



First Session - Thirty-Seventh Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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Speaker*



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 11, 2000

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Winnipeg Police Athletic Clubs

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, I beg to present the petition of Margaret Ilderton, Vika Martens, Kaleigh Kliever and others praying that the Legislative Assembly of Manitoba request that the Minister of Justice (Mr. Mackintosh) encourage the Government of Manitoba to continue partnering with schools and law enforcement to ensure Winnipeg Police Athletic Clubs provide recreation and athletic activities for young people in a safe supervised environment in 13 schools throughout Winnipeg for years to come. Thank you.

READING AND RECEIVING PETITIONS

Winnipeg Police Athletic Clubs

Mr. Speaker: I have reviewed the petition of the Honourable Member for Charleswood (Mrs. Driedger), and find that the petitioners have complied with the authorities and practices of this House. Is it the will of the House to have the petition read?

Some Honourable Members: Yes.

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

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

THAT Winnipeg Police Athletic Clubs, located in 13 schools in Winnipeg, provide young people between the ages of 10 to 17 an opportunity to participate in community

sports under the supervision of university students and police officers; and

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

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

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

THAT during the 1999 provincial election, the New Democratic Party, led by the Member for Concordia, promised "to open schools after hours and expand recreation activities for children and youth"; and

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

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

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

* (13:35)

MINISTERIAL STATEMENTS

National Forest Week

Hon. Oscar Lathlin (Minister of Conservation): Mr. Speaker, earlier today I was very pleased to sign a proclamation, as Minister of Conservation, proclaiming May 7 to 13 as Forestry Week in the province of Manitoba. Every year at this time we celebrate National Forest Week to help make Manitobans and all Canadians more aware of our forests. Over the past years it has been customary for the Minister responsible for our forests, along with the Manitoba Forestry Association, to present each of the members of this House with a spruce seedling as a reminder of just how important forests are. So I am very pleased to continue this custom this year.

During the celebration of this special week, I believe it is important to note that in the past 10 years Manitoba Conservation and the forest industry have planted more than 125 million trees. We can be proud of this accomplishment. This spring, the Manitoba Forestry Association is co-ordinating the planting of 160 000 trees and shrubs in co-operation with municipalities, First Nations and community groups throughout Manitoba. Manitoba Conservation is pleased to continue our support of the Association by participating in these successful education programs. These programs have been instrumental in helping Manitobans to understand the importance of forests to our environment and to our economy.

I congratulate the Manitoba Forestry Association for its efforts this year and over the past number of years. I thank the Association for reminding us about the importance of our forests and how valuable this resource is to our province and to our country. In co-operation with the Manitoba Forestry Association, I am pleased to present a spruce seedling to each member. I ask all members of this Legislative Assembly to join me in support of our forests and in the celebration of National Forest Week. Thank you.

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, I want to, first of all, thank the Minister of Conservation for his statement today and join with him in the recognition of National Forest Week. I would like to observe that, though my

colleague and I may be vertically challenged, I think maybe there was a move to give us trees that require some kindness and nurturing, and I can assure the House that the Member for Lac du Bonnet (Mr. Praznik) and I will undertake that with great enthusiasm. I also want to remind us of the importance of our forests and of our forestry industry.

The Minister of Conservation indeed has a very fine balancing act on his hands because he is now responsible for the conservation enhancement of our forests and at the same time the licensing and the harvesting of those forests, and I hope that he will be able to demonstrate, with the same kind of enthusiasm with which he made the statement today, that he will be able to carry out those duties as outlined.

I want to congratulate the Manitoba Forestry Association on the fact that they are still working enthusiastically on the Manitoba Envirothon, one of the best ways to educate our youth relative to the forests of this province.

Mr. Speaker: The Honourable Minister of Agriculture and Food. Order, please. I would just like to revert back. I did not see the Honourable Member for River Heights. I recognize the Honourable Member for River Heights. *[interjection]* I could not see him for the trees.

Hon. Jon Gerrard (River Heights): I ask for leave to comment on the Minister's statement.

Mr. Speaker: Is there leave to let the Honourable Member respond to the ministerial statement? *[Agreed]*

Mr. Gerrard: Mr. Speaker, I rise to add my voice to the wise encouragement of forestry practices in Manitoba and to congratulate the Manitoba Forestry Association, and also to remind members that the cultivation and the importance of trees is not solely northern forestry, that there are, as it were, urban forests that we also need to take care of.

* (13:40)

Canada-Manitoba Adjustment Program

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, I have a statement for the House.

As Minister of Agriculture and Food, I am pleased to announce the progress that has been made for processing payments under the Canada-Manitoba Adjustment Program known as CMAP. The objective of CMAP is to provide producers of cereals, oilseeds and special crops with a payment to help them adjust to the elimination of the transportation subsidy during this period of low prices. The \$100-million program is funded 60 percent by Canada and 40 percent by Manitoba.

As promised, CMAP payments started to flow to producers in mid-April. Producers who were NISA participants and were known to be actively farming in 1999 were issued direct payments without having to fill out any application form. Producers in NISA, whose farming status as of 1999 was unknown, were sent declarations with the numbers filled in. Producers receiving completed applications are only required to sign this form and return it for payment. Applications are available at all ag rep and crop insurance offices for those farmers who are not participating in NISA. The application deadline is June 30.

As of May 4, over \$63 million has been paid out to qualifying producers. Declarations in the amount of \$14 million has been sent out to producers to sign and to return, bringing the total to \$77 million. In addition, 325 applications have been received from non-NISA participants, and these applications have started to be processed the week of May 8. The initial payments were based on 6.5 percent of qualifying sales. Once all the initial payments have been issued and the related appeals have been heard, the remainder of the \$100 million will be distributed by way of a final payment.

I am pleased to be able to announce the timely manner in which we have been able to make these payments to Manitoba farmers.

Mr. Jack Penner (Emerson): Mr. Speaker, I want to thank the Honourable Minister for this statement that she has just provided to the House. It is a recognition, I believe, of the dramatic increases that farmers in Manitoba have experienced over the last couple of years because of actions taken by the federal government to do away with the Crow benefit. This

support will only be a partial offset to the increased fuel costs that farmers are experiencing this year. The dramatic increase in fuel costs will not even be covered by the amount of payment made.

I see that the Government has currently paid out \$63 million, and that is roughly about twice the amount that this government saved by not participating in the negative margin program that was announced by the federal government, to help those farmers in the province that were in dire straits and in most need, specifically those farmers that were flooded by the 1999 flood. It is a saving of roughly about \$30 million, I understand, that the Government now took to pay the 40 percent that is required for this program. So, in essence, there is really not a great deal of contribution by the provincial government in this regard.

The debate on the budget will demonstrate this: that farmers are much worse off today, even though there has been an injection of \$100 million into the farm community, much worse off today than they were even a year ago. So even though we welcome, as an opposition party, the contribution that the province has made in support of the federal initiative to provide some freight assistance to farmers in Manitoba to offset the Crow benefit cost, we still think there is a very dramatic negative downturn on the agriculture side that needs to be recognized by this government.

Hon. Jon Gerrard (River Heights): I ask for leave to speak on the Minister's statement.

Mr. Speaker: Does the Honourable Member have leave? *[Agreed]*

Mr. Gerrard: I welcome the Minister's statement and want to comment that the speed with which the program has been delivered has been well received by many farmers that I have talked to. Indeed, I think that it has been a significant factor in helping many producers to get in the fields and out seeding and putting in their crops, together with the announcement yesterday in terms of changes in the structure of the rail regulation across western Canada and the federal funding for roads. I think that this represents a step forward in recognizing the changing nature

of the transportation system and the cost structures. I think it is unfortunate that there was not federal-provincial agreement to put in place as well a JERI program or something like that for southwestern Manitoba, but I do think this has been a significant step and is certainly very welcome.

* (13:45)

Grain Transportation

Hon. Steve Ashton (Minister of Highways and Government Services): I wish to make a statement today regarding the outcome of yesterday's release of the federal government's response to the report on grain transportation. For several months, Manitobans in the agriculture and transportation sectors have been awaiting the findings of this federal study on the future of grain transportation. Our government is on record as supporting any efforts that will ensure the Canadian Wheat Board has a strong and meaningful presence across the country in grain transportation that will result in the most benefits to producers. We believe the federal response to these challenges is a positive one for Manitoba.

Manitoba proposed a rate cap reduction of 18 percent from the current rate level, while the federal government decided on 18 percent from proposed new rates for 2000. While this is a 4% difference, we feel this is a positive move, provided there are similar reductions for future market conditions. As a result, Manitoba farmers will be in a position of sharing the savings of approximately \$170 million this year in grain transportation costs. However, given that the announced funding will be less than 5 percent of the fuel tax rebate on the highway side, we are encouraged by the fact that the federal government has brought in additional funding on the highway side. We estimate it may be up to \$6 million a year, on an annual basis, a long way to go, but better than nothing.

The federal government's decision on grain transportation will continue, however, as I indicated, to put pressure on the road system. I am, I want to stress, very pleased with the recommendation that funds be dedicated to the maintenance of our highway system.

Incidentally, this will be the first time this will take place in Manitoba in nearly five years.

Beyond these points, there are a number of other aspects in this decision which are consistent with our goals in grain transportation. This government's position was that the Canadian Wheat Board requires the flexibility to determine the amount of tendering based on the impact of tendering on our farmers. Now we are comfortable that this will be achieved. We are especially pleased that the federal government will allow an independent third party to monitor this process and implement changes if the system is not responsive to the needs of our producers.

Our government proposed that the Wheat Board be able to tender at port or at spout, and this has been achieved. While we are concerned about possible limits on the Board's ability to contract directly with railways to ensure capacity for all the Board's business, we will continue discussions to ensure the Board can maintain a strong market presence. We are disappointed that the federal decisions did not go as far as we hoped on the rail line competition, but we will continue talks with Ottawa on this point. We are pleased with the measures taken to ensure rail lines are not abandoned when there is the chance for viable operation.

Finally, we are also satisfied that Manitoba's position on the final offer arbitration has been at least partially achieved by the federal response. Since the beginning of this process, our government has worked both publicly and behind the scenes to ensure Manitoba's interests were reflected in the findings of the report. We have worked closely with Manitoba members of Parliament and a number of federal ministers and the result of this co-operative approach is that the concerns of Manitobans, the Wheat Board and, most importantly, agricultural producers are reflected in the recommendations of the report.

As a result, today we are joining with the Keystone Agricultural Producers, the Saskatchewan Association of Rural Municipalities, the Government of Saskatchewan, and we are adding our support to the federal government's actions on grain transportation. We are

cautiously optimistic on the decisions and the impact on grain transportation, and we look forward to reviewing the details.

In closing, I would like to acknowledge the work of our Manitoba members of Parliament once again who have represented our interests well in our discussions with Ottawa on this issue. As a result of Manitoba's participation in the process, I am pleased that the recommendations of the report are in the best interests of the Canadian Wheat Board, the province of Manitoba and, most importantly, Manitoba's agricultural producers.

* (13:50)

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, I thank the Minister for his statement, but I am concerned that he is falling over himself to express his gratitude to the federal government in this process at the very time when Manitoba agriculture is increasingly dependent on the road system, at the very time when the road system is constantly under financial pressures, which I am sure this minister will acknowledge. He is now responsible for a department that is in fact going to reduce Manitoba's expenditure on highways in southern Manitoba by \$10 million. Now I would have hoped that we would have at least been able to maintain the expenditures of a year ago.

Dealing directly with the action that has been taken regarding grain freight, I would remind those who are not involved in the agricultural industry that this is a little bit like saying I saved \$30,000 because I did not buy a new truck this year. In fact, this is an anticipated increase, and I am glad that the federal government has moved to curb that expenditure. But it is only a first step, and I think the agricultural community and all of those who are concerned about the future of primary production in this country are now seeing the fruits of the removal of the Crow rate on two sides. On the one side, we are seeing the benefits where we diversify, but at the very time that we are diversifying, we need increased capacity in our roadway to move those products to the market where they have the highest value. I really believe that, while we can be, as the Minister has said, cautiously optimistic, I think we must not give up the fight and say, gee, this is great. The next step is, let us

have some of the gasoline tax back from Ottawa so we can build our roads.

Hon. Jon Gerrard (River Heights): I ask for leave to speak on the Minister's statement.

Mr. Speaker: Does the Honourable Member have leave?

An Honourable Member: No.

Mr. Speaker: Leave has been denied.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to direct the attention of all honourable members to the gallery where we have with us today from the Interlake Mennonite Fellowship School 41 Grades 6 to 12 students under the direction of Mr. John Elias. This school is located in the constituency of the Honourable Member for Interlake (Mr. Nevakshonoff).

Also seated in the gallery, we have 38 Grade 6 students under the direction of Mr. John Clark and Mrs. Julie Sanders from the Mahnomen Elementary School, from Mahnomen, Minnesota.

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

ORAL QUESTION PERIOD

Budget Income Tax Reductions

Mr. Eric Stefanson (Kirkfield Park): Governments all across Canada today are cutting personal income taxes this year, but not this NDP government. According to the NDP Government's own numbers—I refer the Minister of Finance to page D14 in the budget tabled yesterday—a family of four making \$60,000 are now paying the highest provincial personal income taxes in all of Canada. In fact, this family is paying 66 percent more than Ontario, 35 percent more than British Columbia and now more than Saskatchewan, Québec and Newfoundland.

Does this Minister of Finance believe that moving from the middle of the pack in terms of personal income tax to last place with the

highest in all of Canada is the kind of Manitoba that will attract new residents and retain current residents?

Hon. Greg Selinger (Minister of Finance): I thank the Member opposite for the question. On his way to page D8, I hope he stopped at page C8. On that page he will see that, as a result of our new family tax reduction, a two-earner family earning \$60,000 will receive 121% reduction in their taxes in our first taxation year of 2001. That is the most progress any government has made on a middle-income family. Let us remember, the taxation for this year is the regime you left us in your last budget.

Mr. Stefanson: First of all, thankfully, we passed a personal income tax reduction in our last budget, that came into effect on January 1 of this year, that was opposed by a motion brought in by that group over there which opposed that reduction which is shown in these numbers today. But most important of all, when the federal government brought down their budget two months ago, if we had stayed tied in with the federal budget, Manitobans—

* (13:55)

Mr. Speaker: Order, please.

Point of Order

Hon. Gord Mackintosh (Government House Leader): The Budget Debate has been adjourned in the name of the Honourable Member. I am sure he will have plenty of time to get his remarks on the record at that time. This is Oral Question Period. As the Member knows, Citation 410, supplementary questions require no preamble.

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

Mr. Marcel Laurendeau (Opposition House Leader): The Honourable Member is quite right that *Beauchesne's* does clearly state that, but the Honourable Member for Kirkfield Park (Mr. Stefanson) was taking the Leader's prerogative at this time. If the honourable members are scared of the questions, they should not ask any

questions of the Minister so he has an opportunity to answer.

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

* * *

Mr. Speaker: I would ask the Honourable Member to please put his question.

Mr. Stefanson: So I ask the Minister of Finance: Why did he not pass along to Manitobans the full impact of the federal income tax reduction, which would have amounted to about \$40 million for Manitobans, which would have allowed us to have lower taxes than Saskatchewan, than Québec, than Newfoundland? Why did he not pass along that reduction when virtually every other province in Canada did just that?

Mr. Selinger: On the system that we have brought into play in Manitoba in this year, Manitobans will pay \$11 million less taxes than they would have paid staying with the federal system. So, over all, we have provided more relief in our first year than the previous government would have provided if they would have stayed on the federal system. Like every other province, we have moved to a tax-on-taxable-income system which ensures that each province can offer a package of tax reductions which benefits people. We chose to benefit families, and that is the way we have designed our system.

Mr. Stefanson: I ask the Minister of Finance why, on page C3 of his budget document tabled yesterday, does he continue, he and his government continue, to try and take credit for the personal income tax reductions that were brought in, introduced by our government, passed in our budget, passed by our legislation? Why is he showing a comparison and trying to take credit for those reductions when he had nothing to do with them, Mr. Speaker?

Mr. Selinger: You know, I am really enjoying this right now because he is saying, on the one hand, that a single-income earner family of

\$60,000 with two children has the highest taxes in the country, and of course that is our responsibility, but on the other hand, the tax reduction offered for this year is to their credit. You cannot have it both ways.

The reality is this. The tax reduction for this year for a family at the \$60,000 level, two children, single-income earner, \$231 reduction. Next year, our reduction for that family will increase by \$484. The year after that our reduction will increase another net incremental \$284, for a total, over three years, of a 14 % reduction for that family unit. That is substantial relief for that family. That is why we designed the system to do the job it is going to do.

Mr. Speaker: The Honourable Member for Kirkfield Park, on a new question.

Budget Revenue Projections

Mr. Eric Stefanson (Kirkfield Park): Yes, Mr. Speaker.

I certainly hope the Minister of Finance looked at the front page of *The Winnipeg Sun* today because I ask this same minister—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please.

An Honourable Member: The numbers speak for themselves.

Some Honourable Members: Oh, oh.

* (14:00)

Mr. Speaker: Order, please. I would like to remind all honourable members that, according to *Beauchesne's* Citation 504, it is improper to produce exhibits of any sort in the Chamber, and I ask the honourable members to please put them away. I just ask for your co-operation in the matter, please. Thank you.

Mr. Stefanson: Thank you very much, Mr. Speaker. After disparaging our billion-dollar plan in the last election, which would have seen significant tax reductions along with increased

spending on the priorities of Manitobans, this NDP government has finally recognized the validity of those projections. In fact, using the Minister's own numbers, revenue is projected to grow by some \$1.3 billion over the next five years from the 1999-2000 budget. However, instead of giving it back to the taxpayers of Manitoba, as every other jurisdiction is doing, he is spending it.

Mr. Speaker, I ask: Will the Minister of Finance now confirm and show it in his budget document that he has now found the \$1 billion over those next five years?

Hon. Greg Selinger (Minister of Finance): I appreciate the question from the Member opposite. The reality is that we have put together a budget here that offers a balanced approach to the way we address the priorities of government. That is why we started with a 6% increase in health care, a \$135-million improvement in that area. When you look at the numbers here and you compare them to the billion-dollar promise that the Conservatives made, the numbers are dramatically different. They had substantially lower revenues, they had substantially lower spending, and they had no tax relief in the years that we are offering it.

Mr. Stefanson: Mr. Speaker, a balanced approach includes tax reductions. I want to ask this member a very simple question, because you did not answer that question. Will he confirm today, yes or no, that his projections out over these next five years show that there will be in excess of \$1 billion available for either expenditures or tax reductions? Yes or no? Does he stand by his numbers or does he not stand by his numbers?

Mr. Selinger: Mr. Speaker, what I will confirm today is that the projections put out by the former government were wildly inaccurate. Both on their election promises they were wildly inaccurate in terms of the spending that they had projected, and they were wildly inaccurate in terms of the revenues they had projected. As a result, we are in a situation now where we have a government that is going to plan a budget more responsibly.

Mr. Stefanson: Mr. Speaker, I am absolutely amazed. I ask this Minister of Finance to look at

his own budget, to look at his medium-term plan and answer to Manitobans the very simple question, either a yes or a no. Will he confirm today what is showing in his budget document, that over the next five years there will be in excess of \$1 billion available for either expenditures, tax reduction or debt repayment? Yes or no?

Mr. Selinger: Mr. Speaker, I can once again confirm that the plan put forward by the previous government bears no relationship to the plan we are putting forward. Their revenues and their expenditures were dramatically less than what we have projected here, and because they were dramatically less they did not address the priorities that we have run on and met in this budget.

