is that the birthplace of our economic structure, socialist Europe, is the part of the world that fears the change the most.

\* (1600)

Members opposite may not want to buy into my argument, but there is a real fear in Europe, and it is genuine because they realize, the world leaders there—and do not take my word for it, and I would say to the member for Thompson (Mr. Ashton) who says do not take Carl Bildt's word for it either—[interjection] Well, I do not care what he is. Call me a socialist. A lot of people call me a socialist. I happen to be part of the Conservative Party in the Province of Manitoba, but it is all relative. Listen to somebody from Indonesia, talk to an Indonesian, talk to somebody from China and compare systems, and he will say, well, you are a raving socialist. Absolutely. Speak to the former Finance minister from Russia and he will say I am a raving socialist. Yes, I do belong to the Progressive Conservative Party in Manitoba, but in the view of many of those in the developing world who say we will have a share of the world economic wealth, they will say you are a raving socialist, you are a lot closer to what the NDP stands for.

**An Honourable Member:** If you are a socialist, what does that make Steve?

**Mr. Manness:** Well, I will let the member for Thompson speak for himself.

Mr. Speaker, the facts still cannot be lost. The reality is our system, whether it is in Europe or I

would say in Canada, which of course is an offshoot of the European model, is not in a position really to deal with a lot of these problems. You can listen—you do not have to take my word for it, but you can take the word of many of the people who looked at Europe, and they will say this attack on jobs, the payroll tax that is associated with jobs no longer can continue.

I am not talking about the Manitoba payroll tax as we have called it. I am talking about unemployment insurance. I am talking about pension benefits. I am talking about workers compensation charges. Those are the payroll taxes, and Europe is going to have to come to grips with it and I dare say so are we. [interjection] It is going to—no, well, you should because you see the only solution the members have across the way is to spend more, buy jobs, buy your economic numbers, buy your economic growth numbers. Yet the very same people who do it, for the most part, are the people who take their livelihood from the public purse. Why is it that way? Did anybody ever ask?

Ladies and gentlemen, I say to you I am troubled because I do not see where the new solutions are. I do not see where the new solutions are in the Canadian context like I do not see where they are in the European context. Today as I dialogue at federal-provincial meetings with the federal member, who is treated as a shrine here in Manitoba and indeed by the Liberal Party, Mr. Axworthy, who by the way, I will lend as much support as I can to with respect to social reform, with respect to training initiatives; the reality is all I see now is trying to reshuffle the deck. The reality is that still any of us, when we talk about training and providing hope, still nobody is telling me where the jobs are going to be at the end of the day. When the taxes are as high as they are in this country, I question where they are.

Mr. Speaker, what else did I learn? I learned that the U.S., which the members opposite despise in such a high order—and that is a general statement, I know many of you probably have relatives there like I do—but I hear the anti-Americanism just sort of drool out of every question. I mean there was a

question yesterday that came from the member for Dauphin (Mr. Plohman). He wanted to know what we are doing in distance ed. He wanted to know if we are protecting the monopoly of the Manitoba Telephone System, but he really wanted to know whether or not we had a contract with AT&T. That is what he wanted to know about. I mean, you could just sense this anti-Americanism just because, I mean, that is real interesting. [interjection] Yes, was I leading him on. I probably was, but the reality is despise the Americans. It sells. It is political. [interjection] That is right, and you do not have to be a mental giant to do it.

I would not want to live in the American states, but the reality is how is it a system today which commands upwards of 30 percent of the world wealth can put to work another 10 million people in the space of three years, four years? How does that happen? European leaders of all political stripes are asking how does that happen. How does it happen? [interjection] No, because nobody really has the answer, other than realizing that the American dollar is strong. [interjection] Yes, obviously artificially.

There is only one nation in the world that can get away with printing money, and that is the nation that is at the top of the heap, because once the world loses confidence in your dollar or your currency, it crashes like a rock, a little bit something like is happening with ours.

People say what is the value of currency. Why do we not have it here? I heard the member for Flin Flon (Mr. Storie) say, well, let the Canadian dollar hit the natural level. What in the devil is the natural level? [interjection] The market level. Good, thank you. The natural level now is the market level, and what is the market level? The market level is not what the governor of the Bank of Canada says because he deals in short-term money. He deals in treasury bills.

You know, when I went to borrow hundreds of millions of dollars, and I say to you, Mr. Speaker, when I went to borrow hundreds of millions of dollars in New York and Japan which we converted and swapped into the U.S., you know what? The governor of the Bank of Canada, his

views on it did not come up once. He did not care. They did not care. Salomon Brothers representing the teachers' pension fund of Texas and the civil service pension fund of California and First Boston and Merrill Lynch. They did not give that much of a hoot as to what John Crow wanted to do with Treasury bill rates. They wanted to know, how are you going to pay the thing back 10 years from now? They wanted to know what the interest rate would be over that time. They wanted to know what the Canadian dollar would be worth.

\* (1610)

Do you know what? When the members say, what is the value of the Canadian dollar? It is what the market dictates. The Teachers' Pension Fund in Texas and the civil servants of California who buy our bonds, it is what they dictate. Right today, they are passing judgment, and they say, we do not have a lot of confidence in that country. That is why the dollar is worth 72.

When the member for Flin Flon (Mr. Storie) says, well, let it hit its natural level. I will say, 50 cents? He says, if that is the natural level, yes. You will never ever be able to go to prosperity by debasing your currency, because the world reflects on you through the value they give your currency.

The argument here is, I am saying to the members opposite, if we are seen as a country that is risky and cannot come to grips with our own problems, I say your dollar will reflect it.

I could speak on and on, but I want to maybe capture it a little bit better. There was an article the other day in *The Globe and Mail*, and I really think it was the best piece, best commentary. I do not know this person. The name is Kimon Valaskakis, a professor of economics at the University of Montreal and president of the Gamma Institute. He talked about the world economy. He talked about it as being hit by a crisis of unparalleled proportions, massive unemployment—the world economy, massive unemployment, 35 million people unemployed. He goes through the reasons why, and he talks about, and I quote: Some politicians in advanced countries who have been elected on job-creation platforms offer cliché solutions that

have not worked and will not work for the simple reason that the whole unemployment question is misunderstood. Rather than being the result of bad economic conditions, unemployment is paradoxically a sign of success of the world economy.

All I had to do to gain the greater insight of that was to look at my own industry, look at agriculture over the course of the last 20 years. Never has productivity been greater. Never have we embraced technology at a higher rate. Never has unemployment within that industry been greater, the number of people employed, I should say, been reduced, and never has the contribution to the tax coffers of the nation, through agriculture, been lower.

Now the economic activity that spurs from there contributes, but at the primary production level, never have we employed fewer people, never have we produced more output, never have we provided fewer taxes in net terms to the government. The reality of the advent and the embracing of technology happening everywhere, and yet members across the way say that we are to be held accountable for the fact that the unemployment rate is high.

When we ask them, well, how do you do that in this time of technology, they will say, that is your problem. That is what is not only happening in Manitoba, it is happening throughout the western civilized world.

Well, Mr. Speaker, I am sorry, I do not have time to go into this in depth. I will another presentation. But the issue is, as I have said many times, whether you work within a world economy that is global, whether you want to be part of the world in an open economy or whether you want to close your boundaries, some communities have tried to close their boundaries and probably Europe will. Europe will in its combined way. It will try to close its boundaries.

Ultimately, the fear, of course, is the last great empire, regardless of the philosophy—and I know my colleague the member for Lakeside (Mr. Enns) would argue with me, because philosophy is

important, but the last great empire that tried to close its boundary was of course the Soviet Union and it collapsed. That is the ultimate lesson for any great civilization that wants to close its boundaries to maintain employment numbers. It will collapse. Yet the reality is when you open your borders, you have to play by the global rules. The best way to caption that is closing the window which means closing the boundaries to protect jobs. It means some form of protectionism which is not a realistic option for smaller economies but is plausible for larger ones for awhile.

It says trying to help the lot of the worker in an open system is like trying to heat a house in the middle of winter with all the windows open. That is the reality of where we find ourselves. Well, Mr. Speaker, what is the instructive lesson, to me at least? We cannot leave Manitoba. We cannot divorce ourselves from the reality that there still is unemployment in our province, that there still is a large number of our people who do not have the power of literacy to help them cope in a world where they are going to have to call upon their own ambition in a greater fashion and their own talents. We cannot leave that. We are here to represent those individuals in our society, all of us.