Budget Income Tax Reductions

Mr. Harold Gilleshammer (Minnedosa): Mr. Speaker, Saskatchewan moved in their budget to aggressively cut income taxes and stop the drain of people from their province by becoming more competitive. Over the next three years, Manitoba will fall further behind in terms of personal income tax. By the year 2003, an individual earning \$50,000 will be paying 20 percent or \$1,250 more in Manitoba than in Saskatchewan.

Can the Minister of Finance not see that his medium-term plan will simply have Manitoba fall further and further behind all other provinces?

Hon. Greg Selinger (Minister of Finance): Well, Mr. Speaker, what we have here is an analysis done by the CIBC, and they say as follows: "Its overall provincial tax burden"—referring to Manitoba—"on a middle-income family ranks fourth lowest in Canada." That is not falling behind.

Mr. Gilleshammer: Members opposite have talked about the cost of living in Manitoba. I ask the Minister of Finance: Why should Manitobans be punished with high taxes because our cost of living is lower than some other provinces? We have control over those expenditures. Could he not understand that our only

choice with taxes is to pay them or move elsewhere?

Mr. Selinger: The members opposite seem to be very selective in the numbers that they use out of the budget document. Let us use one. If you look at the budget document and you compare the cost of living for Manitoba compared to any other province, we rank extremely favourably. We have the third-lowest cost for that family of \$60,000 this year in Canada. The third-lowest cost. That is a very respectable number.

Mr. Gilleshammer: A low cost of living does not give him a mandate to have the highest taxes in the country.

Mr. Speaker, I ask why our new tax brackets are going to be two and a half to three points or 20 percent higher than Saskatchewan, a province with similar demographics.

Mr. Selinger: The bottom line is our tax brackets are very competitive this year. Our first tax bracket is 10.9 percent, which is lower than Saskatchewan's 11.5 percent. That is the universal tax bracket that applies to all taxpayers in a jurisdiction. We are doing better than them now, and we will do better than them when this budget is understood by Manitobans.

Budget Income Tax Reductions

Mr. John Loewen (Fort Whyte): Mr. Speaker, this government has pulled off a tax grab of grand proportions from all Manitobans. The federal government reduced taxes by \$40 million. This NDP government had the power to pass these cuts on to Manitobans. Instead, they chose to change the tax structure prematurely and hold on to \$30 million of Manitobans' hard-earned money.

When they clearly have significant revenue windfalls, why did the Finance Minister not pass this substantial tax cut on to all Manitobans?

Hon. Greg Selinger (Minister of Finance): I will only reiterate what I said at the time that the issue first arose, and that is that we would live up to our election commitments to offer in our first year a property tax credit to Manitobans

valued at \$25 million. In addition, we said we would pass on the \$40-million income tax reduction passed in last spring's budget, and in addition to that we said we would pass on the tax reduction for small business in the order of \$6 million. We lived up to every promise we made. We had no obligation to cost-share federal tax reductions, particularly when they reduced—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Selinger: Mr. Speaker, we had a situation where the health supplement was reduced by \$39 million from the federal government this year. So what we did was we lived up to our promises. Every one of the things that we said we would do in the last budget, we made them come true in our first budget, and then we went beyond that and put in place a new tax regime that targets relief toward Manitoba families. That is a good budget.

Mr. Loewen: Mr. Speaker, I refer the Minister to page C12 of his budget. Will this minister admit to this House today that if he had not changed the tax structure, his table on C12 would indicate that today Manitobans are paying higher taxes than if he had left things simply alone?

Mr. Selinger: The thing I enjoy about C12 is the bottom line, Mr. Speaker, where people see a reduction in their taxes paid of \$231, a substantial beginning on that. When you look forward to the following year on that page, an additional \$484 accrues to the same family.

Mr. Loewen: Mr. Speaker, it is unfortunate this Finance Minister continues to play mumbo jumbo with the figures.

Will the Minister admit to this House today, as he tried to say on CBC radio today, that breaks on personal income taxes were possible because the NDP broke away from the federal system? Will he recognize today that if had not changed the tax system, today Manitobans would be paying less taxes than under his system?

* (14:10)

Mr. Speaker: Order, please. I had ruled on displaying exhibits in the Chamber. I would ask the Honourable Member for Springfield (Mr. Schuler) to please observe the ruling and the rules of this House, and please put it away.

Mr. Selinger: Mr. Speaker, what I said on the radio and what I have said consistently is that all provinces are moving to a tax-on-taxable-income system, in order to offer greater transparency and simplicity. The Member opposite refers to page C12. If he examines that page carefully, he will note that we eliminate the use of the net income tax, we eliminate the use of the surtax, and we bring in a new family tax reduction which reduces family taxes by \$450. In addition, at the end of the day, they get a total tax reduction of \$484.

Physician Resources Pediatric Ophthalmologists

Mrs. Bonnie Mitchelson (River East): When the Minister of Health was in opposition, he brought Miranda Kostiuk-Hein to two press conferences to draw attention to the shortage of pediatric ophthalmologists.

My question for the Minister is: Now that he is the Minister of Health, will he fulfil the promise that he made to hire another pediatric ophthalmologist so that Miranda Kostiuk-Hein's 5-year-old daughter does not have to make a third trip to Alberta for a much needed surgical procedure?

Hon. Dave Chomiak (Minister of Health): The Member is wrong in her statement. I did not bring Miranda Kostiuk to press conferences. I believe Miranda Kostiuk confronted the former Minister of Health in the hallway. She was not brought by myself to actually do that, and I would rather not—

Some Honourable Members: Oh, oh.

Mr. Chomiak: In any event, I can inform the House that, in fact, we have budgeted for and are attempting, as the head of the Winnipeg Regional Health Authority has indicated, to hire a pediatric ophthalmologist. As the members opposite are aware, Manitoba Health has subsidized the cost for Miranda Kostiuk's daughter

to receive that treatment. It is very difficult to attract, to hire pediatric ophthalmologists in this jurisdiction, as it was for members opposite when they were government. At least we have money in the budget, and we are attempting to do that. It is a difficult situation for the family. Thankfully, they have been able to receive treatment. We are doing everything we can to hire pediatric ophthalmologists, and we will continue our efforts to do so.

Mrs. Mitchelson: My, how things change from opposition to government.

My question for the Minister of Health is: What does he have to say to Miranda Kostiuik-Hein who said, and I quote: I was so important last year when he was in opposition, but now that he is in power and has the ability to do something, why has he not acted? Why did he use me?

Mr. Chomiak: I would like to indicate that one of the issues, upon assuming office, we determined was that there was need for additional pediatric ophthalmologists, and we asked the Winnipeg Regional Health Authority to attempt to hire them.

We attempted to do so, and we have had contact with Mrs. Kostiuik since that period of time, and we are attempting to resolve the issue of the hiring of a pediatric ophthalmologist in this jurisdiction. There was only one when the former government was in power. We are attempting to hire a second one, if it is at all possible. It is difficult to hire, and we are doing the best we can in order to do that.

Mrs. Mitchelson: I want to ask the Minister of Health, on behalf, again, of Miranda, why he had the time to speak personally to her when he was in opposition, but now that he is the Minister of Health he cannot find time personally to speak to her. He did, when he was in opposition, promise to help her daughter. When is he going to follow through on that commitment? Why has he personally turned his back on her entirely?

Mr. Chomiak: As the Member was wrong factually yesterday, the Member is wrong factually today. I do not like to debate this in the Legislature, Mr. Speaker, but since the Member brought it up, I had an appointment with Mrs. Kostiuik which unfortunately she forgot about

and was not able to attend. We asked her to phone to make another appointment, which she did not do.

There is a very legitimate point with respect to finding a pediatric ophthalmologist, but I would appreciate it if the Member would bring factual information. If she is going to bring this type of question to the floor of the Legislature, then it is incumbent upon her to bring accurate and factual information. She did so wrongly yesterday, and she did so wrongly today.

Manitoba Health Research Council Funding

Hon. Jon Gerrard (River Heights): Mr. Speaker, my question is to the Minister of Finance (Mr. Selinger). Given the budget Estimates document yesterday, which shows a rise in health care expenditures over last year's budget of 15 percent, it is clear that never in the history of our province has there been more need for research to increase the quality and to spend more wisely in health care in Manitoba. I ask the Minister of Finance why he failed to increase the budget of the Manitoba Health Research Council to enhance the research base and to improve the quality and the cost-effectiveness of our health care system?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, the Member is correct that the ability to conduct research is an integral component of a health care system and is a means to move ahead. One of the difficulties, of course, that we had in this jurisdiction was the spending of the previous government, which not only froze the spending at that level but wasted taxpayer dollars on extravagant things, like the SmartHealth failed experiment and the other initiatives. So we have fallen far behind. I have had a very favourable discussion and meeting with the Manitoba Health Research Council, and I look forward to some of our future meetings with respect to some of the ideas and programs that they would like to bring forward.

Research and Development Funding

Hon. Jon Gerrard (River Heights): Mr. Speaker, my supplementary is to the Minister of Finance. Why, when research and ideas are the

raw materials of the new economy, did you take out the dagger and slash spending to the economic and technology fund by two thirds, slash spending on agriculture research by one third and fail to increase research in health care at all? You have missed the boat. You have failed to recognize the importance of the new economy.

Hon. Greg Selinger (Minister of Finance): After that question, I can only say this: I wish the Member would have been animated when he was in the federal Cabinet and they cut \$6.2 billion out of the Canadian Health and Social Transfer, which had a dramatic impact on post-secondary education, health and social services. If he would have been as animated then as he was today, we would not have had the problems we are experiencing now.

Manitoba Innovation Network Funding

Hon. Jon Gerrard (River Heights): Mr. Speaker, my second supplementary to the Minister of Finance: Given the importance of the new economy, why has the Minister of Finance even left the funding for the Manitoba Innovation Network, which hosted TechQuest 2000, in limbo so its future is in question?

Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines): I thank the Member for the question. As he is aware, we are under a process of review of the advisory committees, including MIN, and it is a very valuable resource providing a number of innovative and creative ideas. We hope to have a response which is coordinated with industry, academics and government in the very near future.

Lindane Levels—East St. Paul Soil Remediation

Mr. Larry Maguire (Arthur-Virden): Mr. Speaker, after seven months of concerns having been raised with the Government in this House about the presence of toxic lindane-treated seed in East St. Paul and little or no follow-up for these citizens, we have now found that tests show lindane to be present in the local water wells.

Mr. Speaker, will the Minister of Conservation tell this House how many homes in East St. Paul and Winnipeg now have contaminated drinking water and how this was allowed to happen after repeated warnings about the need to clean up this toxic site?

* (14:20)

Hon. Oscar Lathlin (Minister of Conservation): Mr. Speaker, I would like to say to the Member that ground water samples were taken on May 5 from three monitoring wells that were dug around that area. Monitoring wells are installed in six metres of clay.

Those results have revealed low levels of lindane in two of the three monitoring wells that are there, the highest level being one tenth of the safe level of lindane in the drinking water, as determined by the World Health Organization. The monitoring well results are indicative of ground water quality directly below the site.

They do not represent the quality of the water that is in the aquifer used for the drinking water supply in the area, so we are doing further tests to the soil and water in that area. As I am speaking, tests are being done.

As soon as I get those results from that review I will be happy to share the results of that investigation with the Member.

Mr. Maguire: Well, Mr. Speaker, I do not know if there is a void in the Department, but the tests that I am talking about were tests that we received word on this morning.

Will the Minister explain what steps his government will now take to deal with the well contamination to properly remediate the compost site and to ensure that the health and safety of Manitobans will not be further compromised?

Mr. Lathlin: I met with staff this morning, and I have made it known to our staff that we are prepared to take additional well water samples upon request from residents in that area. Those that are concerned with their drinking water, we are prepared to go and test them as well upon request.

Mr. Maguire: Mr. Speaker, given that these tests are just new this morning, what kinds of communications have been taken to alert these impacted residents in their area? They know that there is contamination in those wells.

Mr. Lathlin: I want to advise the Member that we are just as concerned about the quality of the drinking water there.

In fact, I have asked my staff to arrange for a visit for myself. I want to go and see personally myself the site that we are talking about and maybe even meet the individual that has phoned. I say "maybe" because I am in the process of trying to locate her. If I can catch up with her maybe this afternoon I will go there and see for myself.

Universities Funding

Mr. Leonard Derkach (Russell): Mr. Speaker, the short-sighted approach of this government to university funding has left our universities in Manitoba in a quandary. Universities will be left to cut programs, restrict access or reduce staff.

Mike McAdam, University of Manitoba Vice-President of Administration, stated, "We will be looking at further budget reductions; each department will have to cut its budget by 3 percent."

Can the Minister of Education advise this House how a student will benefit from a tuition rebate when that student faces fewer program choices, fewer faculty and limited technological resources?

Hon. Drew Caldwell (Minister of Education and Training): Mr. Speaker, the members opposite presided over the greatest dismantling of the post-secondary education in the province of Manitoba history over the last decade leaving a quarter of a billion dollar capital deficit on the system, a doubling of tuition fees, a situation that was virtually a disaster when this government assumed office in September. We will compare our record in the last seven months to the record of the members opposite over the last 11 years any time, on any issue, when it comes to post-secondary education.

We were pleased to announce yesterday the largest injection of funds into the post-secondary system in a decade. We were very pleased to offer to students, for the first time in a decade, real hope for affordability and accessibility to the post-secondary system. We are extraordinarily pleased and privileged to be entering into a new era of partnership with our post-secondary partners in developing a post-secondary education system in the province for the new millennium.

Mr. Derkach: Well, Mr. Speaker, it is unfortunate that the Minister of Education was not listening to the comments made by university students yesterday.

Can the Minister tell the House how the universities are to compete in attracting new students when because of lack of funding support to our universities, universities will only be able to offer programs with reduced staff and reduced resources?

Mr. Caldwell: Perhaps the members opposite missed my remarks. The Member makes comment about reduced funding. The largest injection of capital and operating funds in a decade was announced yesterday. The Government of Manitoba is now presiding over a renewal exercise with our partners in the post-secondary system to rebuild the post-secondary education system in this province after a decade of disastrous policies that have decimated the post-secondary institutions in our province.

Tuition Fee Policy

Mr. Leonard Derkach (Russell): Mr. Speaker, we have had the questions regarding the tuition fees before. I would like to ask the Minister of Education whether or not he will guarantee to the students of our universities that universities cannot legally increase tuition fees in any way, shape or form?

Hon. Drew Caldwell (Minister of Education and Training): Mr. Speaker, unlike the previous government and their ministers of Education that made a habit of issuing directives from the Minister's office, repeatedly issuing directives, and ordering officials to make decisions in accordance with government ideology and

positions, we have a solid partnership with our post-secondary partners. We meet regularly and consult with our post-secondary partners. I will advise the House right now that as recently as two hours ago, I was sitting with the president of the University of Manitoba discussing these issues and others.

So, Mr. Speaker, when the members opposite speak about shortfalls in terms of education, they need not look further than their mirrors.

Budget Agricultural Disaster Assistance

Mr. Jack Penner (Emerson): Mr. Speaker, last year, the former Progressive Conservative government provided a 14% increase in funding to agriculture, a clear demonstration of its commitments to their producers. This year, farmers received a paltry 0.2 percent from the NDP Government. This will certainly be a disappointment to flooded farmers who have not seen a penny of direct disaster relief from this NDP government.

Could the Minister of Agriculture explain why this government's budget failed to provide any targeted assistance to help flooded producers in Manitoba?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, I do not think the Member wants to hear or wants to admit that this government has been helping producers. I want to correct the Member on his comments a little earlier where he said that CMAP was a federal initiative. In fact, CMAP is a result of the lobbying that this government and the Saskatchewan government did to the federal government to get support.

In the southwest part of the province, there has been money that has gone into those areas from programs like CMAP, from programs like AIDA. The Member opposite has talked about why we did not cover negative margins. I want to remind him that by doing the enhancements to AIDA, we put in \$23.6 million in support for farmers. If we would have gone to the negative margins, it would have been about \$15 million. We have put money into farmers' hands. It is

unfortunate that the federal government does not recognize their responsibility in disasters and join with us in a program to help those producers.

Mr. Jack Penner: Mr. Speaker, it is clearly evident that this minister does not understand the hurt from the disaster that has occurred in the flooded areas of Manitoba.

I would ask the Minister, given that in yesterday's budget speech the Government said that it is committed to maintaining a viable and vibrant agriculture economy in Manitoba, how this NDP government can do what it has done and it has demonstrated clearly that it has hung young farmers out to dry. What other support and what kind of direct assistance can you give to flooded farmers in Manitoba?

Ms. Wowchuk: Mr. Speaker, I want to thank the Member for that question and tell him that we have worked very hard to try to get the federal government to recognize that there is a disaster in the southwest part of the province. They refused to partnership in any program to cover the cost of that disaster.

However, I am very proud of our record since we have formed government and the number of dollars that this government has put into the farming community through programs like CMAP, through enhancing AIDA. I am extremely proud of the changes that we have made to crop insurance, particularly as it relates to excess moisture insurance, which if the previous government would have done, the farmers in the southwest part of the province would have had a much better situation under their watch.

* (14:30)

Mr. Jack Penner: Well, Mr. Speaker, it is very evident that this minister does not understand, again, the hurt that the flooded farmers are feeling.

A final supplemental question then to the Minister: Will this minister commit today to immediately touring the flood-damaged area and explaining in person to the affected producers why her government did not make any

recognition of the hurt that is currently going on amongst the flooded producers in their current budget?

Ms. Wowchuk: Mr. Speaker, I want to tell the Member opposite that I do recognize how serious the situation is in the southwest part and in other provinces that have had heavy rainfall. I am extremely pleased to learn from people of the area that they are having a much better year, that most of the area that was flooded last year has actually been seeded already. We hope that they will get the rainfall that they are hoping for so that those crops can germinate and we can have a much better year than we have had for the producers. I continue to speak with producers from that southwest part of the province on an ongoing basis.

Mr. Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Millennium Showcase 2000

Ms. Bonnie Korzeniowski (St. James): Mr. Speaker, I would like to congratulate the students, staff and volunteers of the St. James-Assiniboia School Division who recently staged their Millennium Music Showcase 2000 at the Centennial Concert Hall. This was no mere school concert. It was a celebratory performance that gave the 450 performers and 2000 members of the audience memories to cherish. No doubt it will remain a defining moment for the students and their families.

Although I am the MLA for St. James and the grandmother of one of the performers, I am in no danger of exaggerating the flair, spunk and sheer talent of the singers, dancers and instrumentalists drawn from the division's 23 schools. That is because I do not think it is possible to praise them too highly. They were at ease with everything from 14th century ballads to Handel and Gershwin. Their musical sophistication reflects the fact that St. James-Assiniboia boasts an exceptionally high proportion of students active in school music programs, two thirds, in fact. That said, the thought uppermost in my mind during the performance was the overwhelming amount of

training, preparation and co-ordination involved in staging the showcase.

I would like to pay tribute to the students, staff, parents and volunteers who worked for over seven months to produce this polished performance. It seemed like magic, but I know that behind it there was a lot of pluck, dedication and very hard work.

* (14:40)

Mustangs Charity Hockey Tournament

Mrs. Bonnie Mitchelson (River East): It was my pleasure to attend the opening ceremonies of the second annual Manitoba Mustangs Charity Hockey Tournament on April 29, 2000. This tournament raises money for the Children's Wish Foundation. Last year, 32 teams from all over the province participated in the tournament and raised \$12,000 for the Children's Wish Foundation. This year, 56 teams, 45 from Winnipeg and 11 from rural Manitoba, are participating in the tournament.

With the increased number of hockey players, all between the ages of 7 and 10 years old, playing in the tournament this year, even more money should be raised for the Children's Wish Foundation. The young participants in the Mustangs tournament should be complimented on their fundraising efforts and on their fair play.

As well, I would also like to compliment Morgan Skakum [*phonetic*] for her excellent rendition of our national anthem and Nicholas Sasaki [*phonetic*] for piping in all the players participating in the tournament. Their efforts made the opening ceremony something I am sure all the players and their families will not forget.

Finally, I must commend Garth Lancaster [*phonetic*], president of the Manitoba Mustangs, and his committee for organizing this wonderful event. Mr. Lancaster should know that the sacrifices and hard work he and his crew have undertaken to make the tournament possible is very much appreciated. Through their efforts, this fantastic event provides many young hockey players with a quality hockey tournament to compete in while at the same time raising money for a very good cause.

I congratulate them all for their efforts in making the Manitoba Mustangs Charity Hockey Tournament a huge success.

Canadians Helping Kids in Vietnam

Mr. Harry Schellenberg (Rossmere): Last Saturday, May 6, I attended a fundraising dinner at the St. Alphonsus Hall at 341 Munroe Avenue in East Kildonan sponsored by an organization known as Canadians Helping Kids in Vietnam. This event was well attended, which included four MLAs from the provincial Legislature and one member of Parliament from the House of Commons in Ottawa.

This organization consists of a small, active group of Winnipeggers who possess a common goal of helping children in southeast Asia. Canadians Helping Kids in Vietnam is a non-profit organization that has been working with the International Red Cross for the last five years. Their efforts have focussed on the poorest regions of central Vietnam where they have already built two elementary schools and provided necessities to underprivileged families through sponsorship programs.

At the present time, they have arranged for Canadians to sponsor 50 families in Vietnam. A family sponsorship is \$20 a month, which totals \$240 a year. They have also arranged for the Canadian military to send 21 000 pounds of computer and school supplies to Vietnam. This organization consists of 16 directors today, but its beginnings were greatly influenced by the following three people: Ms. Darlene Lindsay, a social studies teacher at Miles Macdonell, and Tam Nguyen and Chou Pham who are former refugees from Vietnam who want to assist their native country.

I commend this organization for its leadership in this humanitarian vision of helping the less fortunate in the world.

Winnipeg Harvest Donations

Mr. Jack Penner (Emerson): Mr. Speaker, I rise today to recognize the combined efforts of the Manitoba Moose hockey team and Peak of the Market who together have been collecting food donations for Winnipeg Harvest, as we all realize.

During the April 7 Manitoba Moose/ Michigan K-Wings game, hockey fans were encouraged to bring donations of non-perishable food that would be donated to Winnipeg Harvest's food bank. To make this donation even more generous, Peak of the Market, one of Canada's premier vegetable suppliers, agreed to match the donations pound for pound with fresh vegetables. This means that the fans' generous donations went twice as far.

The event was a huge success, the Moose fans bringing in the equivalent of 17 056 pounds of food donations. With Peak of the Market matching the fans' donations pound for pound, the total grew to more than 17 tons of food which was donated to Winnipeg Harvest at that hockey game in Manitoba.

Every donation to Winnipeg Harvest, whether it is canned meat, fish, cereal, macaroni, cheese, dry pasta, canned vegetables, canned soups, canned stews, peanut butter or spaghetti sauce, makes a big difference to the clients of Winnipeg Harvest.

It is encouraging to see organizations such as the Manitoba Moose and Peak of the Market team up to help groups such as Winnipeg Harvest. It is proof that any donation or gesture can make a difference, an important difference in Manitobans' lives. Let us congratulate these organizations and Manitobans for the generosity they displayed towards Winnipeg Harvest.

Brandon West

Mr. Scott Smith (Brandon West): Mr. Speaker, I stand today, glad to have the opportunity to reflect on the community of Brandon West. Brandon is well recognized, having an extremely nice university within the city. It has a nice community college and, I will tell you, people are exuberant about the budget that has come down yesterday.

Throughout the 1990s, the realities faced by today's families were not addressed by the government decision makers opposite. As a result, support for critical services such as public education and social programs declined while property taxes shot through the roof. Over the

last few years in Brandon alone, the Brandon School Division was forced to raise their portion of the taxes by 13 percent and 9 percent because of the starve-and-slash practices of the members opposite.

They know, now, from the budget, that the stable funding and the vision that has been placed into the budget is going to have a real impact on families. It is going to have a real impact on students; it is going to have a real impact on economic spin for the community, certainly in Brandon.

The \$30-million increase to public schooling, the 10% reduction for college and university tuition fees to a tune of \$8-million benefit to students here and students in Brandon, and the \$8 million to colleges and universities to reimburse for tuition reduction are positive and give hope to young people in Manitoba.

The \$10.8-million overall increase in based operating grant support to colleges and universities of 3.8 percent has given real, true meaning and a future for students within Brandon. For the first time, families and young people in Manitoba and in Brandon West see a real initiative being done in Manitoba and vision for our future. Thank you very much, Mr. Speaker.

* * *

Mr. Marcel Laurendeau (Opposition House Leader): Mr. Speaker, I wonder if we might just have a few minutes of recess. Would you just wait for just a few minutes? Would that be okay? I remember giving leave before. I think I remember giving leave, actually.

Hon. Gord Mackintosh (Government House Leader): I think, as a courtesy, the House perhaps could just unofficially recess until the Member comes back.

Mr. Speaker: Is it the will of the House to unofficially recess just for a few minutes?
[Agreed]

The House recessed at 2:49 p.m.

The House resumed at 2:50 p.m.

* (14:50)

ORDERS OF THE DAY

BUDGET DEBATE (Second Day of Debate)

Mr. Speaker: Back in session. On the second day of debate on the budget, on the proposed motion by the Honourable Minister of Finance (Mr. Selinger) that this House approve in general the budgetary policy of the Government, standing in the name of the Honourable Member for Kirkfield Park.

Mr. Eric Stefanson (Kirkfield Park): Mr. Speaker, I welcome this opportunity to be the first to respond on behalf of my colleagues and our party in this House today to yesterday's budget.

I must start by indicating how disappointed and concerned I am today after spending most of last evening reading the budget speech itself, reading the various documents in some detail around the budget. I will outline in some greater detail what those concerns are very, very shortly. I do want to say at the outset, Mr. Speaker, so that it does not get missed, that I will be moving an amendment to the budget, but first I want to reflect back a little bit.

Mr. Speaker, I have had the pleasure of participating in 10 budgets; this is my 10th budget. Nine of those budgets, of course, were when we were government. Prior to myself becoming a member here back in 1990, many of my colleagues here had been a part of a minority Progressive Conservative government and had brought down three previous budgets. So, during our entire term of government in office, we had the pleasure and privilege to bring down 12 budgets on behalf of Manitobans. I am very proud of each and every one of those 12 budgets.

Mr. Conrad Santos, Deputy Speaker, in the Chair

Mr. Deputy Speaker, I want to start by doing a few things. I want to congratulate one of our former colleagues, Mr. Clayton Manness, who

brought down six budgets on behalf of the people of Manitoba and, I believe, was one of the pioneers in starting Manitoba on the path to balanced budgets and living within our means.

I also want to congratulate the Leader of our party, the Member for Tuxedo (Mr. Filmon), for his vision and his commitment to fiscal responsibility, to living within our means, to creating a strong economy and creating Manitoba as the best place to live, to invest and to raise a family. I think I speak on behalf of all of my colleagues for thanking him for his 17 years to date of outstanding leadership, not only of our party but I believe outstanding leadership on behalf of all Manitobans right across our great province.

On a personal note, I had the pleasure of introducing five budgets on behalf of our government, my colleagues and most importantly the people of Manitoba. Certainly, for me, one of the absolute highlights was back in 1995, when I was able, on behalf of my colleagues in government, to table the first balanced budget in 23 years here in the province of Manitoba.

I want to take a minute just to highlight a few of the key aspects of some of those budgets and some of the fiscal initiatives that were put in place during the 1990s, Mr. Deputy Speaker. A number of things in no particular order: By passing our balanced budget debt repayment and taxpayer protection legislation back in the fall of 1995—I think it was November 2 or November 3 that it was passed—that was determined to be the most comprehensive balanced budget legislation in all of Canada. It became the standard for provinces right across Canada and political parties right across Canada.

As part of that, we started paying down the debt in Manitoba. We put in place a debt retirement plan that was built into our budget and into the legislation that shows the tax-supported debt being repaid in less than 30 years. I believe it is now down to about 27 years. In the province of Manitoba we started ridding Manitobans, in particular young Manitobans, of that burden, of that debt that was hanging over Manitoba's head that had primarily been built up and created, as we all know, during the 1980s.

We also, Mr. Deputy Speaker, brought in 12 budgets. First of all, without any major tax increases in all 12 budgets, but more importantly, with a number of tax reductions during that 12-year period or those 12 budgets. I will not read this long, extensive list, even though I do have unlimited time. It would take me quite some time to read all of the tax reductions, but they were done in many, many areas, starting back in the 1988 budget with an increase in the payroll tax exemption, the small business tax holiday being introduced in 1988. In the 1989 budget, we made the first significant reduction in personal income taxes going from 54 percent to 52 percent. Again we increased the exemption for the payroll tax. We go on throughout all of the nineties with a number of initiatives. One example of one initiative that has served Manitoba very well was back in 1992 when we introduced the 10% manufacturing investment tax credit, which most people in the manufacturing industry have acknowledged has played a key role in terms of the strength of the manufacturing economy here in Manitoba throughout the 1990s.

Again, I go on. We did a number of exemptions in areas like aviation fuel tax being reduced, railway diesel fuel being reduced. We also had the corporation capital tax exemption increased. We, in 1996, introduced a learning tax credit for the post-secondary students of Manitoba. In 1997, another innovative tax credit that was introduced by our government was the 35% film and video production tax credit.

Again, in 1997, we increased the threshold for the payroll, and again we increased the threshold for the corporation capital tax. We get to 1998, the basic personal income tax rate again was reduced another 2 percentage points down to 50 percent. And then in 1999, once again, the basic personal income tax rate was reduced from 50 down to 47 percent, the small business corporate tax rate was reduced and a number of other initiatives were introduced.

* (15:00)

If you take all of those reductions over that period of time, Mr. Deputy Speaker, on an annualized basis the amount is some \$250 million. That does not include the many one-

time initiatives which total another \$140 million, all of those reductions being passed on to Manitobans to spend and invest as they see fit and be a part of creating a very strong economy in Manitoba, one of the strongest in Canada through the latter part of the 1990s.

I contrast that, Mr. Deputy Speaker, to the record of the 1980s, where we had exactly the opposite. I am not going to spend a lot of time on it, because I want to talk about the future, but I know members opposite love to be reminded about the 1980s when they increased some 25 to 30 taxes. They increased the retail sales tax from 5 to 7 percent. They increased and introduced the payroll tax. They introduced the net income tax. They increased the corporation capital tax. They increased the diesel fuel tax. They increased the gasoline tax. They increased the railway fuel tax. They introduced the land transfer tax. They increased the tobacco tax. They did not see a tax that they did not like or they did not want to increase during that period of time, and there was an awful lot of issues that had to be addressed and had to be fixed in the 1990s as a result of those kinds of decisions in the 1980s.

Mr. Speaker in the Chair

If members opposite are enjoying this enough and they want me to continue with the list of tax reductions, I am more than prepared to do that, but I think I will move on to some of the other fiscal issues that were addressed in the 1990s. I have already touched on the dropping of the provincial personal income tax rate from 54 percent when we formed government in '88 down to 47 percent in 1999-2000. As well, we were also supporting priority spending in key areas. We took the health care budget from \$1.3 billion in 1988 to \$2.1 billion and on a per-capita basis, one of the highest contributions in all of Canada, Mr. Speaker.

We were a part of rebuilding and helping to diversify the economy, putting more people to work than at any other time in the history of our province. We were a part—and I say government can only be a part—of creating an economic climate that fostered the development and growth of both business and industry. I think what would be a good source document to talk about the economy would be the budget that was

tabled yesterday, and I will just use that to highlight some of the economic issues of the 1990s in yesterday's budget. If people want to follow along, they can go to The Economy section, page A3 of The Economy section. I am not going to read the whole Economy section, but I will highlight a number of issues in the section.

Manitoba posted the lowest unemployment rate among Canadian provinces both in 1998 and in 1999. Manitoba's growth in per-capita personal disposable income outpaced Canada's for the second consecutive year in 1999. Total capital investment increased 3.3 percent in 1999, the eighth straight year of investment growth, both public and private increase, Mr. Speaker. In 1999, preliminary data for foreign export shows that Manitoba's export trade was down slightly but after several years of very strong growth in Manitoba.

They also go on to say in manufacturing that after seven consecutive years of growth, Manitoba's manufacturing shipments declined in 1999 after seven years of growth. Capital investment in Manitoba's manufacturing sector increased sharply in the early 1990s. In 1999, Manitoba's manufacturing employment grew 2.9 percent, more than double the rate of growth for overall employment. Over the last five years, manufacturing employment has increased by 23.1 percent; manufacturing employed 64,500 people accounting for 11.9 percent. This is the highest ratio among Canadian western provinces. I am reminding you, this is in yesterday's budget that I am quoting these economic stats from.

The labour markets: Manitoba has the lowest unemployment rate in Canada over the last two years. We have the lowest overall unemployment rate, and Manitoba's youth unemployment rate was the lowest in Canada in 1999. In 1999, Manitoba posted strong population growth. Both public and private capital investment increased last year. Public investment, which accounted for about one fifth in total investment, increased 8.7 percent; private investment 1.8 percent.

But for 2000 the Stats Canada investment survey indicates that total investment is expected

to decline in the year 2000 from our 1999 level. In fact, public investment, which includes the Government, is projected to drop 16.2 percent, while private investment is projected to decline by 1.9 percent, quite a contrast from what had happened the previous several years, Mr. Speaker.

I encourage people to read the economic section of this budget, because it does provide some insight to just how well Manitoba's economy performed in the latter years, in 1999, and I think that has been confirmed by most investment organizations, investment dealers, financial institutions and so on who have written many very positive articles about the province of Manitoba in the late-1990s in terms of our economic performance and our fiscal performance. That is why we ended up getting a credit rating upgrade in 1998 to a AA rating, the same as Ontario, amongst the highest credit ratings in all of Canada. Of course, that is a contrast, Mr. Speaker, to what happened in the 1980s when our credit rating was decreased.

As well, in the 1990s, we were able to borrow money at the second-best borrowing rates of any province in all of Canada. Again, a compliment, I believe, to our economy and to our fiscal performance here in the province of Manitoba. Of course, in the 1990s, we brought down the largest budgeted surplus in the history of the Province of Manitoba.

So those are just some of the issues, some of the highlights looking back through the 1990s in terms of the fiscal performance, the economic performance, and it is one that I am certainly very proud to have been a part of with all of my colleagues on this side of the House, other colleagues that are no longer here today, and certainly under the very competent and capable and visionary leadership of the Member for Tuxedo (Mr. Filmon).

I also want to now move on to focus a little more specifically on this budget that we saw yesterday and heard yesterday. I must begin by simply saying that I wish I could sing, which I cannot. Those who have heard me sing would not want me to try and sing, but I will not hold up a prop, Mr. Speaker. But, if I could sing, I would turn to page 3 of *The Winnipeg Sun* today

and there is a headline: "Hey, Big Spender!" I will leave the singing and the lyrics to others. I think that is one headline, and there are many other headlines and there are many other stories today in all parts of the media that are very telling in terms of the immediate reaction of Manitobans to this very disappointing budget.

I go back to August 16, not very long ago, of 1999, the then-premier, my premier and our leader, the Member for Tuxedo (Mr. Filmon), made a very important statement. In a news release he said that Manitoba's future success depends on keeping pace with the new economy. It is a very important statement.

With the presentation of yesterday's NDP budget, the NDP Government of Manitoba has set a course, I believe, for failure as a province and as a people in some respects. We have begun the new millennium, I think, under a dark cloud, one without hope, one without vision, and it does nothing to address the aspirations of Manitobans or ensure their success for the future.

Instead of charting a course to capture the future, to be a courageous pioneer for the 21st century, we have stepped backwards into the mess and the desperation that we all experienced in Manitoba in the 1980s. Those are years we all want to forget, and, unfortunately, we were reminded of them yesterday right here in this Chamber. The NDP promised that this budget would be about the future. Instead, we are returning to the Howard Pawley era in Manitoba where, in some areas, spending has no limits, and the consequences of that spending held no meaning for that government.

We all need to realize the reason this is happening. It should be no surprise to Manitobans. After all, some members there were a part of that era, the 1980s. Even more importantly, some of the key advisers that have helped this government with their transition and are serving them today were people who played roles in the 1980s in creating the highest deficits we have ever had on record consistently in the Province of Manitoba and basically quadrupled our debt. *[interjection]* I do not need to name any names.

* (15:10)

Point of Order

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, while the members from the other side may not want to listen, there are some of us who would like to hear the speaker.

Mr. Speaker: Order, please. I would ask all honourable members to please give the courtesy of attention to the Member speaking. I ask all honourable members for their co-operation.

* * *

Mr. Stefanson: I do not think I need to name names of some of the people who were involved in the 1980s. I think we all know who they were, and many of them are now back again playing a key role with this government. That administration back in the 1980s never stopped to think about the incredible burden it was leaving to the future generations here in Manitoba, and this administration has not stopped to consider the incredible opportunities it is taking away from Manitobans, especially our young people.

Mr. Speaker, this budget we saw yesterday has failed. It has failed to provide a vision or a plan for Manitobans or for Manitoba's economy.

The budget has failed. It has failed to protect the strong economic climate built in Manitoba during the last decade. This budget has failed to provide substantial tax cuts to Manitobans, and I will talk more about that later. This budget has failed to recognize the importance of tax competitiveness if Manitoba is going to continue to prosper going forward.

It has failed to provide any incentives for our young people to stake their futures right here in Manitoba. It has failed to provide adequate support to Manitoba's universities. It has failed, has failed again, to provide any assistance to agricultural producers affected by flooding in southwestern Manitoba. This budget has failed to meet the highways and infrastructure needs of rural Manitoba.

It has failed to end hallway medicine. It has failed to open the 138 new hospital—

[interjection] Mr. Speaker, I know that is sensitive for members opposite, but it has failed to open 138 new hospital beds promised, promised by the Minister of Health (Mr. Chomiak).

Again, this budget has failed. It has failed in a very important area to include a consultation process for Manitobans regarding the selection of five new casinos in our province.

This budget again has failed as identified by the Mayor of Winnipeg with the needs and concerns of the City of Winnipeg. Those are just some examples where this budget has failed the people of Manitoba.

Outside of the special-interest groups that surround and support this NDP government, there is only severe criticism and concern for this budget by Manitobans. Let me refer to just a few of the headlines in today's newspapers—and I will not hold them up as props—but some of the headlines that we all saw in the papers today read like this: "Highest Taxes in Canada," that is one headline. Another headline: "Budget fails to help Manitoba's middle class," that is another headline. Another headline: "Risky tax regime: Rates may have devastating impact." Another headline that I ask you all to chime in: "Hey Big Spender!" Another headline quoted from one of the media: "Doer budget draws fire from both political lines," and another headline—and this might be the most telling: "This is very, very disturbing," another headline we saw in the media today. That story is about the business community lashing out at a budget that gives Manitoba the highest income tax rates in all of Canada, and I say shame to members opposite.