Yet I say to you I cannot divorce myself from the reality of Manitoba. I cannot divorce myself from my economic training that says that if you do not pay your bills, you go broke. I cannot divorce myself from the reality of the global change which is encompassing us all. So the answer then, Mr. Speaker, is one of what do we do.

Well, we come back to balance. We come back to balance which is reflected in this budget. We come back to a budget which tries to hold the taxes down so that the next generation, indeed those today who still have the drive to go out and create some wealth, still have that opportunity to do so.

We try and maintain a balance on the social side, realizing that a radical change, a reduction in the realm of 20 percent today is not on. It is not on politically in this province, if somebody wanted to do it, because there are still those who will play old politics. But the reality is, Mr. Speaker, that we are going to have to reform.

I have not spoken today about education reform. I will at other times because it is so important to this whole approach, because the hope to all of this, when you do your reading and do the reading during this time of moving into the informational age, is innovation. Of course, innovation requires our good minds to become our best minds, and requires our good minds to become our best, and requires a whole upgrading of the mindset that we, as a people, as a nation, direct towards our future.

That has to be done within the public school system, but to do that, the public school system has to be reformed. The members opposite can chastise me. I mean, I am a veteran. My skin is that thick towards their political digs, but the reality is the job has to be done and the partners within the education community know it has to be done. They might not like, ultimately, where it breaks out, and there will be some unavoidable changes that members opposite will take issue with. I accept that, but somebody is going to have to lead that, and I dare say this government was put in place to lead.

Mr. Speaker, with the minute I have left, I want to certainly, again, acknowledge your role.

I want to particularly, at this time, though, thank the new Minister of Finance (Mr. Stefanson) for having gone through an incredible effort of making decisions that are never easy, putting into place a balanced budget, maintaining the course, because I dare say to you that is what Manitobans are looking for.

It is my strong view that this party will be re-elected in the government, in spite of the fact that we have come through some very difficult recessionary times, because it showed balance, it showed fairness, it showed equity to all. Thank you very much, Mr. Speaker.

**Mr. Gregory Dewar (Selkirk):** Mr. Speaker, it is a privilege to stand up here today to put a few words on the record concerning this government's budget. I did not have the opportunity to speak on the Speech from the Throne so I would like to take this chance now, of course, to welcome you back, Sir, to your job. I have always appreciated your

commitment, your contribution to the Chamber and your fair approach to the dealings within.

Of course, I would like to, as well, welcome the new Pages to the Chamber. I know that you will be quite impressed at times, and a little bit concerned probably as well with some of the debate and some of the antics that go on in this particular place, but I do welcome you. I know that, overall, you will find it a very remarkable experience in your lives.

I just want again to comment on the Speech from the Throne, if I might, for just a moment. It was brought forward by His Honour Yvon Dumont, a member of the Metis nation, like myself. It is quite a privilege to stand in here to speak on this, representing those people in the Chamber here, especially after the thing was read by—  
[interjection] Thank you very much.

Again, I would just like to, if I may, congratulate and welcome the new members to the Chamber, the member for Rupertsland (Mr. Robinson) who is a member of the Cree First Nation. I thank him and welcome him for his thoughtful contributions to the debate on behalf of his constituents. I had the opportunity to travel with the member to some northern areas a few months ago. We travelled to Island Lake, to St. Theresa Point, to Red Sucker Lake, to Bloodvein.

\* (1620)

I witnessed the poverty of the First Nations. Often, they will have 90 percent unemployment in some of the areas up there, Third World conditions within our own country, Mr. Speaker. I am always impressed with the courage of the individuals there to deal with some of these very serious problems, very serious challenges that they face. We had the opportunity to visit the St. Theresa Youth Court and to talk with the elders and others involved in that program there. They bring a unique perspective to the issue of dealing with youth and the crimes often committed by youth.

I would like to welcome as well the new member for St. Johns (Mr. Mackintosh). I am impressed with his efforts to get answers from the Minister of Justice (Mrs. Vodrey) if they relate to Justice issues, whether it is healthy severance packages

for judges or the government's feeble attempt to deal with youth crime by bringing in boot camps.

I would especially like to welcome the new member for Rossmere (Mr. Schellenberg). I know all my colleagues on this side welcome him. It is very appropriate that the Rossmere seat is once again held by New Democrats, Mr. Speaker. He has raised the issue of education. He has raised the issue of the government's commitment to the handicapped individuals in our community, and I know that he will continue to do so.

I welcome all the new members. As well, I would like to welcome the new member for Osborne (Ms. McCormick) and the new member for The Maples (Mr. Kowalski).

Mr. Speaker, I want to thank my constituents of Selkirk and Lockport, St. Andrews and West St. Paul for their contributions, their suggestions and their ideas, their criticisms, over the past number of years.

As I canvass the community, I meet with either steelworkers or small-business owners, nurses, public sector employees. All of them are concerned about a number of issues, issues that I do not think were properly addressed in the budget that was brought down by the government. They are concerned about jobs. They are concerned about health care. They are concerned about education, issues that this budget did not address.

Let us deal with the issue of education for a moment where the government cut 2.6 percent out of the Education budget and, in particular, this has brought particular difficulty to the Lord Selkirk School Division No. 11. I just want to read into the record today a paragraph from a letter written by Bruce McPhail who is the chairman of the board of trustees. He has written this letter to Clayton Manness.

As you are aware, this division was severely affected by the increase in assessment. These changes coupled with the average funding reduction has reduced the provincial government contribution by 5.88 percent.

This letter was also copied to D. Praznik, MLA, and E. Helwer, MLA.

Again, as you can see, this government's actions have once again hurt our community with the layoff by the school division of approximately 50 staff teachers and other support staff which will severely impact upon the delivery of education within our community. As well, two employees were laid off at the Northern Affairs branch in Selkirk, so this is not exactly an effort to promote job creation when this government is once again laying off the public sector employees within my community.

Mr. Speaker, there is always the anxiety within the community regarding the issue of health care. While there was a general reduction in the health care budget, again, something of great concern for the community of Selkirk, there was some good news, and I will be forthright in my comments concerning that, that the forensic unit was finally funded at the Selkirk Mental Health Centre, something that we have been calling for on this side for a number of years now. It is apparent to us and apparent to the individuals who work in this field that the current services provided for individuals with these types of problems are ill-treated.

I am pleased that the government went ahead with the development of a forensic unit within the Selkirk Mental Health Centre, especially after the closure of the School of Nursing. We do agree and we do appreciate the enhancement of the services provided at the Selkirk Mental Health Centre.

Mr. Speaker, we are a little bit concerned in terms of jobs about the lack of announcement in terms of infrastructure in the Selkirk community. There have been a number of announcements made concerning the Canada-Manitoba infrastructure program, and as of yet the community of Selkirk has been left out in any announcements in terms of funding. They made a worthy application to the project in March, and there was nothing announced in the first round of announcements. Again, there were some announcements made last Friday, and once again the community of Selkirk was left out.

I have written a letter to the Minister of Finance (Mr. Stefanson), and I have spoken with the M.P.

for Selkirk-Red River, Mr. Ron Fewchuk, expressing our concerns, first of all, expressing our disappointment and then expressing our support for the project and asking that the projects be considered in further rounds.

The main project that the community of Selkirk is interested in funding is the Selkirk storm-water sewer separation program which is much needed. Last summer, our community, like many others in the province, suffered greatly because of the increase in rain which, unfortunately, caused significant damage to a number of homes in my constituency. This storm sewage upgrade program would go a long way to alleviate some of this cause for concern.

Mr. Speaker, we find the home improvement programs offered in the budget. We welcome those announcements. We have on this side raised issues in terms of the level of contribution, and I have raised this with my constituents and received calls in my constituency office from constituents. For the most part, they will not be able to meet the \$5,000 minimum contribution. So even though we do agree with the concept, we wish the government would have perhaps lowered that somewhat to allow seniors or other low-income individuals access to this particular program.

The other problem of course is why did the Minister of Housing (Mrs. McIntosh) not spend some money upgrading housing stocks within the province? I know in my own constituency we have a number of different housing apartments, housing complexes owned by the government which they have allowed to decay, allowed to deteriorate over the last number of years.

The Alfred apartments is a three-story apartment structure which is just sitting vacant. I have written to the minister and asked the minister, and she said, oh yes, well, it is coming, it is coming. Meanwhile it is an eyesore in the neighbourhood, and it really is useless space. They could be developing that space to fulfill the need of providing some social housing for some of the constituents in Selkirk.