But, perhaps, perhaps one of the most telling headlines was the one entitled "Quite disappointing: Murray." The Mayor of Winnipeg has indicated some concerns, and, to quote the Mayor directly, he said: "It's quite disappointing." "We got more from the previous (Tory) government" he went on to say.

The people of Manitoba are becoming wise to the political spin of this government opposite. When the NDP speak of a balanced approach, it is merely meant to lull Manitobans into a false sense of security. The fact is there is little

balance in their approach. With yesterday's budget, the Premier of Manitoba might as well have put up a sign on the end of each entrance to our province saying: Taxes R Us. That is what he might well have done. This NDP government and Premier have clearly put a stake in the ground, but their stake says: We are a high-tax island amidst a low-tax sea.

Mr. Speaker, there was virtually no tax relief for Manitobans in this budget in the year 2000 by this government. The NDP made a mistake by not recognizing the damage of the deficit financing that they did back in the 1980s when they more than tripled the debt, almost quadrupled the debt in six years alone, and they are making another mistake today by not cutting taxes and keeping our province competitive with the rest of Canada.

Our province is at a critical point in our development. Over the last decade, Manitobans have made great sacrifices to ensure we have a solid foundation here in our province. What they expected from this government yesterday was a plan that would chart a new course for a new century and build on that foundation. What they got was a government that disregarded all of that. I do not believe Manitobans should be penalized because they want to live and raise their families in the province that they grew up in. Manitoba must lower its income tax rates at a competitive level with other provinces. If we do not, we will lose our young people. They are our best and our brightest hope for the future.

Mr. Speaker, I want to take a few minutes and walk us through this budget speech, and maybe some of the other budget documents, which I took the opportunity to go through last evening. Starting with the budget speech, the first area that they really address is the whole area of health care, and I find a few things interesting in that regard.

First and foremost, when this government was first elected, they put Manitobans through the deficit scare that never materialized, and we said it never would materialize. But they struck fear into Manitobans, into potential Manitobans, into people who might invest in the province of Manitoba. They talked about some of the

expenditures being, of course, related to health care.

They were criticizing the need to provide that additional funding for volume increases in our health care system and other needs in our health care system, but obviously those dollars were being used to meet the needs of Manitobans. So, on the one hand, the NDP are criticizing what happened during 1999-2000, but then, of course, lo and behold, what happens on budget day? They build those increases into the budget for health care.

What I find most interesting is when we went through the election campaign, I think the health platform of the NDP consisted of one line, maybe two lines at most. I had the pleasure of going on a talk show with the current Minister of Health (Mr. Chomiak). We were challenged about the kinds of things that we would be doing to deal with pressures in our hospital and hospital overcrowding and so on. All that came out of the mouth of the current Minister of Health was: We would open 100 new beds. That was the extent of their plan.

Now, when I look at the budget, I see that they outline a five-point plan to deal with the pressures in the hospital systems, and it lists five items in the budget. I guess, what I should say is when you look at that, I think anybody reviewing it and looking back over the last year would basically charge this government with plagiarism, because all you have to do is go back to a document that was released last year in 1999 under our government, which deals with a very comprehensive plan to deal with hospital overcrowding.

If you take this document and compare it to the five points on health care initiative that this government are today trying to take credit for, you will find that all of those five points are made in a great deal of detail right here in this document.

They arrived in government with no health care plan. They know it, we know it, Manitobans know it. They took the health care plan that our government had put in place, and they have adopted it. All they should do is have the credibility to stand up and say that. That is all I

ask of them, to stand up and admit that they had no plan when they arrived in office. If members opposite have not read this document, get a copy and read it, and then compare this to what you were saying there today. You will find that everything you are doing is taken straight out of this document. Plagiarism. Admit it is plagiarism. Admit you are taking the initiative. Just be honest about that fact. That is all I am asking. They are good initiatives. We support them, but admit that they were here, they were in place, they were underway, and there was no plan.

* (15:20)

I sat on this talk show with the current Minister of Health (Mr. Chomiak), and he got challenged by the host. Give us your plan. Tell us what you are going to do. There was no plan. There is no plan. This is the health care plan that is being implemented by this government. It is the health care plan that we drafted, that we put in place, that we consulted with Manitobans. They are now having the opportunity to implement this plan. Just admit that, just say that, and get on with the job. That is all I ask.

They make a point of saying in the budget, of course, in 1999, our last budget, that Manitoba's health spending was the highest per capita in all of Canada. We have said that consistently. When it has come to spending money in health care, we have consistently been in the top one, two or three in all of Canada. We said during every budget that we brought down that one of our highest priorities was health care support. That is why in every budget literally there was more support for health care. That is why we took the budget from \$1.3 billion in 1988 ultimately to about \$2.3 billion in 1999-2000, because we recognized the many demands, the many needs, the many changes required in the whole area of health care.

So that foundation, that base, that financial support has been built over the years under our government by taking the proper steps to allow those resources to be directed to health care.

Mr. Speaker, without giving the Government too much of a heads-up on some of the issues that I think we will be asking about, and

these are only my views, having gone through the expenditure document, but when I went through the expenditure document I found some interesting adjustments in some of the departments.

When you look at Agriculture and Food, as has been pointed out, last year I believe our increase in support for agriculture was some 14 percent. When you look at the support in this budget, it is basically flat. It is up 0.2 of 1 percent. But I think what is of greater concern is when you look at some of the key organizations and the key programs. When you look at the Manitoba Crop Insurance Program, we see a reduction here of some \$2 million.

I am sure my colleagues, our Agriculture critic and others, will be asking about what is causing that reduction, what is driving that. Why is that happening in terms of the Manitoba Crop Insurance Program? When you look at the support for the Manitoba Agricultural Credit Corporation, we know the support that that organization provides to young farmers. We see that going from \$9.5 million last year to \$6.6 million, almost a \$3-million decrease and a 30% reduction.

Obviously we will be asking questions. What is happening in that area in terms of the support for farmers and young farmers in Manitoba and the opportunities for diversification in our whole field of agriculture? Certainly those are areas, I believe, in terms of an initial glance at the expenditure, those are some of my initial concerns in the whole area of agriculture, along, obviously, Mr. Speaker, with the complete lack of support by this government for farmers in southwest Manitoba.

If you go into some of the other departments, you look at Conservation, a significant reduction in some of the floodproofing programs, from some \$51 million to some \$29 million. We will want to ensure that this government is following through with the programs, the initiatives that were put in place, negotiated by our government in terms of meeting the needs of many communities in southern Manitoba, whether it be the ring dike programs or other initiatives being put in place to protect those communities from any damages

in years to come. So that is a significant reduction. We want to see what is happening there, what is being done for those communities in terms of the floodproofing program.

Mr. Speaker, another area is the whole area of tourism. We have heard this government claim they have got support for tourism. They claim they acknowledge tourism is a key part of our economy and so on. When you look at the Tourism budget, it has gone from \$8.2 million to \$7.3 million, down roughly a million dollars. I am sure we will be asking questions about what they are doing in the area of tourism. I do not think we heard tourism mentioned in the budget, if I recall correctly.

I stand to be corrected. I cannot recall it was necessarily mentioned. It is a key part of our economy. We have an awful lot to offer to Manitobans and to people visiting our province, but again we see a significant reduction in support for tourism. We will be asking questions about what is happening in that area.

Seniors Directorate and Support to Seniors, not a large budget relative to other departments, but in 1999-2000 there was some \$950,000. It has gone down to \$760,000. What is happening with this government's support and initiatives for the seniors here in Manitoba, Mr. Speaker?

When you look at the Education and Training budget, I am sure our critic will be anxiously awaiting getting into Estimates to ask a number of questions of the Minister in this area. You look in the section of the School Programs on page 58 and you look at a couple of key areas, you look at the Assessment and Evaluation. Assessment and Evaluation administers and evaluates provincial examinations, standards tests and other assessment tools to ensure parents, students, teachers and schools are aware of achievement, supports national and international testing programs. Those are certainly initiatives that we put in place, and we very much support doing those kinds of things. When you look at the budget in that area, it goes from \$10 million down to \$4 million, a reduction of \$6 million, or 60 percent, in the whole area of Assessment and Evaluation. So I am sure our Education critic will have some questions in that whole area.

Similarly, we have heard this government talk a lot about training and training initiatives. We have acknowledged and we have over the many years put in place a number of initiatives to help Manitobans get the skills to fill the many jobs that are being created in Manitoba and to help employers give their employees the skills. One such initiative is shown on page 64, and it is the Workforce 2000 initiative. Again, it shows going from \$1.8 million to \$1.4 million. That will be an area we will be asking about.

In Education and Training, if you look at page 67 under the Capital Grant program, again, for our school divisions, our universities, our colleges, that Capital Grant program is going from over \$40 million, about \$40.6 million down to \$38.4 million, a \$2-million reduction. We have all heard about the need for the infrastructure for our schools and our universities and our colleges, and here we have a reduction in that budget category by this government. So, again, on the surface looking at that, the needs in that area within Education and Training are not being met by this government.

Mr. Speaker, in the area of Family Services, we see the Employment and Income Assistance program basically remaining flat at \$263.8 million last year and \$263.4 million this year. We will be asking details around what is happening in that area. I know there were some rate adjustments, but beyond that, what is happening to the volume in that whole area? Those will certainly be questions, because that volume has consistently been going down over the last several years because of the strong economy and the opportunities for people to get jobs here in the province of Manitoba.

In terms of looking at just a couple of other areas worth noting, I see in the area of Highways and Government Services, the Construction and Upgrading of Provincial Trunk Highways, Provincial Roads and Related Projects, I know the Minister of Highways (Mr. Ashton) should be interested in this, but I see that last year's capital budget, the 1999-2000 capital budget, was \$110.5 million. I see the budget that he will have to work with this year is \$100.5 million, a reduction of \$10 million in his highway construction budget—[interjection] Showing right here on page 105 of the budget document, a \$10-

million reduction in construction and upgrading of provincial trunk highways.

I can sense that the Minister of Highways is just a little sensitive to this. He has probably been out there making all kinds of promises and saying he is going to do all these wonderful things. He is going to spend all this money across the province, in the North, and he is still going to do something in the South. At least, we hope, he is still going to do something in the south, although his colleague, I think, from The Pas hinted that they might not be doing anything in the south, but we would expect them to be fair to all Manitobans, but he will have \$10 million less than was spent on highway capital construction. I think we all know the importance of a strong highway infrastructure for the economies of all of our communities, tourism and a whole range of other initiatives, and this minister will have \$10 million less to work on capital construction.

Another area that is extremely interesting is the area of Industry, Trade and Tourism. I see that the 1999-2000 budget was about \$44 million, and I see that the 2000-2001 budget is about \$40 million, so about a \$4-million reduction. I am going to spend a little more time on this other document a little later. Two days before the election, the NDP—I do not think very many members opposite saw this, but on their behalf the NDP put out their costing of what they were going to do in their first budget. They summarized what they were going to do in their first budget. They summarized that they would put in place some \$69 million of program savings, is what they outlined for their very first budget.

* (15:30)

If you go down the list—*[interjection]* I will tell the Member for Dauphin (Mr. Struthers) what this list says. I am going to focus on one right now. It showed that in the year 2000-2001—the budget that we are dealing with right now, Mr. Speaker—that they would reduce business subsidies, there would be a reduction of \$23 million, right here in their document that they tabled back on September 19, on the 19th they tabled this document. That is part of their plan, part of their commitment. They keep standing up

and telling us: These were our commitments to Manitobans; our budget reflects our commitments. Well, I say to them hogwash. Their budget does not reflect their commitment. This is just one of many examples that we will be able to point out.

Here in their financial summary of their projections for the year 2000 budget, they say \$23 million in reduction of business subsidies. Did we hear a word about that yesterday? Did anybody hear anything about that yesterday? Not a word. Not a sound. Nothing. Not a mention. Not reflected in the budget document. So, again, we have them saying one thing back in September of 1999. We have them doing another thing on May 10 of 2000, and that is just one example of those kinds of actions on behalf of this government.

I would like to go through this entire document page by page, Mr. Speaker, and I know I have unlimited time, so I could do it. In fact, if members opposite would like to take the next few days to do that, we could—*[interjection]* I am going to talk income tax in a while. I say to the Member for Dauphin, I will talk income tax in a while.

I am now going to turn to Intergovernmental Affairs. This government combined two departments, Rural Development and Urban Affairs, into this Intergovernmental Affairs, and I know the Mayor of Winnipeg has already expressed his concern and regret with this budget. I am sure we will hear some similar things from other municipal people. Before I talk about the expenditure side, I want to talk about the provincial municipal tax sharing because that is an interesting one. That is driven by a formula where we share a percentage of the personal income tax. I do not know if all members know this, but we share some personal income tax. We share some corporate income tax with municipalities on a formula right across Manitoba, and that has been going up each and every year because the economy of Manitoba, the economy of Canada has been doing well. There have been more taxes being paid, and as a result of sharing that, the municipalities are reaping some support. The ability for the current NDP government to pass on some additional \$7

million, I believe, is because of the strong economy that is in place in Manitoba today.

But I want to remind the people of Manitoba, because I was on the City of Winnipeg Council back in the 1980s when we had to come down to meet with the NDP government of the day, because you know what they did with that formula? Do you know what they did with that formula in the 1980s? They capped it. They did not let the amounts flow through to the municipalities that they were entitled to receive. The heavy hand of the provincial government, they made the arbitrary decision. We know better, we are going to cap it, and we are not going to allow it to flow through to the council.

I am not sure if the current Finance Minister (Mr. Selinger) or others—although I know the current Finance Minister served on council for a period of time. But we had to come down here in the 1980s to fight with the NDP government of the day to try and remove that cap, which they refused to do. So, so far, I am glad to see that in their first budget they did not cap it, but based on their track record in the 1980s I would say to everybody watch out, be worried and keep tabs on that. The other part of that, Mr. Speaker, that worries me is that the strong growth we have had in those areas has been because of the strong economy, but because of the policies that this government has already brought down in seven or eight months, I am concerned about the opportunity for that to grow in years to come.

But, now, I will look at the expenditure side of Intergovernmental. In this area, we have capital assistance, capital financial assistance to the City of Winnipeg. Well, last year it was \$23.6 million; this year, it is down to \$21.6 million. We also have a program under Capital Assistance called Infrastructure Development, and we have heard a lot about infrastructure over the years and the need for infrastructure. In fact, the NDP made a big to-do that they had set aside some money to be a part of an infrastructure program. We support being a part of a national infrastructure program. We were part of a national infrastructure program during our mandate, and we certainly pushed and encouraged the federal government to create

another one. We are pleased to see that that appears to be happening.

But, when you look at infrastructure spending in the budget and you go to page 119 of the expenditure document, you will see that the Infrastructure Development Program is going from \$7.1 million down to \$3.3 million, a reduction of roughly \$4 million. All that appears to have happened is they have reduced the Infrastructure Development Program under Capital Assistance, taken the money out of that program and put it in their Infrastructure Program and made this big to-do as though there is more new money for infrastructure which, on the surface, when you look at the numbers, does not appear to be the case. It is just taking money from one allocation, I say to the Member for Dauphin (Mr. Struthers), and transferring it to another allocation—Dauphin-Roblin, I am sorry. I should know that. Dauphin-Roblin. Mr. Speaker, I look at that and I say we will be asking questions about that.

I look at some of the Canada-Manitoba agreements, and they have gone from \$12.5 million down to \$10 million, so we will be asking questions in that area, Mr. Speaker.

Maybe just one or two other areas: I see on page 143 under the Estimates of Capital Investment, that in this area we see the allocations going from \$113.2 million down to \$54 million. Obviously, there will be a lot of questions in that area in terms of the reductions in those capital investments.

I am just giving the Minister of Finance (Mr. Selinger) and some of his colleagues probably a heads-up of some of the questions I certainly will be asking. I know my colleagues will be asking those and many more as we get into the detailed Estimates process.

I just want to touch on some of the budget failures in just a little more detail and in no particular order. Of the budget failures, Mr. Speaker, I want to talk about highways. I did already touch on highways. The Minister of Highways (Mr. Ashton) is quite sensitive to the fact that he will have \$10 million less for provincial roads and highways, if you look at page 105 of the Estimates.

The roads and infrastructure, as we all know, are key to our economic strength and our economic future, particularly for our rural communities. This will impact the future success of our towns, our villages, our communities, our tourism, our business, our transport industry. We could go on at length talking about the importance of Manitoba's transport industry and the number of trucking companies that are headquartered here in the province of Manitoba. This lack of commitment and reduction in commitment, I am sure, is cause for concern for all of those communities and that entire sector of our economy.

I touched on agriculture and the fact that there is no target money for southwest farmers. The only money southwest producers have received in their crisis was from our government during our term in office. Not one thin dime has been provided by the current NDP government.

I pointed out the funding cut to the Manitoba Agricultural Credit Corporation by some 30 percent. This government, they claim that they are promising to help the family farm and young farmers. In this area, this money is targeted just for that purpose, and it has now been taken from that area and from their hands and from their support and so on.

As I said before, in 1999 our government provided a 14% increase for agriculture while this government's budget basically keeps agriculture spending flat in spite of the pressures and demands in that very important area of our economy and obviously the numbers of Manitobans, families, that are involved in that part of our economy right across our province.

Education, Mr. Speaker, we heard some of the comments, and my colleagues today raised some questions dealing with the whole area of universities that are being forced to bear the costs of this NDP tuition cut to students. It is going to mean that they will either have to raise tuition—and the Minister is claiming that he is not going to let them do that—or cut programming or fire staff just to maintain the status quo at best, and even that might not be able to be done, that there could be program adjustments and so on.

We heard some of the concerns yesterday and today from students, from senior people at our colleges, at our universities, and, again, I think the kind of approach that they have brought to this issue is going to cause damage to post-secondary education here in the province of Manitoba. *[interjection]*

I have lots of time on income tax. I am saving that for last.

Health, I have already touched on in some respects, that this government, I would say, to say it as politely as I can, is talking out of both sides of their mouths.

They accused our government of not spending wisely on health care, but they built all of that spending into the budget and then they added 6 percent, so, again, a classic case of trying to have it both ways, and I think that will be seen for what it is. I think we all know that a strong economy is the only way that we can continue to ensure we can pay for our social programs like health care and education.

* (15:40)

One other area that was brought to my attention today, and I looked in the tax adjustment, and I am sure the Minister of Finance (Mr. Selinger) will want to respond to this at some point. But we used to have a program in Manitoba, certainly up until this year, called the new homeowners sales tax rebate, where individuals could qualify, I believe, for up to about \$2500 on building of a new home. I have gone through the tax adjustment section. Well, first of all, I should say I went through the tax adjustment section of last year's budget, the 1999 budget, and it is very clear in that section when our Minister of Finance extended the program. He talks about the first-time homebuyer program, and he talks about the extension of the program right here in the tax adjustment section.

I now go to the tax adjustment section in the budget we received yesterday. First of all, I do not see a single adjustment to any retail sales tax initiatives. So there is nothing of retail sales tax, and there is no reference to the first-time homebuyer program. I can only assume that the

first-time homebuyer program appears to have been done away with by this government. All I ask members opposite and the Minister of Finance is to confirm that. Either say whether you have extended the program or tell Manitobans that you did away with a very successful program where since 1994 to 1999 there was a total of \$3.4 million rebated. But, more importantly, it allowed 1568 homebuyers to qualify and purchase their first home right here in the province of Manitoba.