\* (1630)

The other one is the Outhwaite Sveinson avenue project. Approximately \$100,000 was to be spent last fall upgrading the complex, but again nothing happened, Mr. Speaker. Again, I plead to the Minister of Housing to put forward some money to deal with some of these important issues, some current housing stocks they have now that are owned by the province. It would restore pride in the occupants. They would be more inclined—they would appreciate their premises more. They would work at maintaining their places more if they could develop a sense of pride.

Mr. Speaker, in terms of the health care issues and the health care cuts, I have presented some petitions. I will be presenting more as the session continues. We have over 1,400 names on petitions rolling in calling for the firing of Connie Curran and restoring money to health care, restoring money to Home Care and to Pharmacare.

We know that the government has put layoffs on hold at the Selkirk hospital until after the next election. There is a great deal of anxiety with the staff at the hospital at the moment as they wait for any further announcements by the Minister of Health (Mr. McCrae). We realize that the true reason why these cuts were put on hold was the by-elections and the zero-for-five record of the government in these particular by-elections.

(Mr. Marcel Laurendeau, Acting Speaker, in the Chair)

It was kind of curious, the Minister of Labour (Mr. Praznik) was saying in an article in the Selkirk paper, well, you know, we only lost one seat. I would assume they were there to try to win all five seats, but they ended up getting nothing, and they ended up having a zero-for-five record.

I want to talk a bit about that in the budget, once again, there is the attack on the public sector. I will have to vote against any measure that attacks the public sector. Again, what they have done is apply a specific tax of \$1,400 imposed on the public sector employees in this province. It is clear that this government does not respect the collective rights, Mr. Acting Speaker, of its employees.

One other issue that had been brought forward by constituents is the issue of the Red River and the cleanup of the Red River. I have raised issues in the Chamber before and will continue this session to raise issues concerning the City of Winnipeg dumping raw sewage into the Red River. I would ask again that the government work with the City of Winnipeg to require the City of Winnipeg to disinfect any raw sewage dumped into the Red River. The member for Interlake (Mr. Clif Evans) really raised a concern about the fish stocks in the lake, and part of his concern, I would suggest, is that there is a high pollution level in the lake at the moment. Part of it is because of the City of Winnipeg's dumping of raw sewage and other untreated waste into the river, which, of course, ends up in Lake Winnipeg.

Mr. Acting Speaker, the government has talked about the need, and always talks about the need, to deal with the issue of violence in our community. My constituents as well raise the issue. It is not a large concern; nevertheless, it is a concern. One of the programs that was really working well in Selkirk was the program offered by the Selkirk Friendship Centre. Last year, in the government's budget, they cut funding to the Selkirk Friendship Centre, an organization that provided youth programming, youth drop-in centres.

As I recall, when I was an employee there, we used to provide a youth camp for underprivileged members of the community, a summer camp, as it were, but this government stopped that. They stopped that program when they cut the provincial government grants to the friendship centre, resulting in a layoff of two individuals and the end of such programs that were dealing with the root cause of crime, which is youth alienation and poverty. It also taught aboriginal and Metis self-awareness.

The government, when they removed the programming, when they withdrew the programming from the friendship centre, basically killed these very valuable programs. Now they are talking about that it is important to bring in boot camps as the only answer. Well, the friendship centre movement used to provide a wilderness

camp setting for troubled youth in the Selkirk community and other communities across the province. So here they are cutting out, on one hand, Mr. Acting Speaker, the same program that now they seem to be desiring to restore.

I raised an issue earlier on in the session in Question Period concerning the government moving highway jobs from one community to another, in this case, highways jobs from Selkirk, Mr. Acting Speaker, to Beausejour, an issue that we raised many times in this Chamber and an issue that keeps flaring. I wish that the government would once and for all categorically state one way or the other whether or not they are going to be moving these jobs out of the community. It is simply, as the Minister of Highways and Transportation (Mr. Findlay) stated, that he does not believe he should get involved in the political involvement in the transferring of jobs, yet we know that the Minister of Labour is actively seeking these jobs from my community to be placed into a public building within his own community.

Mr. Acting Speaker, we do now have within the Selkirk community available office space, because the government in the '92 budget closed the Human Resources Opportunity in Selkirk, which would have provided much needed office space. As a matter of fact, if they are looking at transferring jobs, they should be transferring jobs within the community.

Decentralization was not set up to transfer jobs from one community to another. It was set up to transfer jobs from the city of Winnipeg out to rural Manitoba. Again, I want to raise that point, and I want to speak against that point. I want to speak against the government's attempts to politically manipulate jobs in rural Manitoba. I asked them not to move those highway jobs from Selkirk to Beausejour. There is only one reason for them to do it and that is it is politically motivated. We have witnessed that often with the administration opposite, where they have moved I believe it was housing jobs from Swan River and they moved them to Roblin. Again, they did it simply to appease their political friends.

Mr. Acting Speaker, I want to again raise to the attention of the Minister of Highways (Mr. Findlay) the deplorable condition of the No. 9 highway between Selkirk and Winnipeg. Again, I would just ask the government if they would proceed with the rebuilding of this particular highway. It is an issue that has been raised by constituents, so I just want to, once again, put it on the record and ask the government to proceed along with that. It is a route that is well travelled and is in serious need of rebuilding.

I know that there was a plan put forward, I believe, a few years ago. I know that I attended some meetings in the West St. Paul area. At the time, the officials from the Highways department had stated that it would not be until well after the turn of the century that the project would be completed, so once again I would ask the government if they could possibly speed that project up.

Mr. Acting Speaker, one of the major revenue announcements in this past budget was that of gambling. Some on this side were calling it the bingo budget, because it is clear that the only growth industry this government has in terms of revenue is its love of gambling and gaming devices.

No other province in this country can boast the gaming initiative that we see, that we are all confronted with in this province. While all provinces across this country, and I will admit that, are increasing their gaming activity, it is clear they all lag behind this particular government when it comes to providing Manitobans with gaming initiatives.

We on this side would be calling for a public inquiry into the whole issue of gaming, and part of that inquiry would deal with the economic benefits, economic costs, Mr. Acting Speaker. On the economic benefits, we know, when the government introduced video lottery terminals into rural Manitoba, they stated that the VLTs would stay in rural Manitoba, and all of the money from the VLTs would be put back into economic development within rural Manitoba. Well, they

quickly flip-flopped on that, and they put back a portion of the money into rural Manitoba.

\* (1640)

Look at a community like mine, for example, that has around a hundred VLTs, and a simple calculation would tell you that each machine brings in roughly \$20,000 in profit for the government. So that would mean about \$2 million would leave the community each year in revenues, and we have had the machines in Selkirk since 1991. It is going to be close to three years now that we have had the machines. We probably lost close to \$5 million in revenues. The government has put some money back. They have given the direct grant to the town, and they have provided some assistance to some of the businesses—a particular business to set up in Selkirk. I do recognize that and do appreciate that, Mr. Acting Speaker, but we have seen this throughout Manitoba, throughout rural Manitoba and throughout northern Manitoba, where literally millions of dollars have left those communities with little economic benefit going back into these communities.

Again I call for our public inquiry to study the economic benefits and economic costs to nonprofit groups. I know, again, in our community, we have a foundation that was set up to seek funding for the Selkirk Recreation Complex, which is an arena, a baseball stadium complex, Mr. Acting Speaker, and the foundation was very successful at raising funds. All of a sudden, they hit this wall, just last year, hit this wall in terms of fund raising, where they had no ability to raise any more revenue, either through their own bingos which they ran or contributions from any of the other nonprofit groups in the community which used to make contributions to help them retire this debt. So we are left with about a \$500,000 deficit.

Now the town is contemplating taking over the outstanding debt of the Selkirk Recreation Complex and perhaps placing a special levy on our property taxes to help pay off the outstanding balance. The director, the president of the Selkirk Recreation Foundation, who incidentally was the Conservative candidate in the past election, he blamed this clearly on the gaming policies, the

gaming policies, of the government, Mr. Acting Speaker. He said, because of their policies, because of their lust for lottery revenues, they have grabbed millions of dollars from the Selkirk community, from communities throughout the province and put very little back into these communities. There are just so many gaming dollars out there, and this government, this administration, again, has just siphoned millions of dollars from rural Manitoba and put very little back in.

So we would have this inquiry look at economic benefits, economic costs, as well, of course, the social costs. It has been mentioned in this Chamber by my Leader and others that really there has not been any in-depth analysis of the social costs of gambling upon the general population of the province.