Again, we would like to know what you have done with that program. Not mentioned yesterday, nowhere to be seen in the budget. We can only assume that it has been done away with, so we look for clarification from members opposite.

There are a couple of areas I want to touch on. I know the Member for Dauphin-Roblin (Mr. Struthers) is anxious for me to talk about taxes, which I will get to very shortly, but I want to talk, first of all, about a couple of other areas in the budget document, one of them being our Fiscal Stabilization Fund. I want to start by complimenting my colleagues and the former Minister of Finance, Mr. Clayton Manness, for having the vision to put in place this account back in 1988-89.

Back in 1988-89 that account was first formed, and it is the equivalent of a savings account as we would all do in our homes, in our businesses and so on. That account has served Manitobans extremely well over these last 12 years. What is interesting with that, of course, is during the '90s, when the NDP were on this side of the House in opposition, they continually criticized that fund. Why are you putting money in that fund? Why are you doing that? Why are you not spending it? Go out and spend it. That was all part of their 1980s mentality: spend, spend, spend. They said it over and over. If we want to go back and pull out Hansards, we will just see hundreds and hundreds of statements from them. Spend the Stabilization Fund. Get out and spend that money.

Well, it served us well during the 1990s. Actually, the projection at the end of our last budget 1999-2000 is that account will still have \$258 million in it. That is an awful lot of money.

It is an awful lot of money, I say to the Member for Elmwood (Mr. Maloway), in a savings account in the stabilization account. But, in spite of all of that criticism, I now see that in their very first budget, the NDP's very first budget, they are more than prepared to draw \$90 million out of that savings account in this budget year to meet the needs in the year 2000-2001.

So, once again, we have the hypocrisy through the '90s when they criticized spend, spend, spend, and in the year 2000, happy to have it, proud of the fact that our government was able to be prudent and responsible and set this kind of money aside to meet the needs of Manitobans for many years to come. That fund now, by the way, at the end of 2000-2001 will now be projected to be down to about \$184 million.

So we will be watching how they handle that account. But I think what is more interesting with that account is not only are they proposing to use it this year, Mr. Speaker, if you go to page 27 of the budget speech, you will see that the NDP Government is planning on using \$90 million this year. They are planning on using \$60 million next year. They are planning on using \$15 million the year after, and they are planning on using \$5 million the year after, for a total of about \$170 million over these next four years. Here we had the hypocrisy of criticism during the 1990s. We now see their medium-term planning is using that savings account in a very, very significant way.

Since I touched on that medium-term plan, I want to focus on it for just a minute. If you look at the medium-term plan, and if you look at the actual revenues in 1999-2000 budget, from the 1999-2000 budget out to the year 2003-2004, which is four years away, our revenues would be up roughly \$1.1 billion. If you go one more year later, just taking the same revenue growth as that fourth year—we are not even factoring in more revenue growth—you will be up to over \$1.3 billion over that five-year period.

You know what? I want to quote from an article here in the *Brandon Sun* on December 11, 1999. Just listen to this one. This is a letter from the MLA for Brandon West (Mr. Smith). This is a letter in the *Brandon Sun*. It says and

everybody should listen to this: Knowing what we know now—this is in December, of course—the Tories' billion-dollar promise looks like a desperate and shameless attempt to buy voters' support. Laugh all you want. Believe me, he goes on to say, there is no billion dollars left in the Province's vaults to be doled out.

Dead wrong. He should write a letter of retraction right now and send it to the *Brandon Sun*. If that is the kind of representation that the people of Brandon West are going to get, he should resign right now, because this document that his colleagues tabled in the House yesterday shows that there is \$1.3 billion. He could not be further wrong.

He should write a letter of apology to all Manitobans, to everybody, for doing shoddy research and providing inaccurate information, because his own budget document shows exactly the opposite. If he does not want to take my word for it, just look in the budget. That is all I ask them to do. Just look in their budget, look at the numbers, look at the medium-term plan.

I will tell you, Mr. Speaker, I was somewhat frustrated today with the inability to get clarity around a very simple question. Will the Minister of Finance (Mr. Selinger) admit that over the next five years there is going to be revenue in excess of a billion dollars? His budget shows that. His plan shows that. It is a very simple, straightforward question. We know what the answer to the question is. It is shown right here in his budget. The answer is yes. All he had to do in the House today was stand up and say yes, one word, one simple word, and he would have answered the question. I do not know what kind of bafflegab we got today without answering the question, but the numbers speak for themselves right here in the budget. The Member for Brandon West (Mr. Smith), dead wrong, shown right here in the budget, over \$1.3 billion.

I encourage the members to read—well, they should read all of the coverage today of the budget, but there is one interesting article on this very topic. It is in today's *Winnipeg Sun*. I think it is page 11. It says: "Budget should return money to taxpayers." I will just quote a little bit of it. It says: "Is this voodoo economics for the masses, Gary?" I am quoting from the article

now, and it says: "Premier Gary Doer finally found the billion dollars." Right here in the paper. "Premier Gary Doer finally found the billion dollars. Only instead of giving it back to its rightful owners—Manitoba taxpayers—he's spending it."

It goes on to say, referring to a fellow in the same article, John Loxley, a name very familiar to members opposite—in fact, I should digress here for a while, because when we were in government, every budget that we brought down, out came Choices. Choices arrived on the scene and they brought their alternative budget.

Their alternative budget, what was it? Well, I recall the Choices alternative budget was increase spending, increase taxes, do not pay down the debt, create a welfare society, drive people out of the province, do not create jobs. That was the Choices alternative budget year in and year out. What happened this year? What happened in the year 2000? Choices did not prepare a budget, an alternative budget.

* (15:50)

I ask the simple question: why, why did Choices not prepare an alternative budget? You know what the answer to that is? I think I know what the answer is. They did not need to provide an alternative budget because they wrote that budget that we heard yesterday. That is why they did not need to prepare an alternative budget, plain and simple. The answer is simple. That is a good question for tomorrow. We will ask the Minister of Finance (Mr. Selinger). Answer yes or answer no: Did Choices prepare this budget that we heard yesterday here in this House?

But I digress; I digress. It is more than a little interesting that Choices prepares all these alternative budgets, and the NDP get into government, and Choices does not show up on the scene with any alternative budget this time, because they know that they now can have their hands directly in this budget. We saw that yesterday. But I digress, I digress.

I did digress because I was reading from this article. So I should go back to this article, and it goes on, referring to that same John Loxley, to say, this is also interesting, listen to this—

"Loxley, who worked as an adviser to Finance Minister Greg Selinger earlier this year"—so I guess it is accurate that Choices had their hand. Anyway—" . . . Greg Selinger earlier this year suggested the government would have to slash spending by \$460 million to meet its \$1-billion target." What did we see, \$460 million of spending slashed in yesterday's budget?

I do not think so. I do not think so. But it goes on: "John Loxley? Isn't this voodoo economics?"

"The point is," the article says, "the Manitoba government is in very healthy shape financially and has been for several years."

"The provincial coffers are brimming with taxpayer dough just because of a red-hot economy. Just look at the numbers in yesterday's budget. Despite modest tax cuts in the past two years . . . individual income tax is projected to grow by a whopping \$75 million . . ."

The same articles goes on to say: "But instead of returning that money to the taxpayers, the NDP is planning to spend most of it. They announced a minuscule income-tax cut yesterday which won't kick in for another year."

Meanwhile, most other provinces, which already boast lower taxes than Manitoba, are planning to cut their rates even further. This is the article, Mr. Speaker, not me, but I do find it interesting. This article is almost over, and it goes on to say, and this is worth listening to: "It defies common sense to say people would not spend more money in the economy if government let its citizens keep more of their earnings."

Pretty basic, that is a pretty basic principle, pretty basic. "Besides," it goes on to say, "it isn't simply a question of economic development. It is a question of fairness. Taxpayers get far less in return for their taxpayer dollars than they did even 10 years ago." Here is a quote again. This column says: "Gary Doer knows that. He told me so, once. Amend your budget, Gar—it's time for a refund."

Not a bad article, well worth reading, and I encourage all members to take the time to read that article.

In fact, well, I cannot hold up props, but while I am talking about—that one happened to be out of *The Winnipeg Sun*. Not long ago they did a cartoon that some could say sort of is now appropriate for Manitoba. It has just got four pictures and it is building on, I think, what is today supposedly the most popular ad on television. I am sure we have all heard this ad, seen it on television regularly and so on. It happens to deal with a pretty powerful message, and it starts off, it has just one person standing in front of a group, just one man, in this case, standing in front of a group: I am taxed up to my armpits. I have been on a waiting list for surgery for eight months. I have the highest taxes in all of Canada. My name is Greg, and I am a Manitoban, Mr. Speaker, is exactly what is said in this article.

Well, it was adapted a little bit. It is not quite the same as it was done in print. I cannot say it was quite the same, but I thought it fit. It was close to fitting.

Mr. Speaker, there are just one or two other areas I do want to touch on. I held up this document earlier, which, at some point, I am sure, members opposite will be provided with from their colleagues, but it was the summary of the document that they provided on September 19, two days before the election. I pointed out the fact that they showed a \$23-million reduction in business subsidies. Not mentioned. Not in the budget. Nowhere to be seen, but it is in their document. They showed \$69 million in program savings reductions. No mention of that yesterday. Nowhere to be seen. Where is it? I ask a simple question: Tell us where it is? They said they were going to do it two days before the vote. They said they were going to do it the day of the budget; we do not see it.

They showed a 1% reduction in program spending and, I guess, administration—\$25 million. Did we hear any mention yesterday in the budget about this \$25-million reduction which they showed in their financial summary? You know why I am speaking to this? It is because members opposite make this big to-do about fulfilling their election commitments. Well, they have not been doing that in many cases.

This is the financial commitment that they laid out to Manitobans, provided to the media two days before the election. Nowhere to be seen in the budget. I mean, you cannot have it both ways. The Minister of Finance (Mr. Selinger) talks about a balanced approach. I find that offensive, because we have gone through many budgets. I have gone through five or six budget consultations, and we have listened to Manitobans. We have talked to Manitobans. We have done surveys. We have done some of the polling that he has done, that I am sure he is going to release. Now that the budget has been released, I expect that we will see those polling results, hopefully, tomorrow; maybe we will see them tomorrow.

But, when you talk to Manitobans, they realize that when you have a surplus you have three choices. You can spend money on your program priority areas, and we all know the program priority areas for Manitobans overall are health and education. You can pay down your debt. We took the initiative to start paying down the debt in Manitoba with legislation and a plan back in 1995. We have started the steady program of paying off our tax-supported debt, now with about 27 years to go.

The third element of balance is tax reduction. To have true balance, you need all three elements. Look at your spending. Look at your debt and look at your tax reduction. That is where this government failed and fails badly; they completely disregard the fundamental issue of tax reduction. They also do not get the point that every other government in Canada seems to get: You have to be competitive. You have to have a competitive environment, and that will create the jobs. That will keep the businesses here. That will bring the businesses here. You know what they will do, Mr. Speaker? That will give governments the revenue to pay for health and education. That is how it works.

You drive up the taxes; you drive out the jobs. You drive out the people and you drive down your revenues. You are not able to meet the needs in health and education. You know what happens then? You then go back to the 1980s. You go back to the deficits, and you go back to the accumulation of debt, and you lag further and further and further behind.

I am very, very concerned based on this first budget what kind of a mess we are going to have to resolve and deal with four years from now when we are back in government because of the kinds of decisions that we are seeing being made across the way, Mr. Speaker.

The Member for Roblin-Russell, he has been anxious—

An Honourable Member: It is not Russell. Dauphin-Roblin.

* (16:00)

Mr. Stefanson: Mr. Speaker, I am sorry. I want to talk taxes. I want to go to one very simple page on taxes. If members have their budget, they can follow along. We can read along together here. It is in The Manitoba Advantage, pages D14 and D15. All they have to do is look at this chart in the budget document: Family of 4: \$60,000. The very top line is called Provincial Income Tax. Then you go across and you have every province in Canada across.

Mr. Speaker, in the province of Manitoba, individuals in that level will pay \$6,394. That is the highest personal income tax of any province in all of Canada. I will give you a comparison. The province just to our east will pay \$3,849. We are paying 66 percent in the province of Manitoba than Ontario. If you take the same page—

An Honourable Member: Tell us what we should have done then.

Mr. Stefanson: You should have reduced taxes further.

Mr. Speaker, if you go to the same page in last year's budget, the exact same chart, family of four at \$60,000, you will see that Saskatchewan paid more taxes, Québec paid more taxes, Newfoundland paid more taxes. Today, based on this NDP budget, every single province in Canada, at that middle-income level, are paying less taxes. I say shame, shame, to members opposite. That is the kind of policy we should all be concerned about in terms of the economic future of our province, in terms of jobs

for Manitobans, jobs for our young people and opportunities for all Manitobans.

As I said earlier, the other somewhat offensive part of this budget is when you go to the tax section and the tax comparison. We knew that the Government would do this because they were not going to bring in any tax reductions themselves in 2000. So what do they do? They compare the taxation year 2000 to the taxation year 1999, and they show reductions in the year 2000. But why do these reductions on page C3 occur? They occur because of a budget that we brought down in 1999-2000 that had these tax reductions coming into effect on January 1, 2000. They occur because we brought in legislation that the NDP proposed an amendment to, which would not have allowed that tax reduction to flow if that amendment had passed. Those taxes, they are not being paid by Manitobans today. On their paycheques, that is already reflected.

Yet, in this budget document, the NDP Government shows the change from 1999-2000 trying to give the impression that this was something that they did. Well, they had nothing to do with it. It was our last budget. We passed it. We introduced the legislation that they opposed, and that is why Manitobans have this reduction in the year 2000, nothing to do with the budget that was brought down yesterday.

I really think the Minister of Finance (Mr. Selinger) should be embarrassed to do that kind of a thing. I have never seen something like that before where you are trying to portray decisions made—why did he not go back over our 12 years? That is a good question. Why did he not go back over our 12 years and show all of our personal income tax reductions, show all of our reductions in corporate tax, show all of our reductions in the payroll tax? Probably what he should have done is gone over the 12 years and showed the hundreds of millions of dollars in tax reductions. If he was going to choose one year, he might as well have gone over the full 12 years.

I also say, as much as the Premier and the Minister of Finance—when we talk about this chart on page D14 and D15, they say, oh, but look at the cost of living, and so on. We all

acknowledge cost of living is a factor, and it is one issue that we all have to deal with. The difference here is, when you look at these mortgage costs or you look at our Autopac costs, we all make choices when we buy a house. We make a choice as to what kind of a house, what the cost is, what our mortgage will be. We will look at the property taxes. We make that choice as individuals. When we buy a car, we make a choice of what kind of a car we want to buy, what our Autopac will be, and so on.

When it comes to paying taxes, we have no choice. We have to pay the taxes that are levied by the governments of the day, and this government has just created Manitoba, for middle-income earners, the highest taxed province in all of Canada. I just say shame, shame, shame to all of them, each and every one of them.

Some Honourable Members: More, More. Much more.

Mr. Stefanson: Well, Mr. Speaker, it is very nice to get that kind of encouragement, and this budget does leave one an awful lot to talk about. *[interjection]* Do not worry, it is all under control. Do not get too excited.

Mr. Speaker, I touched on a lot of issues that cause us a great deal of concern, but none more so—and I cannot say it: "strong enough" is a good way to describe that. I cannot say it strong enough in terms of the concern that we and, I believe, most Manitobans have for this issue of taxation.

We are going back to the kind of legacy we saw in the '80s. This will not serve the economy or the future of Manitoba well. We worked hard to be the fourth highest. We had a plan when we ran in the last election to continue to move Manitoba down in terms of our levels of personal income tax; to continue to be competitive with all of the provinces across Canada; to continue to create jobs and opportunities for all Manitobans. These kinds of policies and these kinds of decisions will do just the opposite. I am very, very worried about the future of our province if this, being the first budget of this NDP government, is a pattern of

what we are going to see over the next four years.

In terms of a greater concern, it is not only the lack of activity we saw in the 2000 budget. We are having governments all across Canada map out tax reductions over the next two, three, four years. As my colleague from Minnedosa pointed out earlier today, Saskatchewan is one example. In three years from now they are projected to be some 20 percent below us—a middle income family of \$60,000, some \$1,250 less in personal income taxes than paid right here in Manitoba.

When businesses look to expand, to locate, to remain, they look at a number of issues, and they look at a number of costs. But make no doubt about it, taxes are one of the key issues that are looked at time and time and time again.

Today we all know businesses are extremely mobile, not like days of old when you were tied to a physical structure or a certain infrastructure. Today in the technology industries, in a lot of the other service industries and so on, it is primarily people. They are extremely mobile and they can either pick up and move or they can choose not to come here in the blink of an eye. When you start establishing these kinds of policies and this kind of reputation, I think we all have concern for the economic future, the economic well-being and the future of our children. I certainly hope this is not the pattern.

They certainly gave us fodder with this budget, but I hope that they take this message very seriously and start to get some real balance in budgets in terms of their approach to budgets. When you bring balance you address spending priorities, you address a debt reduction, and you address meaningful tax reduction. You do not just tinker with taxes when every other province and every other competitor is dealing in an aggressive way with it.

It is for that fundamental concern, along with every single other concern that I have outlined here this afternoon, Mr. Speaker, that I have a motion.

I move, seconded by the Member from Minnedosa (Mr. Gilleshammer),

THAT the motion be amended by deleting all the words after "House" and substituting the following:

therefore regrets this budget ignores the present and future needs of Manitobans by:

(a) failing to provide a vision or plan for Manitoba's economy;

(b) failing to protect the strong economic climate established in Manitoba during the last decade;

(c) failing to provide substantial tax cuts to Manitobans;

(d) failing to recognize the importance of tax competitiveness so Manitoba can continue to prosper;

(e) failing to provide any incentive for our young people to stake their futures in Manitoba;

(f) failing to provide adequate support to Manitoba's universities;

(g) failing to provide a process for public consultation on the establishment of five new casinos;

(h) failing to provide assistance to agriculture producers affected by severe flooding in southwestern Manitoba;

(i) failing to meet the highways and infrastructure needs of rural Manitoba;

(j) failing to end hallway medicine as promised;

(k) failing to open 138 new, permanent hospital beds as promised; and

(l) failing to deal with the needs and concerns of the City of Winnipeg.

As a consequence, the Government has thereby lost the confidence of this House and the people of Manitoba.

Thank you very much, Mr. Speaker.

Motion presented.

Mr. Speaker: The amendment is in order. Debate may proceed.

* (16:10)

Hon. Steve Ashton (Minister of Highways and Government Services): Mr. Speaker, it is a great pleasure for me to be able to speak today and congratulate the Minister of Finance (Mr. Selinger) on an excellent budget. I had this sort of feeling in watching the ghosts of Finance ministers past yesterday, the speaker who just spoke before, the former Finance Minister, and one Clayton Manness. As I sat here today and listened to the Member for Kirkfield Park (Mr. Stefanson), I realize that now I think he is a born-again Alliance member, because you would almost forget that he was Finance Minister in this province for how many years.

You know, I want to turn the clock back to after the 1995 election and remind the people of the province one of the reasons why they threw the Conservatives out in the 1999 election. I want to take members back to when that member was Minister of Finance. You notice he did not spend much time on health care, because that Minister of Finance in his first budget after the 1995 election brought in what was probably the most foolish decision made in terms of health care in this province for the last 20 years when he froze the construction of personal care home beds and left us in a crisis in health care over the last four years in this province. That was that member when he was Minister of Finance.