It has been recognized that there could be upwards of 10,000 individuals in this province who display or who could possibly display pathological gambling behaviour, and so the government's answer is to treat 2,500 over the next five years. So they are committing \$2.5 million—\$500,000 per year—to treat 500 individuals per year, yet they acknowledge that there are 10,000 out there at the minimum who could possibly become very, very addicted to video lottery terminals and other gaming initiatives in this province.

Not only that, because of their policies we now have the fact that they have created a whole new generation, a whole new breed of gamblers, a whole new pool of gamblers willing to leave Manitoba to seek gaming thrills in other jurisdictions and other countries. Now apparently the number of individuals who have left Manitoba to seek these gaming thrills has increased by 300 percent over the last number of years.

Again this government has no clear policy when it comes to gaming. It is just a matter of flip-flops and they go along and they expand here and they make an announcement here and they flip-flop on that announcement. There was a so-called moratorium announced on gaming expansion last

fall and then in January it was quickly broken and the government added more VLTs.

By our own estimation, we estimated that the government would be bringing in approximately \$220 million in revenues. We estimated that there would be about \$150 million in revenues based upon what little information and sketchy information the government offered us.

In fact, when the information was released last week, it is clear that they will be reaching well over the \$200-million mark in revenue, \$200 million in revenue siphoned out of the economy of this province, Mr. Acting Speaker, again without any clear direction as to where they are going. We know that when a new minister came in he announced a moratorium and we had hoped he would honour that, but it was soon obvious to all of us that he quickly broke that.

It is kind of an interesting quote made by an individual in March of 1987 where this individual asked the question of the—at this time the individual was on this side of the Chamber, and he asked the minister, will she hold public hearings after the experiment to reveal all aspects of the potential operation of casinos five days a week so that all these public groups will be heard before any permanent decision is made on the matter? Here we have an individual calling for public hearings on the issue of gaming in this province, and he goes on to say: I regret that the minister will not commit to public hearings on this matter given that many of these groups are expressing the concern that lotteries, casinos and gambling in their revenues to the province are in fact a tax on the poor.

Mr. Acting Speaker, these quotes are made by the current member for Tuxedo, the Premier (Mr. Filmon) of this province. He asked this question of the government in 1987, he asked that they would hold public hearings into the issue of gaming. It was the member for Tuxedo who asked these questions back in 1987. Now while he is the Premier of the province, now while he is on the other side, he completely ignores all of his former requests. Again, another flip-flop from the

members opposite when it comes to gaming in this province.

We have the fact that the government was willing to spend last year, in 1993, \$1.2 million on advertising in promoting gambling in this province, Mr. Acting Speaker, and they are only willing to commit .55 million dollars on treatment. So they are willing to spend well over double the amount on advertising, on promotion. You see it everywhere. You watch a Jets game and it is right behind the players' box. It is on the buses. It is on TV. Now they are spending millions of dollars realizing the folly of their ways in terms of that, and they know that Manitobans are really beginning to see through this government's feeble attempt to deal with this issue, so now they are forced to advertise the so-called benefits of the lotteries. We see the ads, and again they are spending close to over half a million dollars on TV ads. There is an ad in my paper this week, again, extolling the virtues of gambling and what the government will be doing with the money, the millions, literally millions of dollars that it has taken from rural gamblers and urban gamblers in this province.

Mr. Acting Speaker, this is a great concern to us on this side. We raised it before and will continue to raise it. We again would like the government to look at the issue of aboriginal gaming, and we know that members opposite were raising this concern in terms of casinos in, I believe it was, The Pas. Well, the reality is that this is an issue of self-government, an issue of aboriginal people controlling the affairs of their lands. If they see the gambling and gaming activities as a solution to some of their problems that they are confronted with, I think it is worthy of inspection and analysis.

We do not on this side of the House accept 90 percent unemployment rates on northern and southern reserves, for that matter. We do not accept the despair and the poverty, the third-world conditions that often individuals of these First Nations are forced to live under, Mr. Acting Speaker. So we are prepared to look at aboriginal gaming. We are not afraid to show some respect to our First Nations and Metis people in this province

and actually negotiate with them in terms of this very important issue, an issue that could bring some economic benefit to their communities.

\* (1650)

The government opposite, of course, seems to be willing to accept the high unemployment rates, the atrocious conditions that are found in some reserves in this province, but we on this side are not.

Mr. Acting Speaker, there are many other issues I would like to raise concerning the Selkirk community. I again would like to talk briefly about the housing issue. I know the Minister of Housing (Mrs. McIntosh) had an opportunity to hear the comments, but I was just stating that perhaps some of the money could be spent on upgrading the current housing stocks in Manitoba.

One of the No. 1 problems that I face as the member for Selkirk is the government's lack of commitment to housing. We are seeing now the decay of housing stocks, the fact that individuals there are paying often unusually high amounts for their heat because the windows need to be repaired, the insulation and so on need to be upgraded.

We do recognize the value of the Home Improvement Program that was announced in the past budget but, again, I would like to see the government spend some of that money that they have allocated to upgrade the housing stocks. We have the Alfred Apartments in Selkirk that is sitting empty, the Outhwaite Sveinson complex that needs to be upgraded. Individuals are anxiously waiting for the government to improve their living conditions. The government, after all, is their landlord. Now, they would not let a private landlord, I do not think, get away with what they are doing, especially when it comes to the housing stocks in this province.

I hope the government opposite again will recognize our concerns as far as the infrastructure. There was some money announced for areas in the St. Andrews area and then the St. Clements area, but Selkirk made a very worthy application to upgrade its sewer and storm water system, and I

know that all members will appreciate their concerns, and I bring forward their concerns here today, again to the Minister of Finance (Mr. Stefanson), asking him to work with the officials and the representatives of the federal government and the representatives of the municipalities to make sure that Selkirk is considered in the next round of infrastructure announcements. The community needs those resources.

Again, I would like to raise the attention of the House to the plea by the Lord Selkirk School Division No 11, which was severely affected by the government's reduction. They, in fact, have experienced a reduction of 5.88 percent in their funding, which will result in the layoff of 50 teachers and other associated staff, again placing in jeopardy the quality of the education of those within that school division.

Thank you very much. Again, I do not want to be completely negative here. I do recognize the government's efforts in terms of providing forensic services at the Selkirk Mental Health Centre. The closing of the school of nursing, the only post-secondary educational facility that we have in our community, was quite a blow to the community. I do recognize the efforts of the Minister of Health (Mr. McCrae) to put the forensic unit in there.

The former minister did nothing but hack and slash his way through the health care system. The new guy is doing it not quite as vigorously, but I think it has something to do with the fact that the by-election result was quite not in their favour. There is general concern there within the hospital that there would be the layoff of some nurses and other support staff, but that was put on hold. There is a high level of anxiety by the nurses and other support staff. They also realize that these layoffs are put on hold until after the next election, and believe me, they are going to be expressing those concerns, they tell us, when they go to the polls next time around.

Again, we will not support a budget, I will not support a budget that attacks the public sector as this one has. Once again, the government talks about not raising taxes, but I have talked to many

constituents and many of them recognize when they look at their property taxes there has been a significant increase in the amount of money that they have provided to the government opposite. They know that their taxes have gone up, so there is not a tax freeze as the government so often tries to argue in this particular Chamber.

If you work for the public sector you also realize that you have paid a tax of around \$1,400 last year and again this year, so they have targeted, they have made specific tax burdens on specific groups.

Mr. Acting Speaker, I just want reiterate our concerns from the past budget with the dealing with the cuts to the friendship centre, a program, a service that was provided there that dealt with the issue of youth and youth crime, youth alienation, self-awareness, that used to provide services for native and non-native individuals within the community. They used to offer at one time a youth camp very similar to what the Minister of Justice (Mrs. Vodrey) is now offering as an alternative to some of the problems that our youth in this province are confronted with daily.

Mr. Acting Speaker, if I may just conclude by saying that though we do recognize there are some good points to this budget, in general we on this side cannot in good conscience support it. This is why I will be voting against this budget.

**Mr. Ben Sveinson (La Verendrye):** Mr. Acting Speaker, I am extremely pleased to speak today about this government's courageous budget.

I commend Finance minister Mr. Eric Stefanson for his excellent work. There is no question that my colleague from Kirkfield Park faced a number of difficult challenges in his first budget as the Minister of Finance. I mentioned the word "courage" a moment ago because I believe the minister showed a great deal of courage by facing the issues straight on.