I find it amazing that the Member now is sort of a born-again tax cutter. I mean, he was the Minister of Finance, as was the Member for Minnedosa (Mr. Gilleshammer); they were the ministers of Finance. The tax regime we inherited in this budget, basically, was the Tory regime for the last 11 years. Where were they for 11 years? I say to the Member for Kirkfield Park, changing your party affiliation does not mean that you are a different person than you were when you sat in the Minister of Finance's chair.

I say to members opposite I find it amazing—and across the way there were references to highways. You know, this is an area I know just a little bit about here. You know what that first

budget that the Finance Minister brought in after the last election. Now they did not campaign on this. You know what they did with the construction budget? Every year that he was Minister of Finance, with the exception of the last one, he cut it. In fact, the Highways budget this year is going to be higher than two of the years he was Minister of Finance. The Highways budget this year on the construction side is exactly the average of the Conservative Party for the last four years, with the exception of pre-election.

You notice how they put money in, but they did not put it in the base. They tried to fool the voters, Mr. Speaker. He did not talk about the fact that the last four years that he was the Minister of Finance that the Department of Highways' maintenance budget was under budget every one of those four years. In this budget, we have the highest amount of maintenance that the province has ever seen. We have increased it by close to 8 percent. That is our commitment to the highway system.

I could talk about many areas in my area like the winter road system. They cut it, and they cut it, and they cut it. In our first year, we have gone from \$2.175 million. We are now at \$3.7 million because we have extended the winter road network into three new communities. We are enhancing the winter road network, something that conveniently they did not do.

I want to say to members opposite, to this Minister of Finance (Mr. Selinger), do you know what the average capital budget was for northern airports when they were in government? Every year, except last year, just before the election, it was \$685,000. Do you know what that gets you? Maybe gravel on three runways. Now, going into the election, they found a little bit more money for a system that had been neglected for 11 years. Well, I can tell the members opposite, once again, one-time money.

What we have done now in northern airports is built into our base the highest level we have seen in northern airports in more than 11 years, and we are going to build on that in future years. We are going to build our transportation networks.

I want to take members back again. Compare '95 with '99. I particularly find it ironic the Member for Kirkfield Park (Mr. Stefanson) would get up and talk about Conservative fiscal responsibility. Now fiscal responsibility—I always figure that, if you want to express the complicated books the Government puts out, probably the best way is to use sort of an analogy to our own circumstances. Now what was their fiscal responsibility based on here? What did they do under the tenure of that Minister of Finance and under the very brief, unfortunate tenure of the Member for Minnedosa (Mr. Gilleshammer)?

What is interesting is that if you look at the various elements of our budgetary system, you have got revenues, you have got expenditures, you have got the Fiscal Stabilization Fund. By the way, I would say to the *Free Press* editorial writers that this party supported the Fiscal Stabilization Fund. We voted for that fund when it was brought in in the late 1980s. That is equivalent in personal life to a savings account. Then you have the asset base of the province. Now what was this great financial management base of the Conservative Party in the last number of years? I say to members opposite: here is what essentially happened in the last four years and one of the reasons they are now sitting on the opposition benches. I advise them, and I mentioned this in an earlier speech, a little bit of humility will probably get you a long way with the people of Manitoba, to get up and talk about winning again in four years. You know, the Conservatives in this province do not have a divine right to govern. I tell you, until you learn the lessons of why you were defeated, you are going to sit on that side for a heck of a long time.

I say to members opposite, the bottom line is what you did is you sold MTS off. You then dumped the money in the Fiscal Stabilization Fund. You flushed it out in three years. Then what you did in the last budget before the last election, and I say this to the Member for Minnedosa (Mr. Gilleshammer), you then went and raided the Fiscal Stabilization Fund, your savings account. The target level under the legislation is \$390 million. You made a massive, one-time withdrawal to try and bribe the voters going into the election. It did not work, and you left the provincial finances in such a state that

we now, in fact, have that Fiscal Stabilization Fund significantly below its level.

In fact, I say to the Minister of Finance (Mr. Selinger) we are proud that we have reduced the rate of withdrawal from that, and I say to the Minister of Finance with our financial plan we are going to get back on track to make sure that we have a balanced approach in this province, not the kind of famine for three or four years and then a feast just before the election that we saw from the Conservative Party.

I say to members opposite: How many responsible households will turn around and sell their house, spend the proceeds in three years, and then go around and telling everybody they are good financial managers? It just does not work that way. It is interesting they put out the previous Minister of Finance—the previous—previous, not the previous Minister of Finance—and I look forward to the Member for Minnedosa (Mr. Gilleshammer) getting up. Let us talk about the dramatic overruns. They brought in a budget last year, just over a year ago, going into the election. They pumped money in. They put in special warrants. They massively overspent their own budget. What fiscal responsibility? This was a Conservative Party that was desperate, and it shows in what they did going into the election.

* (16:20)

Do you know what amazes me, when the Member for Kirkfield Park (Mr. Stefanson) gets up and starts saying, well, there never was going to be a deficit this year? I mean, I know he has given up his previous political affiliation here, and I always admired the Member opposite as being a straight-shooter when it came to financial issues, but give me a break. When this Minister of Finance (Mr. Selinger) came in and inherited massive overruns, and that is in a year in which they had raided the Fiscal Stabilization Fund, it was only through significantly higher transfer funds from the federal government that we were able to balance the budget.

We did take action, and I say to members opposite it is funny how, all of a sudden, they have gone after some of the initiatives we have taken. On hiring, for example, we have sig-

nificantly increased the vacancy rate, that is, fewer people out there. In terms of the hirings, they have been critical of it. Now I want you to recognize where most of the hirings have taken place under the freeze, and we always said the freeze involved hiring for essential personnel as well. Corrections officers: Now, we all know how much of a mess they left us with the Headingley riots when they proved they could not manage our corrections system in this province, but I say to members opposite, it would have been irresponsible of us not to hire the corrections officers that we need to provide public safety, to provide safety for the inmates in our correctional facilities. But that is essentially what we did.

We made some tough decisions as well. We made some tough decisions in terms of millennium projects, and I know it was difficult for some of the people involved, but we came in and I say to members opposite: we balanced the budget last year; we cleaned up their mess. We are balancing the budget again this year, and we are going to continue that. We will continue to work on cleaning up the mess the Conservatives left behind the last four years.

But, you know, I am just amazed, once again these born-again tax cutters. But I almost give the Member for Russell (Mr. Derkach)—we should give him an Academy Award here, I think, when he gets up and, I mean, it is not easy being a Tory education critic. After 11 years of cuts to education, particularly on the post-secondary side, can you imagine what it must be like to get yourself at a point where you can look sincere when you get up and you criticize the NDP Government for their 10% reduction on tuition fees? When you heard "tuition" come out of the mouths of Tories for 11 years, it was tuition being increased. We had massive increases, and one thing I am proud about this budget again is that the Minister of Finance announced we promised a 10% tuition fee reduction; we are going to implement it as a result of this budget. That is the reason why the Tories should be speaking in favour of this budget, quite frankly. Not a word on it, not a word on it.

Public schools: It amazes me, and, it was funny, the Member for Kirkfield Park actually

went through the Estimates books. You notice how he said we had reduced Assessment. Well, you know what that is? You know what it was? This was his great plan that members opposite have to have assessment. Particularly, I thought, the ultimate folly on their side was to have assessment at the end of Grade 3. Parents said it did not make sense; MAST said it did not make sense; MTS said it did not make sense. You know what we said in the election? It did not make sense, and what we have done, by putting in a process at the beginning of the year of assessing students' reading and writing abilities, is that we have now been able to move money from assessment and a useless process, guess where? Into the classroom where we have provided, and I say this to the Tories opposite: Another reason why they should be supporting this budget, the highest increase to our public school system in more than a decade, much higher than anything we saw under the Tories.

I mention health care. Not only have we not frozen personal care home construction, in this budget we have given significant resources to health care, and that is something we are proud of. I think, next to the Tory Education critic, a person who has the toughest job on that side is the Health critic. Can you imagine having to get up and say: Well, the NDP has not lived up to its promise on hallway medicine.

Well, who created hallway medicine in the first place? It was the Tories, and I say to members opposite you are stretching it a little bit when essentially what your strategy on health care is is to criticize us for not moving quickly enough to resolve the problems, the crisis you left us in health care after 11 years of neglect. Give us a break here. In the seven months that the Minister of Health (Mr. Chomiak) has been in that portfolio, he has done more for health care than you ever did in 11 years. We are proud of that, and that is going to continue as a result of this budget, something else that you should be supporting.

Mr. Speaker, we have significantly focussed in on the problem areas of health care. You notice how the former Minister of Finance, who spoke just before, did not once—by the way, he is a former Health critic, too. I do not know how

much time he spent on health care. About two minutes, and I wonder why.

You know, I mentioned about their legacy on personal care homes, but who can forget their legacy in terms of health care professionals. They fired close to a thousand nurses. They tried to privatize home care. Who can forget Connie Curran?

Basically what they did time and time again is they tried to destroy a system that I think is the envy of the world and one of the better systems, I think, in Canada right here in this province. What I am amazed with now is when they have criticized us on the announcement of the diploma program, particularly the Leader of the Liberal Party (Mr. Gerrard). I mean, we are facing a critical shortage of nurses. In the next five to ten years there is going to be a massive number of retirements. Look at the average age of nurses that are in place.

What we have announced and something that is in place in this budget with a \$3-million additional fund is going to be a massive effort to train nurses. I think the fact that we have received 1500 applications for nursing indicates that what we are doing is in keeping with not only the needs of the health care system but the employment aspirations of many Manitobans who, despite the 11 years of neglect on the other side, are willing to enter the health care field and the area of nursing. Not a word from the Tories on that.

We have allowed hospitals to open more beds. We have new units for cancer patients. We have pediatric extended care. We are going to be opening more personal care home spaces in this budget, not freezing it, as happened under the Conservatives. We have expanded Pharmacare. We have expanded home care services. We put \$5 million more in to improve our ambulance system. I say as a northerner, I am proud to be part of the Government that has gotten rid of the \$50 user fee in northern patient transportation. I tell you, that is part of this budget, again, another reason to support it.

You know, you could make a list time and time again in terms of health care. It strikes me if you look at the former Finance Minister, the

former Health Minister, who barely mentioned health care in his speech and talked how they were going to be back in government in four years, I tell you one thing. In the next election, I guarantee members opposite that this is going to be one of the things that we are going to say about the members opposite, not to forget 11 years of neglect of our health care system. By the time we have finished in four years, I say to members opposite you are going to see one of the best health care systems in this country get even better, because even after 11 years of your neglect, we are going to be able to rebuild it to the point where Manitobans will not have hallway medicine, where Manitobans will not be faced with significant shortages, where we will have reduced waiting lists, where we will have more personal care home spaces, where we will have an enhanced Pharmacare system. These are all things we campaigned on. We are going to deliver it, and we started in this budget.

So education, health care, well, let us talk about another area as well. You know, if there is one thing that was absolutely absent from the previous speaker, do you notice any reference to the poor in this province? I wonder why. You know, when you look at the legacy of the previous government that was in place, one of the shameful aspects of the Government was that whenever they hit any financial difficulty, Mr. Speaker, whenever they had any financial challenges ahead, you know where they turned for program cuts. They turned to the poor. You want to run through some of the areas that we have dealt with? I will take the friendship centres in 1993. At the friendship centres they cut the core funding. There is a movement that I am a big admirer of, a big admirer in my own community. You know what? That was classic of short-sightedness.

I remember one of the Tory ministers at the side said that friendship centres could charge membership fees. Where is this? Are friendship centres golf and country clubs? I realize that members opposite probably do not spend a heck of a lot of time at our friendship centres, but they are not golf clubs. Friendship centres are an example of a movement that provides community-based services to people throughout this province, that are a bridge between our aboriginal communities and the communities at

large. One of the things I am proud of as part of this budget is we started the process of restoring the funding of friendship centres, something the previous government never should have cut.

Let us talk in terms of what we see from the previous government. I think one of the most unfortunate things I see is when I see members of this House get up and criticize us for having gotten rid of what I thought was one of the saddest legacies of the previous government in the last number of years in terms of those on social assistance. You know, it is interesting because I take the time to visit many of my constituents on a regular basis, as many members of this government do. Do you know what I find amazing is if you want to compare the stereotype that the Conservatives like to bring in of the poor and income security recipients? I want to invite them to visit my constituency to see people living on social assistance, not just in Thompson but seven other communities with 70% and 80% and 90% unemployment. I want to ask them to talk to families. I will give you a classic example. Thicket Portage and Pikwitonei, where the grandfather worked 30 years on CN, where the father worked 15 and was laid off, and where the son or daughter is unemployed, not because they want to be unemployed, but because the job opportunities and the training just have not been there.

* (16:30)

I want to say to members opposite, when they brought in this legislation as a cheap attempt going into an election to bash the poor and set up stereotypes of the poor, the so-called "workfare" that was going to be put in place, that it even got to the point where in committee we had concerns from representatives of the deaf community about the fact that they would not be exempted from much of the punitive elements of that legislation.

Do you know what this government did in the 11 years? I want to give you some idea how committed they were to getting people back into the workforce. They cut the Student Social Allowances Program. When the child credits came through, they immediately clawed back all of it. They reduced the food allowance for

infants under the age of two. They cut social assistance payments overall significantly at a time when other areas of government were receiving focus.

I know it is not popular at times to speak out on behalf of the poor who are often not empowered in our society and do not have the voice that the more wealthy do, but one of the things I am the most proud about this budget is that we have started the process of turning that around. We are going to begin with the next aspect of the child credit coming in. That is going to go to low-income families. We are going to increase the social allowance rates, and we are making a concerted effort through education and training and support to the poor, including those on income security and including the working poor, to get people into the jobs that they need. That is the NDP approach, not the punitive approach, not the attempt we saw from the Tories for 11 years to try to divide and conquer Manitobans. I say with pride, not only did Manitobans reject that approach in the last election, we have stood up in our first budget and made a real commitment to the poor of this province.

Well, let us continue because it is interesting. I have dealt with health care. They have got nothing to offer on health care. I have dealt with education. Nothing to offer on education. I have dealt with the situation facing the poor in this province. Nothing to offer there. So now they want to get up, and they want to somehow, after 11 years in office, perhaps try to appeal to a lot of the middle-income earners in this province, a lot of the people out there, the average citizens. I do not think they understand, by the way, that first of all one of the most important things to most families is a decent health and education system.

I do not know where they were in the election. It must have been a different election than I was in because everywhere I went, average families in this province, families in my own community, were saying, you know, the Tories went too far. They cut health and created this hallway medicine. They cut our schools. I looked at it. I do not know where members were, but what I think they were also missing on is the average family in this province is not going to

buy their selective use of statistics on taxation, on the impact on the average family in this province, because you know what, you notice what they do. It is really interesting and I expected better from two former ministers of Finance today who got up today and talked about the highest tax rates in the country. You know, that is absolutely not true.

I want to outline, first of all, what we did in this budget. The first thing the Minister of Finance (Mr. Selinger) did was eliminate the net income tax and the surtaxes. That hit a lot of average families. I am not one who argues against taxation per se. I think most people understand there is a balance between taxation and services. You know what he does not mention? Mike Harris' Ontario. You know what? They did not get rid of surtaxes in their last election. They still have two surtaxes. So, you can take Mike Harris' income tax rates and you can take our income tax rates and conveniently leave out the surtaxes and do whatever you want with it. Yes, but, you know what? The taxpayers of this province, when it comes to paying taxes, pay in real dollars. They are going to be looking at the bottom line.

Let us look at property tax. I talked about the average tax burden in this province. One of the areas that they cut in their tenure in government was the property tax credit. The way they cut it was particularly difficult on many rural communities, many rural seniors, by requiring the minimum payment.

You know one thing we did, we said we are going to reintroduce the \$75 property tax credit, and we have done that. That has an effective impact on the average home owner in Winnipeg of a 2.7% reduction in property taxes, and in rural areas an even higher effective impact of 4.1 percent. Now, that is the average person out there. Once again, if you do not include that aspect of taxation, you are going to be in a situation where you do not get some idea of the bottom line.

You know what we have also done, members opposite do not mention this either. You notice how they conveniently leave out the various tax reductions and tax credits that we put in place? The fact is, as a result of this budget,

virtually everybody in the province is going to receive a tax reduction. Yes, a modest tax reduction. That is what the people of Manitoba said in the election. They wanted health care and education reinvestment, and they wanted modest tax relief.

In fact, I say to members opposite, we went further than we did in the election. We talked about property tax reduction. By bringing the changes in this budget, we have made a significant impact for a lot of families in this province, significant impact. I just want to run through some of these, because you heard the members opposite today, these born-again tax cutters, after 11 years, get up and talk this, that and the other. It was all sound and fury, but the reality is when you take our tax system as a whole, we have the fourth best in the country in terms of many of the middle-income earners. A lot of that is because of initiatives that we took on the tax system that we inherited and improved it through a provincial tax system through some of the tax reductions we dealt with.

I say to members opposite, I think, probably the best example to use on the impact of this budget is a family of four, two earners, income \$60,000. Now, that is probably a not atypical family in many of the communities represented in this House, certainly is not atypical in my community. But what is this budget going to mean for them? Let us take the Manitoba tax and include the property tax savings: compare 1999, \$4,887; the year 2000, down \$4,693; the year 2001, down \$4,361; the year 2002, down to \$4,282. You know, over three years, a savings of \$1,550 to the average family earning \$60,000. I can say to members opposite, you know, for all their great talk opposite, you know, these born-again tax cutters, this family of four is going to see not only better health and education but is going to see real, responsible, bottom line tax relief, something we have delivered in this budget, something they could not deliver for 11 years in government.

You want to take other examples, let us take seniors: 1999, \$819 in provincial taxes. Yet I look around the House and I think this is probably of great interest to many members and increasing interest. The year 2000, \$759, watch

the trend, \$759. The year 2001, this is the single senior making \$20,000, and I look at the Member for Dauphin-Roblin (Mr. Struthers), many in his constituents are retired people, \$605 by the year 2002. Over the three years a reduction of \$691 in income tax and property tax savings. Are members opposite going to vote against that?

Let us look at other examples. Single parent, one child, Manitoba income tax: 1999, \$516; 2000, \$440; 2001, \$319; 2002, \$287—nearly half. The total saving above income tax, property tax, \$727. Are they going to vote against that in this budget? Single person, and I will not repeat all the stages from \$3,197 down to \$2,962, a saving over the three years of \$757. A family of four, one earner, income \$40,000, from \$2,891 in 1999 down to \$2,376, total reduction of \$1,314. Are the Conservatives going to vote against that? I say that not just rhetorically because in the last session of this House, we voted for a budget that was not perfect but because it had elements we felt were too important not to support, including both some of the areas in health and education and on the tax side.

* (16:40)

Mr. Conrad Santos, Deputy Speaker, in the Chair

Well, Mr. Deputy Speaker, I know that this is going to be a very difficult process for members opposite, and I realize that it is not easy and I said this. I mean, I said we can have Academy Awards I think for some of the best acting going on, on the other side. You know, to get up and ask questions about health or education is not easy; but it is not easy for them to ask questions about finance either. This is not a different party. I know federally we have seen them splintering into die-hard Tories: I am sort of a Tory today; I could be an Alliance tomorrow; I could be a Tory again. You know, the Alliance area, and yesterday was like an Alliance convention off in the corner with Don Orchard and Clayton Manness here. I just say to members opposite if they think Stockwell Day for the right wing, or Preston Manning, I mean, that is a smart move, I can tell you right there, or Tom Long, oh, yes, he worked in Brian Mulroney's office for 18 months, a backroom

Tory. If they think that is the key to their political future, I say, please go ahead. But you know what is interesting, I say, if you listen to this here—[interjection] Exactly, they are looking at bringing in their own Brian Mulroney.