The Minister of Finance is tackling the problems we are facing in Manitoba and has offered solid solutions in guiding our province back into the prosperous economic times. I am thankful that there are no quick-fix gimmicks in this budget. Instead, there are well-thought-out ideas and plans

of action that will continue to create a climate for growth and economic development in Manitoba.

Mr. Acting Speaker, the first area of the budget that I wish to discuss, and for the most part I will stay on this topic, is the area of jobs and job creation. It is the topic that is on most people's minds today, and it connects with all other areas of the economy. In order to build a strong economy, you have to base your plans on a solid foundation. That is exactly what this government has done for the past six years.

\* (1700)

(Mr. Speaker in the Chair)

We have come out of the NDP wilderness, where there was little or no planning for the future. Under the NDP, there certainly were no major policies that fostered a healthy climate for business or long-term jobs. Instead we saw regressive taxes like the payroll tax. That tax only managed to make it more difficult for companies to expand and hire additional employees. It was appropriately named because it kept businesses from having more Manitobans on their payroll.

Watching the NDP in power was like watching the first two of the three little pigs. You remember that story. Now, I can assure you that this is completely parliamentary to compare my honourable friends opposite to characters in a children's bedtime story. The reason is that even the most horrible tales from our childhood had a happy ending. The first two little pigs built their homes of straw and sticks, and of course, the wolf made short work of them. That is the way the NDP worked. They built their foundations poorly, caused chaos and were subsequently tossed out by the voters of Manitoba. I suppose the members opposite thought I was going to say they were eaten by the big, bad wolf. Mr. Speaker, even the big bad wolf would not have been able to swallow what the NDP had to offer.

It was after those houses of straw and sticks that our government was elected and started to slowly build with brick. The process may have been slow through some very difficult years, but I am happy

to say we have built a strong foundation for the future of this province.

Building that foundation includes working to improve the very basic components in our communities. Several years ago this provincial government began lobbying hard for a national infrastructure program. I am pleased to say the new federal government was able to work with us to deliver a program that will benefit all of Manitoba. The Infrastructure Works Program is already underway, and we will see a total of \$205 million invested in our province. I use the term "investment" because that is exactly the right word to describe this plan.

Common sense will tell you that every good investment will have a return. The return from this Infrastructure Works Program is that it will give our communities the opportunity to grow. Some of the items in the program may not sound all that glamorous to some people, but they are exciting to those communities involved. The reason is that those projects will inject new life blood into areas that need assistance: sewers, water, gas, lagoons, roads, et cetera. Some smaller communities would not have been able to reach their growth potential without these initiatives.

I certainly can point to communities in my own region, the communities of Landmark, Lorette, Ste. Anne, Whitemouth. These are all wonderful places to live with hard-working, friendly people in them, but they desperately needed infrastructure improvements to allow them to grow. Without proper water and sewer lines and lagoons, how can a small community attract new residences and indeed new businesses? These initiatives will have long-term benefits and will help small communities create a better climate for growth. By investing in Manitoba's infrastructure, we are helping our small communities remain viable, and by making communities stronger, we will all benefit. When a community is strong, that strength is shared to increase business opportunities. There are also spin-off benefits for the residents. When the community prospers, so do the residents by jobs created in that community.

It seems that I am repeating some of these things, and I feel that I have to. A number of projects have already been announced with this infrastructure program, and we will see more of those projects approved in the coming weeks. I have mentioned the long-term benefits from these projects across Manitoba, but there are also benefits in the immediate future through the creation of more jobs.

Some 2,300 jobs will be created during the construction phase of the Infrastructure Works Program. That is 2,300 Manitobans who will see immediate benefit from the program. Those 2,300 newly employed Manitobans will be contributing to our economy by helping build the infrastructure, but they will also be spending the money they earn right here in Manitoba. These people also then make an investment in the future of our province.

I mentioned sewage lagoons and other parts of the infrastructure program, but now I would like to turn my attention to the expansion of the natural gas service.

The recent announcement of the expansion to more than 20 communities will have benefits for our entire province. There are some obvious benefits from the natural gas expansion. The communities will benefit from having a cheaper fuel source, but I believe that the most important component of the expansion is the potential it gives smaller communities to grow. The community becomes more attractive to residential and to business people. By having a cheaper source of fuel, the cost of living and of doing business will go down.

Mr. Speaker, rural Manitoba already has a great deal to offer, but this program will now help communities attract new businesses to set up in rural Manitoba. When those businesses set up shop, remember, they bring with them jobs for our people. When you talk about job creation in Manitoba, you have to applaud those people who have the courage to run small businesses. The Minister of Finance (Mr. Stefanson) referred to small businesses in his budget speech as the backbone of our economy. Those small businesses create the jobs. That is why this government is

doing everything possible to make it easier for Manitobans to set up their own companies and then stand out of the way to allow those businesses to grow and prosper.

This government has already removed some of the impediments to small businesses put there by a previous government, such as the reduction in the payroll tax. Currently 90 percent of all Manitoba businesses are exempt from that tax, the NDP tax on jobs. Mr. Speaker, the next step in removing roadblocks is the reduction in the corporation income tax for small businesses. That is being reduced in stages, down this year to 9.5 percent and a further reduction to 9 percent in 1995. A doubling of the small business capital tax exemption will mean 600 businesses will no longer pay that tax. What this will accomplish is allowing small businesses to return most of their income into the business and, yes, again, more jobs. Again, this is part of the overall plan to help Manitoba grow.

I am also pleased to see the Advisory Panel on Business Regulations is hard at work. They are looking to reduce red tape and make it easier for businesses to do their work. We do not need unnecessary regulations and roadblocks for business, because ultimately those regulations would also affect the number of jobs that we have to offer in Manitoba. This panel, chaired by my honourable colleague from Portage la Prairie (Mr. Pallister), is seeking input from across the province from a cross section of businesses and other interested people.

Mr. Speaker, there are also programs in this budget that will directly result in jobs for Manitobans. The extension of the Business Start Program for two years will offer a total of \$1 million in loan guarantees. We should see more than 100 new businesses take advantage of that program each year. That will mean about 300 new jobs in each year of the program.

\* (1710)

The Manitoba Home Renovation Program will benefit both Manitoba homeowners and the construction and renovation industries. I am

certain we will see an upward swing in the number of people who are employed in this area. I know my phones have hardly quit ringing since the budget was announced.

**An Honourable Member:** What are they saying, Ben?

**Mr. Sveinson:** They are wanting to know the parameters of the program.

**An Honourable Member:** Do they support the budget?

**Mr. Sveinson:** Absolutely. They support the budget.

**An Honourable Member:** What is the biggest plus about this budget?

**Mr. Sveinson:** Jobs.

The sales tax rebate for first-time buyers will also result in more jobs. It seems that almost every second word about this budget comes out jobs. This program does not just benefit home buyers. It also will create jobs. We will see an increase in new home starts in Manitoba, and we will see more and more construction workers employed.

Other programs, while not created specifically as job creation plans, will have the spin-off benefit of additional employment, yes, more jobs. The Community Places Program will be investing another \$4.5 million in Manitoba, more jobs. This government will also develop a pilot program to provide expansion capital for small businesses in the service and manufacturing sectors, again more jobs.

Mr. Speaker, all of these initiatives I have mentioned here will create jobs, real jobs, lasting jobs. The benefits for all Manitobans will be tremendous.

Capital programs in the public sector will top \$1 billion this year. Those projects will require not only construction workers but planners and others who will see employment as a direct result, more jobs. We will also pilot projects to help those on welfare get back into the workforce and on their way to meaningful rewarding jobs.

Everything I pointed out earlier will reduce the unemployment and social assistance lines.

Mr. Speaker, there is another area that deserves recognition in terms of job creation and a strategy for the future, and that is the area of mining. I heard a number of members from across the way laughing and jeering and saying that in fact these fingerprints that the mining industry sees in the southeast and so on are just that; there is not much chance of finding diamonds or gold or any other thing; there is not much chance. That is the opposition.

The budget outlines an agenda that will pave the way for future prosperity in the mining industry, which will have tangible results for Manitobans. When mines are prosperous, they contribute to the revenues of this province, and we need those revenues to finance our vital social programs like health care, education, training and family services. The announcement of the new mining investment tax credit will spur more investment in Manitoba. The doubling of the processing allowance to 20 percent for either new facilities or major expansions will also create growth and, yes, again, more jobs.