I have noticed that the Member for Lac du Bonnet (Mr. Praznik), by the looks of it, the members opposite are not nominating for the best actor in a leading role. It is sort of in a supporting role because they have got their own anointed person from the backrooms that they are trying to rush into leadership. He may be a very fine individual, but you know what strikes me is that the provincial party is undergoing the same metamorphosis that the federal Tory, Alliance, C.R.—oh, I cannot use that word in the House. You know it is pretty bad when you have a political party that has initials that you cannot use in the House, I tell you.

But you know, Mr. Deputy Speaker, I suspect that is what is going on here. You know, the Member for Springfield (Mr. Schuler), now, if ever there was, how can I say this politely, evidence that that party is moving off into fringe territory, I think that is it. The Member for Fort Garry (Mrs. Smith)—[interjection] No wonder she is supporting Stockwell Day, but I suspect from some of her comments in the House that she is probably afraid that he is some raving leftist, you know.

Like members opposite, once again, you would not think they were in government for 11 years. I mean, they were bad enough in government. I mean, they were a Conservative government. They did things that Conservatives do. They cut programs for the poor, they cut health, they cut education, they ignored whole regions of this province. They had a terrible relationship with Aboriginal people. You know, what I notice is instead of learning from that, instead of coming in and saying people spoke to us on health and education, what are they doing? They just ignore it. They push it away. They just pretend it does not exist.

Probably the worst example of just how far right that party has gone is their relationship and their attitude towards Aboriginal people. Now, one of the things I am proudest of in this budget is the fact that this is the best budget for my

constituency in many years, particularly for northern Manitoba. I can say to members opposite, after 11 long years this budget is the first budget that pays any attention to the needs of the founding people of this province, our First Nations. Instead of supporting that, we see time and time again this approach in the House on Aboriginal casinos. The C in PC when they were in government never stood for consult. Okay? Not once. I will not get into MTS. I could if anybody wants. No. I do not have time to talk about MTS.

On things like lotteries, they never consulted. They added a huge expansion. Right? But no consultation. What I notice is, and I say this to members opposite, for 11 years in government, we on this side and many people in this province, particularly the First Nations people, saw that whenever it came to anything involving First Nations, the only thing you ever did was cut or criticize. When it came, you cut the winter roads, you ignored northern airports, you ignored northern roads, a lot of which just happen to support First Nations communities. You cut the core funding for Aboriginal groups. You cut the funding for the friendship centres.

Many of your cuts to social programs had direct impact on Aboriginal people. You cut the Access programs. Well, I tell you one thing I am really proud of, and I say this on behalf of the many First Nations people and Métis people that I represent, is in this budget we have made huge strides in not only cleaning up the mess of 11 years but moving ahead in areas like child welfare and economic development and apprenticeship development.

I say to members opposite that the First Nations people, the Métis people in this province spoke loud and clear in the last election. You by your behaviour day in and day out in the House have shown you did not listen. I say to members opposite, for that reason I say you should be, I think, almost ashamed of yourselves in not supporting a budget which will do something significant for the first time in more than a decade for Aboriginal people.

I say to members opposite you are misjudging the public if you think that a sharp shift to the right is what the people of Manitoba

want. The last election, we received one of the highest popular votes, by the way. We received a higher popular vote than any of your election victories in 1988 and 1990, 1995. We received more seats in the House. I say to members opposite that we have built, I would say, a new governing coalition in this province that I think is reflected in this budget.

Mr. Deputy Speaker, you look at these benches. For the first time in 11 years, when we bring in a budget, what I am proud of is the fact that in this government every region of the province is represented, rural, northern and urban, something that party could never do in the 11 years it was in place.

I say to members opposite look. I find it amazing when they criticized—they got into the various gender issues before. Look at the representation of women in our caucus and in our cabinet, a historic high in this province, an indication of our inclusiveness. Look at our inclusiveness in terms of our ethnocultural communities and First Nations and Métis in our caucus. I say to members opposite wake up to the reality of what Manitoba is today. It is a diverse province. It has great strength, not just in certain areas. I say to members opposite get on board.

I was amazed when the Member for Pembina (Mr. Dyck) got up before and was criticizing us because we are going to do too much in the North on highways. This is one province. It extends to the 60th parallel. I tell you, to members opposite, for the longest time, when I came in as the Minister of Highways, in my office they had a map of southern Manitoba behind the Minister's desk, a map of part of the North off in one corner. A good chunk of the North was not even on their own map.

Well, you know, one of the first things I did is I got rid of those old maps. If you walk into the Minister of Highway's office, you are going to see the entire province represented, and I make no apologies when I say this on the record, you bet there is going to be a lot more happening in northern Manitoba. I tell you, we will be fair to all regions of the province, something you never did for 11 years on anything you ever did.

The days of the old Tory ways are over. When you have people like the former Minister of Northern Affairs get up and say, you know, the only problem with northerners is they did not know how to vote right, we saw what happened. They had the same attitude about First Nations people and Métis people. They had the same attitude of much of the province, you know, the Parklands, the Interlake. They had the same attitudes for much of the city.

* (16:50)

Our government is committed to being inclusive, and if there is ever any evidence, it is the fact, and I say to members opposite, it is in this budget. There is something in this budget for every region. There is something in this budget for all ethnocultural groups in this province. There is something in this budget for First Nations and Métis people. There is something in this budget for seniors. There is something in this budget for students. This is a budget that represents the fact that our vision going into the 21st century is that this province has a tremendous future ahead. It has a future when we harness the abilities in each and every one of our citizens of whatever station and income in life.

I say to members opposite, just watch us. You know, in the first seven months we have been in government, the unemployment rate now is the lowest in 20 years. It is lower than the unemployment rate was under your era. When we start to develop northern resources and our rural communities, you watch, we will show the way. I say to members opposite, I make no apologies for saying today that members opposite, if they had any sense of political balance, would be voting for what I feel is the best budget we have seen in this province in more than a decade. It includes the budget, a fair and balanced budget, a budget that I am extremely proud as a democrat to recommend to everybody in my community and communities across the province. Thank you, Mr. Deputy Speaker.

Mr. Glen Cummings (Ste. Rose): Mr. Deputy Speaker, I should thank the Member for Thompson (Mr. Ashton). I feel quite inspired to

put a few words on the record after listening to his tirade a couple of minutes ago.

I think I will begin by simply saying that, in spite of his efforts to characterize the current budget as being something that is representative of their thinking and their thinking only, I would simply want to say that one thing that I would hope the members on that side would do is acknowledge that they are walking into a financial situation that it took the people of this province 10 years to accomplish. There were 10 years of difficult decisions and, frankly, sacrifice on the part of a lot of people in this province in order to make the finances of Manitoba the way we see them today.

Having said that, I think I saw some nods of acknowledgement from some of the members of the current government. I appreciate that because, as the Member for Kirkfield Park (Mr. Stefanson) said, all that he really expects from this government is at least an acknowledgment that some of the decisions that they are making today are built—and I congratulate them. In some cases they are continuing to build on the infrastructure that we have put in over the last number of years. I think the only thing that we have to be concerned about is where their balance is somewhat different from some of the balance that we have always believed was important.

The people of Manitoba will ultimately judge. It is fine for them to say, well, do not worry, trust us, we know what we are doing here. But after about two or three years, if they continue on the method of decision making and planning and following the direction that they are indicating in this budget, then I suspect that they are either going to have to redirect some of their thinking or they are going to be finding not quite as accommodating an attitude in the public.

Mr. Deputy Speaker, the one thing that is so critical and the basis of everything that I have felt as important during the years that we were on the Treasury benches is that on the one hand we have to do what is important in terms of supplying services, but, on the first hand, if you do not build the long-standing revenue sources, if you do not build the economic activity in the economy, if you do not build, and particularly in

rural Manitoba, on the opportunities that are required for the change that is important in this province, then ultimately the engines of the economy in this province are going to stall.

I am going to make one pointed comment towards my colleague from Dauphin, and I say "colleague" because he is a neighbour in terms of the constituency of Ste. Rose. He has very pointedly said that the private sector and the hidden hand of entrepreneurship is not what drives the economy of rural Manitoba. Ultimately, I believe he will be proven wrong, and I am quite amazed that he would put those comments on the record because it strikes me that both he and I have benefited tremendously from the entrepreneurial attitude, from the can-do attitude of the people in our constituencies. Of course they want leadership from us, but they expect that leadership to also reflect the reality of the constituencies that we represent.

When the Member for Thompson (Mr. Ashton) decided that he wanted to talk about whether or not we recognized the value of those who are on lower income, those who are in some cases disadvantaged and do not have job opportunities, I would simply remind him that I also represent a significant population in this province that is of very low income, that suffers from economic disadvantages from time to time because of their location, because of their opportunities, because of the lack of investment that might be occurring in their communities. He, at the same time, represents one of highest income averages in Manitoba in the city of Thompson, so both he and I have a similar representation responsibility because I would acknowledge that I also have a couple of communities that do quite well. I also have some communities that I believe are also well represented by the fact that they need a vibrant economy in order to participate in the opportunities that are available in this province.

The Member for Kirkfield Park (Mr. Stefanson) did an admirable job of referencing whether or not we have positioned this province to be competitive into the future, and it is fine for the Government to say look what we have done. We have stuck our finger in the pie, and we came out with a tax reduction. What a good government am I. Well, let us think about that

for a moment, and I will not dwell on it because, as I said, the Member for Kirkfield Park did an excellent job of laying this out. I noticed there was a little chagrin on the other side when he was making some of his comparisons, but the fact is, if we only look at this in a snapshot, a quick snapshot of this is the budget. Here we are, look at this compared to 1999, well, then, frankly, that leads to a situation where this budget is put in its best possible light.

If we want to put this budget in context over the last 10, 11, 12 years, our budgets, and then ask the question, and I ask the rhetorical question: Is this budget a place that we want to be positioned as a starting point for the next three or four years which they expect will be their mandate? I believe that by the time the full impacts of this budget have been felt, and by the time that they have worked their way through to the voters and to the level of the working man and woman and the entrepreneurs of this province, they will realize that a disservice has been done by not recognizing the competitive aspects that need to be built.

The competitive aspects do not just change overnight, but signals are sent that indicate to those who would invest, those who would set down roots here, signals are sent from budgets and the rhetoric that is around them during the budget debate. I believe that there are a lot of people in Manitoba when they begin to recognize that, if this government had not done anything, they would have received quicker the relief from the federal budget. They would have received it directly and they would have received it more quickly. They are going to start asking this government: So what really is your intention, and why did you claw back three quarters of what was a federal reduction? This is sort of federalism in reverse. This is federal-provincial relationships in reverse.

* (17:00)

An Honourable Member: What would you have done?

Mr. Cummings: The Member for Dauphin (Mr. Struthers) says: what would we have done? We told them during the election what we would do. We were prepared to offer the tax relief which

you did not pass through. The fact is that the Government has now set itself up for a situation where it is going to have to offer increasing tax relief over the next three years, or it is not going to be able to continue to make quality comparisons that will keep this province among the better areas to invest and to put down roots if you want to be able to have a good lifestyle for your family.

I think probably the Chamber of Commerce spokesman and others who are talking about the lack of balance that they see in this budget probably sum it up fairly well when they say: You know, it looks like this new government has tripped over the starting line when we get into dealing with tax matters and the future tax competitiveness—and I emphasize the word "competitiveness"—for this province.

That leads me to two issues that are extremely important to my constituency, and they are extremely important to rural Manitoba. I was pleased that the Minister of Highways (Mr. Ashton) put the information on the record that he did. I have no doubt that he truly believes what he said. I have no doubt that he intends to carry out what he said. But I believe that there is a serious implication for southern Manitoba in the way that he is approaching what he views as fairness and equity in this province. He accuses our administration for 10 years of not being fair. He used other words, but he certainly made that implication. Then he went on to demonstrate his own version of a vindictive response to what he thinks is an unfairness that has been perpetrated previously. We all know in this House that that is not the way that good leadership is produced. It is not the way good leadership and trust in government are produced.

I challenge him in terms of the way that the Highways budget, as an example, was distributed in this province. It was distributed on the basis of traffic, on the basis of population. I think that every one of our Highways ministers would have acknowledged there was tremendous shortfalls, tremendous pressure on highways which they were unable to meet. The same thing for this minister. He cannot say otherwise. He knows, because he has complained about it often enough over the last decade, that there is not enough money in the budget to deal with the

demands on highways. But how does he square that with the fact that he is now coming up with another \$10-million shortfall on his main construction budget?

He is simply not going to be able to meet the obligations. Then he combines what he just put on the record today with comments rather loosely made by the Member for The Pas, now the Minister of Conservation (Mr. Lathlin), indicating that as far as he was concerned you should not spend another nickel in southern Manitoba on highways for five years—it would not be too soon. If you put those two comments together, and you have got two northern ministers in Cabinet flexing their muscle, they, without saying it, are now saying, pfft, southern Manitoba voted the wrong way. They are going to now suffer the consequences.

Some Honourable Members: Oh, oh.

Mr. Cummings: A couple of cabinet ministers over there do not much like that reality, but the fact is that is the implication that the Minister of Highways (Mr. Ashton) put on the record. I will be interested to see how he intends to square those comments that he just made with the fact that the total economic engine of agriculture in southern Manitoba is extremely dependent on trucking, on highways, on the maintenance of that infrastructure. If it is going to be reduced rather than enhanced, then there simply is going to be a reversal of the output and the capacity of the very engine that he needs to support the expenditures that they intend to put into Health and other priorities that they have identified.

I want to pick up on one other comment before I leave the Minister of Highways' (Mr. Ashton) speech. He is incorrect when he said that we were criticizing expenditures that they made in Health. That is simply not true. What he has done, as was pointed out by the Member for Kirkfield Park (Mr. Stefanson), is ignored the fact that the money that they characterized during the election as being overexpenditures is now built into the base of this current Health budget, plus some additional expenditures. That is precisely what has been happening over the last half a dozen years or more. There has continuously been an overexpenditure from year to year in the health care budget.

Driven by demand, health care budgets historically have been that way. If the Minister of Health (Mr. Chomiak) today and the Minister of Finance (Mr. Selinger) believe that they can say now, this is the health care budget and everybody is going to live in it and there will be no overruns, then, mark my words, it will not be too long where they are going to be facing some of the same questions, that is, where are the services, where are the facilities and where are the staff to man them. Those are exactly the questions they are going to be dealing with when they start to say that they now are going to bring accountability and management to these budgets so there will not be any overruns.

Eventually you have to ask the question. This government, all rosy-cheeked and happy, is going to have a bit of a holiday for a little while. You are going to be looking at health care and growth in the economy and growth in health care expenditures. It is going to be a pretty fruitful year, maybe a couple of years, but eventually you are going to have to ask the question: How do you balance the competitiveness of this province against the total expenditures in your budget? If you start to approach 40 percent of your budget going into health care, then you have to ask what other programs can you afford to finance? You will be faced with the same decisions as every other government in this country and that is choosing the priorities that you can fund.

The other big question that nobody so far has talked about in Question Period or anywhere else is: Is the solution to health care to put more money into it, or is it to try and change the system at the same time as we do everything we can to adequately fund it? Because when you are funding a system that is demand-driven, such as health care, when you have a society, such as we have in Canada and in Manitoba, it is more pronounced than anywhere else, that is a somewhat ageing population on average, when we have growing technology that people demand day after day, technology that, while it is wonderful technology, is not cheap, and continually pressures the health care budgets, then I suggest that this government will suddenly become a little bit pale when they have to start making some of the same decisions on delivery

of health care as every other government in this country.

The amendment to the budget resolution lists a large number of areas where this government, in its budget, simply has failed to meet the expectations and the commitments. Now, they will argue that they have met their own expectations, but I have to ask, coming from a constituency that is primarily driven by agricultural activity, whether it is in the manufacturing or whether it is in processing or whether it is in raw production, it is agriculturally based, and in this budget we see agriculture, research and development monies, and the Minister of Finance (Mr. Selinger) addressed it today—he turned the question on the federal Liberal Government saying where were they when research and development dollars were needed a few years ago?

Well, I have to say that he is gradually turning the question on himself if this budget, in all the departments that we have checked so far, continues to ignore the responsibility of research and development, again, the very core opportunities that need to be developed in this province so that the taxes will be paid to support the types of programs that they believe are important and programs that will, in fact, not only generate better services for our community but generate economic activity. We are sitting in the middle of this continent. This province is the furthest from salt water. It is a modest-sized province that now has a situation where we must export. Our agricultural productivity, in particular, is dependent on exports. So we have to be the most competitive, we have to be the most diversified so that we are not shipping low-valued products out of this province, but we are shipping high-valued products.

* (17:10)

The other area that is so critical, and it has nothing to do with the product, but it is the product of our families—our children. If they do not see their way clear to stay here to carry on and expand the opportunities within this province, then we will lose in a double fashion. That is why, while the members opposite may want to chortle about whether or not we are comparing tax rates appropriately, whether or

not we handed them a tax rate that was already too high, none of that matters in the end. What matters in the end is whether or not this government, building on what we did for 10 years, is going to be able to continue to attract the brightest and the best so that they will stay here to contribute to the economy so that they can, through whatever tax structure they choose to put in place, support the programs and the initiatives that they want to place in priority basis.

As I said, the decisions in health care, we can talk about the precise dollars. We can talk about the beds. We can talk about the ability to provide home care beds. We all know that from the day that you decide that you are going to build a home care bed until it is actually available for our parents and our grandparents is probably a three-year window. In some cases it is even a four-year window by the time it goes from planning through to actually being available. So the several hundred home care beds or long-term care beds that have been opened up are basically a result of long-term planning that has occurred.

I, frankly, while I might not be too happy about it, say, fine, that is what needed to happen in health care in this province. We are now getting some of those people who were in hospital beds, high-cost hospital beds, into home care beds. But remember that the cost of financing those beds is now built into the base of the health costs in this province. We need to maintain a vibrant economy in order to be able to pay off those debentures so that they are not faced down the road, and they will be, with increasing demand that they cannot meet without increasing taxes. Frankly, I am not sure that there is anything in this budget or that there is anything that the Minister of Finance (Mr. Selinger) has said, or the Premier (Mr. Doer) has said, in this budget discussion that gives me a lot of comfort that they have thought that far ahead in their planning.

I simply want to put it on record that they need to think that far ahead, and I would encourage them to, or not only will they pay financially but we as a province will pay and the taxpayers of this province will pay if we have to

go through another cycle such as we did in the 1980s and the early 1990s.

But in the agricultural sector, while I indicated that I am very concerned that the research and development dollars do not seem to be there, we also do not see the kind of support that I think agriculture is going to have to have in order to continue to develop upon the foundation that has been built out there. There is almost nothing but fluff in the agricultural budget today that does not do anything beyond simply maintaining the basic Department of Agriculture budget. That is why I wanted to tie the highway development expenditures or lack of expenditures to that, because that is certainly part of what needs to be tied to the diversification of our farms. It is not just farms, it is diversification of our rural communities.