We in government also want to see exploration enhanced in Manitoba, and we are seeing that with the removal of barriers that had prevented development in the past. In my area of the province we are excited with the recent announcement of the largest mining claim in the province's history. The Rhonda Mining Corporation of Calgary, of which I have spoken before, has filed 4,284 claims to search for diamonds, gold and other base metals. The claim covers almost the whole southeastern section of the province, from Winnipeg down to the U.S. border and all the way east to Ontario. We will see this company invest several millions of dollars on the exploration side in the next few years. Remember that every dollar spent in Manitoba will benefit our economy, whether it is work in restaurants or hotels or whatever the case may be, but it will be in the communities and more jobs again created. We will see increased spending in our region with benefits to existing companies as well as prospects for future development.

Mr. Speaker, I am pleased that my colleague the honourable Minister of Energy and Mines (Mr.

Orchard) has expressed an interest in working with companies to help them invest in this province. This government's incentives for exploration are working. We are attracting companies to Manitoba because it is a great place to do business. The positive aspect here that I want to emphasize is that we attract businesses in a way that will be mutually beneficial to the company involved and to the people of Manitoba.

Listening to the members of the opposition speaking to the budget it seems that they are standing on the edge of a field back in the bush and making a lot of noise. They really want to come out and say that this is a super budget, but the Leaders just will not let them. The second day following the budget they would not have produced any questions on the budget, but the Minister of Energy and Mines pointed it out and some members of the opposition jumped to their feet saying, my question was kind of related. When I close my eyes, I kind of see the opposition parties and it seems to me that they are kind of drooling a little bit at the remote hope of forming the government in the next election. They know now, as the media and the people of Manitoba know, that we are on the right path. We are on our way up—[interjection] The truth does hurt, does it not?

Mr. Speaker, I submit that this budget continues the sound fiscal policies that came into play in 1988. It is a realistic view of expected revenues, and there is a good plan in place for keeping the reins on government spending. I am pleased, as all Manitobans, that this government was in office during these past difficult years because I can only imagine what carnage would have occurred under the NDP, or the Liberals, because any story that starts in the NDP ranks is continued by the Liberals, and vice versa. It is a short story, with devastating, lasting effects. It goes spend, spend, debt and more spending—spending literally our children's future and our hopes for good jobs.

Let me compare our six years in government to those under the reign of terror of the members opposite. The NDP raised taxes 19 times in the period they were in power. Our record fares far better under any type of scrutiny. This government

has frozen major taxes since 1988. I am pleased to see that trend will continue through the next fiscal year—[interjection] I cannot hear you; you are not talking loud enough.

The bottom line, Mr. Speaker, is that most Manitobans are better off today than they were in 1988. We should not always have to look at what others have as a measure of our own success, but because of the global changes in the way we do business today, it is important that we remain competitive with all other jurisdictions.

Manitoba constantly ranks among the leaders in North America when it comes to the cost of living, and now, also, you can add the cost of doing business to that list. The cities of Winnipeg and Brandon have been mentioned quite frequently in articles about the best places to do business. Other Manitoba cities also fare among the best. We can look at the new jobs created in Portage la Prairie, Steinbach, and in southeastern Manitoba during the past few years as an example of that.

There are so many advantages in Manitoba that we need to mention: low-cost electricity; the excellent quality and competitively priced agricultural products; the cost of land and office space is low; and the list goes on, Mr. Speaker.

What price tag can we put on the quality of life in Manitoba? We have a great deal to be thankful for here in Manitoba and, indeed, in Canada. If we just watch the TV or the news in the evening sometimes, we will realize just how lucky we are. When we see the countries that are at war right now, and see bodies strewn all over, devastation from war, we realize just how lucky we are. In a number of those countries they do not have health care. They do not have Family Services or Child and Family Services people to look after those who are less fortunate in our communities.

\* (1720)

Mr. Speaker, we also understand that we have a great deal of potential yet to be realized. Our sound policies have enhanced our way of life here while protecting our vital social safety net. It would have been relatively easy to raise taxes to create new revenue, but just raising taxes does not solve all

problems. If spending is getting out of hand, you cannot artificially create new revenues to pay the bills. I am glad our government has had the strength to stand up and make the difficult decisions that have been required to get our financial house in order.

Mr. Speaker, the cost of paying for borrowed money makes up a significant part of our government's spending. About 10 percent of our annual spending goes to service the debt. This government is on a path that will lead us to a balanced budget in 1996-97. It is a realistic goal and now it is well within our grasp. To get there we must stay the course we have set and work to achieve that goal. Our children are depending on us to do that and to reduce the legacy of debt left to us and left to our children by the official opposition.

But make no mistake, listening to the Liberals is like listening to a bad echo from the NDP. Building a stronger province takes a methodical approach to government. There is an old saying: there is a stairway to success but everybody wants to ride the elevator. Mr. Speaker, we are succeeding in our plans to create growth in Manitoba. Surely, one step at a time we are achieving our goals.

I have spoken totally on jobs created throughout this budget and the previous five budgets. I know the people of La Verendrye can see, and I am sure that all Manitobans can see now, the light at the end of the tunnel. To Manitobans, we know now we will make it, but there are no quick fixes and there never will be. Beware of opposition members with gleaming eyes that would like to take the reins of a province on the right track. That I say truly to all Manitobans, beware of those bearing gifts. Thank you, Mr. Speaker.

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, it is always a pleasure to be able to stand up to articulate on a budget. Now this will be, I believe, my seventh budget. I believe I have commented on all of the previous budgets. In fact, today would be, for a number of us, an anniversary date, being first elected on April 26 six years ago. I can virtually say 99.9 percent of that time has been sheer

enjoyment and a very challenging lifestyle to be an elected official. [interjection] Well, I said 99.9, and that .1, that was the not now. That did make me feel a bit uncomfortable. I will admit that.

I was listening to the Minister of Energy and Mines (Mr. Orchard) as he articulated on why and how can the Liberal Party and members—and he pointed to myself on numerous occasions—vote against this, vote against that, talking in terms of the personal income tax. How can we vote against maintaining the personal income tax? How can we vote against this and that, and he went through a list of—a meagre list I must admit, but he did have a list of things in which he felt that as an opposition party, we could not justify voting against.

Well, Mr. Speaker, I look at it, and I would be curious in terms of, when the Minister of Energy and Mines was in fact in the opposition bench, if he would have made that very same argument, because no doubt that in any given budget, there are going to be some good things, there are going to be some bad things. I guess the bottom line for myself is the fact that I look at the budget overall and pass judgment. If I believe that this government's budget was better than what a Liberal administration would be able to do in the Province of Manitoba, if I believed that it was better, then I would be inclined to vote in favour of the budget.

Mr. Speaker, overall, I look at this budget, and I believe a Liberal administration could have done a better job in establishing priorities. That is why I am going to vote against this budget. Coincidence has it that that has been the case since my tenure over at the Manitoba Legislature. I must say, you have had worse budgets. I recall the first budget, and I want to talk a bit about the first budget. I remember the first budget, and even on that budget, I voted against it.

The New Democrats, of course, at that time did not vote against it. They supported that budget, but I would argue that that budget was in fact worse than the current budget that we have right now. The reason why I want to make that comment is because of the former Minister of Finance, the manner in which he started off his speech. He

started to talk about how well, how wonderful this government has been doing in the last seven budgets. He talked in terms of the deficit and how good of a job this government has done in terms of saying to Manitobans we are doing a good job. Well, the former Minister of Finance had an opportunity to introduce into this Legislature a surplus budget.

Mr. Speaker, I did not have to do any research for this because I remember very well when the then-Minister of Finance introduced his first budget. What he did in the first budget was he borrowed money in order to establish a Fiscal Stabilization Fund. Had he decided not to borrow the money to establish a Fiscal Stabilization Fund we would have in fact had a surplus budget. That would have been something noteworthy. He would have been able to be somewhat boastful about it in the sense that no other province in Canada that year had a surplus budget.

I know that in the last number of years the government has received some criticism in terms of saying, well, look it was a surplus budget and you did not do what Manitobans wanted in terms of the services and so forth. I reflect on that particular budget and I see a minister who had some good fortune, as he alluded to in his speech, when he talked about the mining tax, when he talked about the transfer payments and the net personal income tax that were all because of the then-NDP administration. That is what provided the government the opportunity to come out as well as they did in that first budget, in particular in putting together the Fiscal Stabilization Fund.

\* (1730)

Mr. Speaker, I do not think the Conservatives should get that much applause. You have to look at the administration which they were following. It is not that tough to be able to follow a New Democratic administration and the mess they inherited.

I had to make those comments with respect to the then-Minister of Finance. I hope—to the member for Wellington (Ms. Barrett)—that you are right, I will never know how it is to follow an

NDP administration because hopefully we will never get another one in the Province of Manitoba.

Mr. Speaker, if we take a look in terms of what is being said in this budget, what are the selling points, what does this government want to say to Manitobans in the next election? They want to say that we have never increased personal income tax, nor did we increase the provincial sales tax. In seven budgets they have never increased it. They want to take that to Manitobans.

What they are not saying is all the other taxations, both direct and indirect, that Manitobans have had to pay as a result of the government's policy, in particular, the personal income tax, which is a much more progressive tax than many of the other forms.

We compiled a bit of a list, Mr. Speaker, in terms of some of those direct tax increases, which include: the gas tax; gasohol tax preference reduced; sales tax was broadened; property tax credits were cut; pensioners school tax assistance, income tested; social allowance recipients' tax credits were cut; tax on the Blue Cross; tobacco tax up; gas tax up in 1991, also in 1993; the diesel fuel in fact did go up at one point; water power rental rates. These are some of the direct tax increases.

One could talk in terms of some of the offloading of taxes that this particular administration talked or criticizes their federal counterparts about: Offloading, how nasty our national government has been in terms of passing on their problems to Manitoba.

Mr. Speaker, this provincial government has also been somewhat irresponsible, to a certain degree, of doing some offloading. We look in terms of some of the education cuts that have taken place. Where is that going to be picked up upon? The Highways budget. Remember the Highways budget cut? Many provincial roads turned over to the municipalities. Personal care home fees, max rate up from \$26.50 to \$46.04 in the 1993 budget. There are a number of areas in which this provincial government has in fact been offloading some of their responsibilities in order to be able to maintain, if you like, some of the things that they

are going to be going to Manitobans and saying, look, we did not increase the personal income tax.

**An Honourable Member:** Get to the point, Kevin.

**Mr. Lamoureux:** For the Minister of Rural Development—I know him best as the former Minister of Highways and Transportation.

**An Honourable Member:** He is Minister of Natural Resources now.

**Mr. Lamoureux:** Now he is playing the shell game. I guess he is not too sure in terms of what he wants, but that is right, Mr. Speaker, it is Natural Resources, because he did stand up yesterday, and he was good enough to actually provide some information on his department.

Well, the Minister of Natural Resources (Mr. Driedger) says, you know, what is the point? The point is that it is not fair for this government to go and tell Manitobans that they are not increasing taxes when in fact—[interjection] And he says, major taxes. Well, you have to ask the question, why has this government been able to not increase major taxes? Is it because of offloading? Is it because of the other taxes that they are increasing? The other taxes that they are increasing, are they as progressive as some of the taxes that they are not increasing, Mr. Speaker?

Well, that is the point. So it is not quite as easy to say, well, we are not increasing our major taxes without telling Manitobans as to the reasons why they have been able not to do that. I noticed, as members of the government stand up to speak on this budget, we hear a lot about jobs and job creation, and I am glad.

The member for La Verendrye (Mr. Sveinson), when I asked him the question in terms of what he feels is the most important aspect of this budget is, he said jobs. I think that the government is finally in tune with what Manitobans have been talking about for the last number of years. Manitobans have been talking about jobs. They have been talking about job creation. In particular, they have been looking to this government and wondering what this government is doing to provide a better

economic climate to ensure that jobs were going to be created.

Mr. Speaker, prior to this budget, the philosophy of this government, the foundation that it was setting up the province on, was one of the trickle-down theory, the invisible hand, as the Leader of the Liberal Party (Mr. Edwards) often refers to it, the trickle-down theory of let the businesses create. Government does not have any role, if you like. Let business create the jobs. The government does not have a role in trying to stimulate the economy.

In this budget we have seen a dramatic change, a dramatic reversal. We see it in a number of the different programs that they are putting into place, first and foremost, the infrastructure program. The infrastructure program is a very progressive piece of government policy, if you like. I believe that it will do wonders for Manitoba and its infrastructure.

I would have argued that there might have even been a better time to put this particular program into place. I cannot blame the federal counterparts because they were not necessarily in government at that time. The time I am talking about, Mr. Speaker, was a year, two years ago when in fact we were in a very deep recession. [interjection]

The Minister of Finance (Mr. Stefanson) says: Well, some members have used the word "depression" on this side. I am one of those individuals who have used the word "depression," because for those individuals who did not have work, did not have steady income coming in, that is what it was. It was a depression.

The people back then were asking for government to get more involved, to provide an opportunity, to give them some hope, to at least demonstrate that they care, that they want to see the economy on the move in the province of Manitoba. There were a number of things that the government of day could have done to try to give that element of hope to many Manitobans scattered throughout the province, but they chose not to.

Mr. Speaker, after six budgets, we now have a budget that does incorporate some form of job

creation. I applaud the government for acknowledging the worthiness of having job creation now as a part of the provincial government policy. I look forward to seeing what other additional initiatives, if any, the government does have. I note in the budget it makes reference to a few others.

(Mr. Ben Sveinson, Acting Speaker, in the Chair)

I wanted to go over to at least two other programs which I am responsible for as the Housing critic. In my response to the throne speech, I did not get the opportunity to talk about housing. I am going to talk about housing now, because it is part of my critic portfolio and time will allow for it.

Mr. Acting Speaker, I look—and I used to be the Housing critic. There was a period of time in which I was not the Housing critic for our party, but I went back to the '88-89 budget in which Housing in the year ending March 31, 1988, was a total of \$47,855,900. Well, this particular budget, we saw a budget of estimated expenditure for '94-95 of \$47,995,000. It is, in fact, a very modest and marginal increase from six years ago or from seven budgets.

But, Mr. Acting Speaker, I do not want to necessarily focus on the figures, because I know the government wants to say, well, gee, he is saying, throw more money at it. I do not want to say that you have to throw more money at it. In fact, I like to think that there are some things that the government can do to ensure that there are very positive things coming out of the Department of Housing. I want to comment on a couple of those.

\* (1740)

First, Mr. Acting Speaker, I want to congratulate the current Minister of Housing (Mrs. McIntosh) on something that she has been working on very closely with myself. I very much appreciate her sincerity in terms of trying to work with me in the Gilbert Park area. Over the last number of years, we have been trying to put together a good healthy organization, an apolitical organization in the

Gilbert Park area, which is the largest nonprofit housing complex.

We have been working on getting a strong tenant association. I believe that we have been very successful at doing that. The current president is an individual by the name of Amie Chartrand, who has been working very closely with the current Minister of Housing and prior to this minister with the Department of Housing, in particular Saul Schubert and a couple of other individuals within the department.

The reason why I bring it up, Mr. Acting Speaker, is that I believe that there is an alternative to the traditional nonprofit housing where government is in fact the landlord and the tenants are nothing more than just that—tenants. I am hopeful that eventually what we will see is the government taking an approach of designating, and I have suggested to the Minister of Housing that Gilbert Park could possibly even be considered that, a pilot project to look at how we can manage those nonprofit housing units in a better way. I strongly believe that if we get tenants more involved in the everyday operations of these nonprofit housing complexes that you will see a substantial and, in particular, long-term but also short-term cost savings to it, Mr. Acting Speaker. So I am somewhat excited and hope that we will be able to continue that forward momentum towards a tenant management and, ultimately, even over into a conversion of a housing co-op of sorts.

Having made reference to that, I want to move on to another program, the co-op housing start program, which was a program that was cut, Mr. Acting Speaker. I believe a program of that nature did wonders for providing alternatives to nonprofit housing. I will have ample time to go into detail during the Estimates of Housing and to find out in terms of where the government is going on programs and some discussions on the type of information that I just finished expressing to the colleagues in the Chamber here.

I wanted to talk about the two housing programs that have been mentioned in the budget, Mr. Acting Speaker. The first one is with reference to the \$1,000 grant that is now going to be available

to anyone that wants to be able to conduct renovations. There are some criteria that have been established. Overall, the concept is not that bad a one, but there are some very strong reservations that we do have about the manner in which this program is being implemented, and it is not just coming from an opposition party.

I received, for example, from the Manitoba Renovation Contractors Association, which is headed by Kevin Sanders, and in the letter that I was sent or faxed over, it expresses some of the concern that we have, and I am going to quote from the letter, Mr. Acting Speaker, and I will table the letter. The only thing I would ask is for one of the Pages to photocopy it, so I could keep one on my personal file.

In making reference to the program and how it is being administered, it reads, we feel there should be a qualifying process or criterion in place before any program of this sort is launched, both for protection of the consumer as well as for the government. The possibility for creating more problems than solutions is enormous. A licence requirement would be the cleanest answer to the situation, ensuring that the person involved has some knowledge of the inner workings of what he is dealing with, an awareness of the cause-and-effect relationship which takes place within a building envelope, has adequate insurance to cover potential complications and did not just blow into town to take advantage of the program and the homeowner.

Underline what he has quoted, Mr. Acting Speaker, is the just-blow-into-town individuals that will come in, take advantage of a program and then the quality or the workmanship might not necessarily be there. This comes from the Manitoba Renovation Contractors Association, a representative thereof.

We have raised this particular issue inside the Chamber in a question and had asked the government, in particular the Minister of Housing (Mrs. McIntosh), to address this particular problem. The minister has indicated, well, she is not as concerned for the simple reason that we are asking for two estimates, and she feels that that in

fact will resolve any problems of seniors or others being taken advantage of by fly-by-nighters, if you will—[interjection] Well, I previously, as Housing critic, can recall discussions that I have had with individuals where they expressed dissatisfaction about contractors, or some contractors.

I have got to emphasize, a vast majority of the contractors are all wonderful, hard-working, and do good quality workmanship and so forth. This is not what we are targeting. This is not what the letter that I just finished tabling, this interest group, is targeting. What we are talking about is individuals that will see an opportunity to be able to take advantage of a particular program and then not necessarily do what is in fact expected of them by the consumer and by the government, Mr. Acting Speaker. So, hopefully, the government will look at that aspect of this particular program and reconsider.

There is a whole issue in terms of certification which has been brought up into this Chamber before. The government has not necessarily responded to that particular issue, but I trust that in fact the government will be looking at that.

The other aspect of this program that I want to express is, the concern has been brought to my attention that those individuals are not going to be able to access this particular program that could benefit by a program of this nature. This is targeted mostly at fixed-income individuals that might live in some of the rural communities or the Shaughnessy Parks, the Westons, the Brooklands, the Transconas. There are numerous areas throughout the province where we see individuals that are on a fixed income that are not necessarily going to meet that \$5,000 because they do not have the \$4,000 to be able to invest in.

Mr. Acting Speaker, that is somewhat unfortunate in the sense that nothing is being taken into account for those individuals, and those individuals we want also to be able to participate in programs of this nature because, after all, in essence what we should be trying to get is the improvement of the quality of Manitoba's housing stock. How do you improve that housing stock?

\* (1750)

Well, if you are putting up fences, patios, things of this nature, it might do some benefit in terms of increasing the market value of that home, but if you start fixing foundations and more of the structural concerns that are out there in our housing stock, it would go a lot farther in terms of being able to ensure that we are going to have good quality housing stock into the future.

Having studied somewhat at the University of Winnipeg in Urban Studies, we talked a lot about the revitalization of neighbourhoods. One of the most important aspects is in terms of getting permanent homeowners that want to invest, in the community, into their homes.

Well, those are the individuals that we have to ensure are going to be the individuals that are going to be able to get access to this particular program so that what will happen is that the housing stock in those areas, in the areas where the fixed-income earners and low-income, the working poor, if you like, have access to dollars to ensure that they can.

Mr. Acting Speaker, fortunately we have a federal government that has reinstated or reinstated the federal RRAP program which will alleviate a lot of that concern in the sense that they will be able to at least apply for some of the loans to hopefully bring them up to the \$5,000 rate.

Those are the concerns that I have with that particular program, and only time will tell whether or not the areas of the older housing stocks are in fact being able to take advantage of this particular program. [interjection] The former Minister of Housing says that there is no doubt that will occur.

Mr. Acting Speaker, I hope that does in fact occur because it is absolutely essential that these housing stocks, that those neighbourhoods have access to a program of this nature, that it is not going to be going just into neighbourhoods where homes might be 14 or 10 years old, that it is more that an effort has to be put on those inner city or the older rural communities and so forth. It will be interesting to see, in fact, where that goes.

Mr. Acting Speaker, again, because of time, I do want to move onto another area of concern about this particular budget, and that is in the whole area of health care. The government in the past has talked about health care reform. I do not believe that this government has handled health care reform as well as it could have, and we see that in terms of the budget decisions that it has made.

If you invested in personal care home beds and enhancing in-home services—

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

**The Acting Speaker (Mr. Sveinson):** Order, please.

**Mr. Lamoureux:**—providing additional services for our seniors in our homes to try to de-institutionalize that. The best way you can demonstrate your efforts at doing that is through the budget, is to increase in the area of the budget where we will see that seniors will be able to remain in their homes. We do not see the sorts of shifting in that area that are necessary in order to say that the government is taking a proactive approach to resolving health care.

What we do see, Mr. Acting Speaker, is one more of crisis management control, if you like, trying to minimize any sort of real change, any real de-institutionalizing. We are not necessarily hearing about the other aspect of health care reform in terms of the roles of the LPNs and the R.N.s, our nurses' aides, our doctors, our pharmacists, the health care providers, the backbone of our health care system.

So there are many other things which the government could be talking about to demonstrate that it is in fact serious about coming to grips with the health care issue, and again, Mr. Acting Speaker, I would emphasize that I am not necessarily saying that you have to throw more money into it.

Education is something which, unfortunately, I am only going to have about five minutes to talk on, but I will have a few more minutes after Question Period tomorrow. I did want to make reference to a question I raised earlier in the week, and that was with respect to the Student Services. I

had asked the minister in terms of why it is, if he believes this is such a fair budget, he is penalizing the most vulnerable in the school system, and the minister was unable to answer that question. There was a cut to Student Services by 22.5 percent.

If you look at what it is that Student Services provide—and I ask specifically the Minister of Education (Mr. Manness). Again I am going to read it to members of this Chamber, and that is: Student Services branch is to administer the Manitoba School for the Deaf, to provide program and specialized support through services of consultants for hearing impaired and visually impaired, to ensure students with special needs have access to special equipment and materials, to facilitate interdepartmental co-ordination of services for students with special needs, to administer educational service agreements with institutions outside the regular school system offering educational programs.

Mr. Acting Speaker, what has changed that has justified having a 22.5 percent cut? That is not fair. That is not sharing the pain, as the Minister of Education (Mr. Manness) was talking about in the answers to the questions that I was posing to him last week. I look forward to hearing what the Minister of Education has to say during the Estimates when I can ask him in more detail, and I look forward to hearing that because I cannot see—and the Minister of Education was unable to defend himself on Friday. I believe it was Friday that I had asked him that question.

(Mr. Speaker in the Chair)

He admitted it himself in the sense that he said, well, the member for Inkster is half right. He did not tell me which half, of course, but I think that the Minister of Education realizes that in fact it is very difficult to justify, and I am interested in knowing how he is going to justify it. Is he saying that they do not need, these most vulnerable in our education do not need the material that they had in the previous years, that the demand is no longer there? Is he saying that they do not need the same sort of consultation that was there previously?

You know, I hope maybe the minister will come forward and say, well, the Department of Family Services is now going to be providing this aspect of the budget. I hope that the Minister of Education is going to be looking for those areas in which he can say, look, when it comes to that particular issue, we have now got the Department of Family Services that is going to pick up this particular responsibility. That is one of the reasons why we made the cut.

Mr. Speaker, I hope that is in fact the sort of indication the Minister of Education will be telling me when we do go into the Estimates process.

The overall budget of Education, Mr. Speaker, has been cut, and it has been cut by 2.7 percent. Again, I have to wonder why it is and on what basis the government came to decide that we have got to cut the Department of Education by 2.7 percent.

The government never had any plan. They did not have any idea in terms of what it is they are going to be doing to change Education to ensure that even though there is a 2.7 percent cut, the

quality of education is not going to deteriorate in the province of Manitoba.

Every time I hear the Minister of Education (Mr. Manness), he is not going out there reinforcing the positives about the public educational system. I need to be convinced that this Minister of Education is in fact trying to reform education to improve the quality of education. You do not make those changes, and you are not convincing me by going and telling the MTS, Manitoba Teachers' Society, the superintendents, MAST and some parents that, look, we want to go back to the basics. That, Mr. Speaker, is not assurance that the 2.7 percent cut is—

\* (1800)

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

The hour being 6 p.m., this House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