Frankly, the city of Brandon, if it was not located where it is with the ability to move goods the way it is on the highways where it is serviced, we would not see the kind of activity that we are seeing there today.

Remember that the hog processing that has gone into that area is not there just to service the Brandon region. It services all of western Canada and all of this province potentially and where it will draw from.

So let us not be too parochial in how we view where these dollars are being spent whether it is a hidden agenda to pay off for an election result or whether it is a—*[interjection]* Well, I asked, let us not make it a hidden agenda. Let us make sure that the expenditures that are going to occur are done to help preserve and drive the economic engine of this province.

I will put that into context, because there are a number of hints that this government does not intend to make its decision on the basis of long-term development opportunity but intends to make decisions on expenditures and priorities potentially based on whether or not that provides some short-term political bump. Short-term political bump is what sank the Pawley administration. Short-term political bump is what will sink any administration of any stripe if they do not continue to think in long-term planning.

Mr. Deputy Speaker, the budget document is a very well-crafted document. I want to give the Minister of Finance (Mr. Selinger) a little bit of credit for that. The department has done an excellent job of putting together statistical supporting evidence for the budget, but when I look at the figures that are presented, I immediately ask myself whether or not the long-term plan that I was just referring to was brought into consideration. All you need to do is talk to some of the rural businesspeople, some of the businesspeople here in Winnipeg.

The projections for estimates of revenue seem to be well supported, but I am going to ask the question. I will be interested to see whether I am close or whether I am not.

I wonder if the Department of Finance has actually considered the cumulative impact of declining agricultural activity in parts of the agricultural sector that have taken quite a beating in the last couple of years. One of the things that is well known in the agricultural community is that it is not the year of the event where the tax revenues drop, it is the succeeding year, and it might even be the second year after that when those tax revenues cumulatively begin to drop.

I raise that question with the Government, because if they misjudge that then there could be, then there better be growth in other areas that are totally outside of the one area that I am speaking of that are going to have to pick up the slack on those revenues.

It works a little bit like the transfer payments or a little bit like the reduction in taxes. There can be some unexpected turns that will occur. I guarantee, however, if a drop in revenues, in own-sources revenues for this province, if they are not appropriately predicted, then there can be some pretty damaging results, which will very quickly drive government into a situation where it has to make some decisions they had not anticipated. If they intend to maintain balanced budgets, then they have no choice but either raise the money or save the expenditures.

Now, because of my critic responsibilities for Highways, I want to comment on something that is pretty obvious to all of us in this House, I think, and that is the situation relating to fuel

taxes and a national fuel tax-sharing proposal that needs to occur in this country. If the Member for Thompson (Mr. Ashton) or the Government opposite thinks there is nothing but vitriol and condemnation on this side, let me indicate one issue that is tremendously important whether you are urban, whether you are rural, but it is tremendously important to Manitoba and Saskatchewan particularly. That is, there has to be some kind of a national infrastructure tax-sharing proposal that needs to come from the federal government.

* (17:20)

Now, we saw a little bit of it today. I would not be surprised if the Minister of Highways believes he has a rabbit up his sleeve where he can access some dollars from the announcement on the railway freight rates and the dollars that can be put into roadways in this province. But, when we are seeing \$1.6 billion being removed from this province in tax expenditures over a decade and out of that only \$36 million, or roughly 3.4 percent of that money, even being available to this province in highways construction, then I say that not only will I support the present administration, I hope they will pick up the cudgel where we laid it down in relationship to a national highways program in this country. I will be encouraging the Minister of Highways to not use it as a way of escaping responsibility and laying blame, but simply as a way of proposing development opportunity for this province, and, frankly, a fairness situation that needs to occur in this province whereby at least a portion of those tax dollars on our fuel is returned to the jurisdiction that it came from.

I have made this point, I think, almost every year, Mr. Deputy Speaker, but it needs to be said again now more than any other time in the last decade, and, that is, we only need to look to the jurisdiction to the south of us to see what a nationally funding highways program does for disadvantaged areas of their country. It also helps fuel the opportunity of development in various corners of the province, various corners of the country in this case, if you will.

I believe that, if we do not see that, then we are going to see the very roots of this country being somewhat shaken by the continued

unfairness of that type of tax removal from jurisdictions like Manitoba. I also would context that with the budget we see in front of us today. The members opposite are concerned about fairness. I bet you there has not been a speech made in this House recently that has not talked about fairness in some form, but fairness has to be seen to be done, as well, in the minds of those who make decisions around future of this province. Not only do they have to have it clear in their own minds, they have to be able to demonstrate it to the electorate.

I am terribly disappointed that the Premier (Mr. Doer) of this province spent a lot of time saying: Where is the billion dollars? I cannot remember how many times I have heard that phrase coming over the news networks at me in the evening where the Premier has been covered making a speech somewhere, the famous speech that he made to the Chamber of Commerce: I looked everywhere, but I cannot find the billion dollars.

Then I think he implied that maybe some of it probably was in missed paintings or something. I do not know how he connected the two, but certainly the implication was that yours truly and a few others, not only did we fuddle up the budget, but we had taken a few paintings as we changed our offices, you know, the polite way of referring to some of the less loving, in terms of endearment, that the members opposite have used towards our financial decisions.

The fact is that the backbone of this budget, the very premise that this budget is built on, is the very billion dollars that the Premier said he could not find. So we have to give the Minister of Finance (Mr. Selinger), perhaps a vote of congratulations. He now knows where the billion dollars is. I hope he shares that information with his colleagues. Frankly, you only need to look in this document in order to be able to justify where the money is likely to come from.

I raise two points, Mr. Deputy Speaker. One is that if they continue on the type of decision making that we see in this budget, there will be some tough decisions ahead. They are probably ready to acknowledge that, but I do not think they acknowledge where some of those decisions are going to be.

Secondly, as was asked earlier today, if they want integrity in government and they want to portray themselves as being the new standard of integrity in politics and in leadership in this province, then they should at least acknowledge that that billion dollars is there, the same billion dollars that was discussed in 1999, the same billion dollars that is going to be the basis of budgeting for the next four years, the same billion dollars that the taxpayers of this province are contributing to based on an economy that is growing on the tenets of competitiveness provincially, competitiveness nationally, competitiveness internationally.

All of that is news to some people when they think about governments and taxation, but the bottom line is, if they do anything to damage the opportunity for people in this province to compete nationally, internationally, then they will have damaged their own opportunity to be able to carry through on the very election promises that are so important to them and to the people that they convinced to vote for them.

I can assure you that I will diligently pursue whether or not they are continuing to support those initiatives that made Manitoba competitive. If they do not, I hope that they will at least be wise enough to listen to the arguments from this side, or if not they will suffer the consequences of not making a decision that can lead to the demise of the improved health care that they want to talk about, can lead, in fact, to the demise of the social programs that I know are important and supported not only on their side of the House, but by a lot of people on both sides of the House. They have to be supported in a way that allows this province to continue to be competitive. That does include education opportunities, but it certainly also includes the opportunity for entrepreneurship and development of world markets.

Sitting in the middle of the continent, Mr. Deputy Speaker, with a relatively small population, we have no opportunity other than to look afield for opportunities to sell our goods, services, and reap income opportunities.

One last point, Mr. Deputy Speaker. It is very important to the well-being and the future of this province that the tax competitiveness be

maintained. I would only draw one simple example. Prince Edward Island, with a tenth of our population, a very small economic base, has delivered a greater tax opportunity, tax removal to their population. *[interjection]* The Member for Dauphin (Mr. Struthers) says how much? He can do the calculations. He knows what the volume is. Multiply it times the tax base. They have one-tenth the population, so we only have to translate that into a tenfold calculation and it will work. Thank you, Mr. Deputy Speaker.

* (17:30)

Mr. Jim Maloway (Elmwood): Mr. Deputy Speaker, I am pleased to speak today on the Budget Debate, in fact, the first budget that an NDP government has delivered in some 12 years. I must admit that it is a budget that I find very worthy of support. Probably given the circumstances, some of the circumstances that we find ourselves in today, this budget represents the best possible balance that we could have achieved, given the circumstances we face.

I want to deal first off with the myth that exists that the Conservatives are good managers, that Conservatives somehow know how to manage, and it is certainly a myth. There is an old saying that the first myth of management is that it exists at all, but certainly applies to these people opposite. If we want to look at where the province sits today as opposed to where it was in 1991-92, we see that in 1991-92 the general purpose debt of the province was \$5.2 billion. Now you would think with all the PR propaganda campaigns that the Conservatives have run over the last few years that that figure, given that the economy has been in excellent shape—so they say—for the last eight years, that that figure would have dropped.

An Honourable Member: You would think so.

Mr. Maloway: You would think so. But let us look at what actually happened, what the actual truth is, that since 1991-1992, in spite of all of the propaganda put out by the Conservative Party, they have actually increased the net purpose debt by \$1.52 billion. Now is that an example of good management practices, of good managers? It is common and accepted good

management and good fiscal policy that when times are good in the economy such as they have been for the last eight years, that that is the time that you reduce your debt. When the recession comes, when the accession occurs—as it always does in the cycle—then that is the time that you run deficit budgets, and it is accepted practice that that be done.

Now, this government, this former government, did not follow that approach. In fact, in 1992-1993, they ran a \$766-million deficit. The very next year, they ran a \$461-million deficit. In fact, it was not until 1995 when coincidentally a Saskatchewan Premier, an NDP Premier in Saskatchewan showed them the way, became the first government in the country to run a surplus budget. These people actually followed the lead of the Saskatchewan NDP in balancing the first budget.

In fact, if you look more closely at the figures, you see that a huge contributor to their surplus budgets for the last three or four years was nothing more than the sale of the Manitoba Telephone System, one of the biggest assets that the province had, a corporation that was founded by them, I believe, in 1908. They went and sold the corporation, took their \$400 million, put it in a Fiscal Stabilization Fund and drew it back, called it revenue which it is not, and said that they were running surplus budgets. But when you take that away, the picture is not really that impressive.

Furthermore, they merely ran the province according to their own election cycle, and that is what in the end led to their downfall, that everything from the Autopac rates to the expenditures in health care, they simply ran on the election cycle. They won an election. They simply build up the revenues in the Stabilization Fund until the next election, and they flushed it out to attempt to win the next election. You know, they almost got away with it again. You wonder why it failed. There must be just total disillusionment and total shock in the Conservative hierarchy and the Conservative caucus as to what went wrong last fall.

When you think about it, you have a party that had been in power for 11 years, that had run the Pan Am Games very successfully in the

summertime, that did a poll and found themselves 10 points ahead and decided to call an election.

An Honourable Member: Whoops.

Mr. Maloway: And whoops is right. The Member for Burrows (Mr. Martindale) says whoops. In fact, what they did was they proposed a billion dollar—actually, I believe it was a half billion dollars in tax breaks and a half billion dollars in expenditures, but because nobody believed them there was no acceptance. They basically broke out of their mould. Manitoba is a very conservative province and the electorate in Manitoba do not like extremes. They did not like the extremes of Sterling Lyon or at least the perceived extremes of Sterling Lyon. Manitoba is not like B.C., is not like, well, Ontario in latter years, where they will accept extreme forms of government. Manitoba has always been a fairly conservative type of government, and the people do not accept flashy approaches to government.

These people actually had the mix right for a while. What has actually happened is that we were in the centre. We voted for their budget last year. We moved right into the centre area, and to our shock and amazement, rather than them staying there, they moved out and headed to the right and left us the whole centre lane. Now, that was pretty, pretty shocking behaviour. They basically gave us the election, and they are still trying to figure out what happened.

Mr. Speaker in the Chair

So now we inherit what is essentially a fairly healthy revenue stream, a fairly healthy economy. Now, as the Member for Ste. Rose (Mr. Cummings) points out, in actual fact we did promise to keep doing some of the things that they were doing right. We understand where the middle is. We understand, this party now understands, I believe, where the electorate are, and we cannot stray that far from the centre and keep the support of Manitobans. So, what is it that Manitobans really want?

Well, once again, you had the mix right last year. Manitobans wanted spending increases and improvements in the health care system. There

was no appetite for tax cuts. In fact, I always thought that real true Conservatives believed that you pay down your debts when times are good, but what has happened is the Conservative Party has been hijacked over the last few years by right-wing elements à la Ontario and Alberta. What they did in Ontario was simply run up huge debts and gave people tax cuts. Well, that is not a good way to run the economy. What I am saying is you were on the right track. You were on the right track to the extent that you do not want to be giving tax cuts, you want to be paying down the debt in good times, and you were starting to do that.

I do not think it is a vote determining issue that people will vote for tax cuts over a proper health care system or a proper road system, as the Member for Ste. Rose (Mr. Cummings) just mentioned. If people have a choice between having a \$10 or \$20 tax cut versus having proper roads, I think they will opt for the roads, and that battle is being fought in the United States. Those candidates for the presidential nominations and races, those candidates who are advocating the tax cuts, are, in fact, not doing that well. That is not necessarily the way to go.

So, as a party, if you want to take on your new leader, Stuart Murray, and anoint him in November and chase around after us for the next two or three years on the tax cut issue, well, then, be my guest. But the reality is that the mainstream voters are with us on this one. They want proper spending. But I think that they also want better spending, and I think you have to admit that the health care system, no matter how much money you put into it, still stayed in a state of a mess. There had to be some structural changes to the health care system; just increasing the funding alone will not solve. There had to be some changes there, and, hopefully, a new government with a new approach will be able to change some of those directions. One thing I will tell you, I do not guarantee success in that area because governments of all stripes across the country have tried to tackle the system, have done their best and have met with limited success. But it helps to sometimes have a new look at the problem, have a new approach to the problem, and I think it is only fair that we give this government and this minister ample

opportunity to try to correct what could not be corrected before.

* (17:40)

Now, there were some issues. I tell you that the people did not necessarily vote against their policies; they voted against the fact that they were around too long. I mean, what they probably should have done is to have had a leadership change before the election; but, having been around 12 years, the vote-rigging scandal and some issues such as the frozen food issue which they mishandled, SmartHealth and other problems basically, I think, came together at an inopportune time for them.

An Honourable Member: Hallway medicine.

Mr. Maloway: And hallway medicine, as the Member for Burrows (Mr. Martindale) mentions. The reality is that probably, had they been consistent in the election, had they avoided promising too much, had they avoided promising the tax cuts, they may in fact have retained the government. But, once again, it only took one or two actions that were out of character with their previous approach to cause people to head for the exits and choose a new government.

We, in fact, made only five promises in the election. I guess that is what makes it even more galling for the members opposite, that they could promise a billion dollars worth of spending and tax cuts only to get trounced—they could not understand that—when we made very few promises. We promised to end hallway medicine. Well, we are making reasonable attempts at that at the moment. We promised to renew hope for young people. We promised to keep Hydro because there was a feeling that in fact the Conservatives might try to dismantle and sell Hydro. Now, I do not necessarily think that would have happened. I do not think that any sensible, sane government would do that, but, given what they did with the telephone system, I think people were willing to believe the improbable on that issue. It worked very well in our campaign.

We promised safe communities, and we will be introducing initiatives to keep that promise. As I mentioned earlier, we promised to keep the

balanced budget legislation, and we promised a very limited amount of tax relief, which you see we have delivered in the budget that is before us right now.

So I personally think that in spite of the hysteria that the Conservatives are propagating with some of the local media—I guess it sells newspapers; I see the headline today in *The Winnipeg Sun* that they are quite proud of—I would expect that when that wears off in a couple of days that the mainstream of the province, that the regular people of the province will see this budget for what it is, a very, very positive, very, very balanced blueprint for the future of this province.

What are the options that we could have done? We could have gone the tax-cut approach. It is possible. In fact, we may have to look at that, as much as we may dislike to do it. We may in the future have to look more that way, because we ultimately, while it may not be a vote-determining issue in the province at the present time, the fact of the matter is that we cannot remain uncompetitive in any meaningful way. So if you have a situation where all of the provinces on either side of you are 20 or 30 percent, I am not sure what the correct figure is, lower and you are bleeding because of it, you will have to make adjustments.

But we have to look at the total package here. You just cannot look at income taxes and say, well, because you have a lower income tax rate in Saskatchewan that people are going to simply move there. That is not going to happen.

In fact, we produced for the opposition a nice, easy to read—here, and I wish they would read it—in D15 of the budget book we detail a bundle of costs that people would have in each province of Canada. You cannot figure out the total tax package in Manitoba, say, without looking at car insurance, without looking at the fact that Alberta and B.C. have health premiums, the fact that Alberta has no sales tax.

So what we have done is we have simply taken a package, we have broken it down by the income tax, province by province, the sales tax, health premiums, rent, electricity, transit fares, telephones, and come up with total living costs.

So what did we get when we looked at that figure? We have a single taxpayer earning \$20,000 a year. Of the 10 provinces, Manitoba is the lowest of the 10 provinces, at \$8,299. It ranges from there to B.C., which is \$11,473, and various amounts. The fact of the matter is you cannot say that because Manitoba's provincial income tax rate might be a little higher that somehow hundreds and hundreds of people are going to pack up and move to B.C. in this case. What they will pay in B.C. that they do not pay in Manitoba are the health premiums. Where Manitoba is zero, the person will pay \$408 in Alberta, \$432 in B.C.

The rents, if you were to rent office space in B.C. or Toronto, you will spend a lot more. I recently attended a seminar in which the person speaking at the seminar indicated that Manitobans should be more forthcoming in explaining the advantages, the Manitoba advantage that people have living here in Manitoba versus other provinces. Did you know that in Toronto, to buy a house, you might be looking at \$100,000 for what would be in Winnipeg maybe a \$50,000 house? What he said, being from Toronto, was that people in Toronto could sell their house, they could buy an equivalent or better house in Manitoba, a cottage, a car, and still have some money left over.

Now, why in the heck would anybody want to go to Toronto and live in Toronto and breathe the polluted air, fight traffic back and forth to work on the 401 every day and pay the increased housing costs there, the increased telephone charges, the increased insurance charges, the increased electricity charges?

An Honourable Member: Then you must ask the question: Why are they there?

Mr. Maloway: That is the point. Well, they are there, and they will pay whatever the Government charges them in terms of taxes to stay there. That is the point, to the Member for Portage la Prairie (Mr. Faurschou). The Ontario government should not have turned around and cut the taxes. They should have been paying down the debt; that is the point. I do not want to give lessons in conservatism to Conservatives. Mind you, they are not Conservatives anymore;

now they are Alliance. God knows what the Alliance believes in.

This is kind of Conservatism 101. Surely you know that Manitoba's approach was different from Mike Harris in Ontario. Mike Harris reduced the taxes overnight, and what happened was he ran big deficits. You did not do that. You were right; he was wrong. So far he has been lucky. And why has been lucky? We have all been lucky, you and he, because the economy is doing well. Honestly, anybody can manage when the economy is good. I mean, any fool can run a \$6-billion enterprise and make money when everybody is making money. The trick is, if the economy is going down the drain, that is where real talent will come through.

* (17:50)

I want to make another comment, too, about governments versus business. No matter what governments you are operating with in the country, whether Conservative, Liberal or NDP, they all, at the end of the day, are bad managers. Now why is that? It is because everything they do is being looked at by your friends at *The Winnipeg Sun* and the *Winnipeg Free Press* at the end of the day. A private corporation does not have to go through that. In your businesses, your farms or your businesses, you do not have a *Free Press* reporter phoning you and asking you: Why did you go and make a big mistake that cost your farm \$30,000, \$40,000? I mean, I have heard about MLAs who have told me that they had to go back to their farm or their business because, while they were here in the Legislature, the thing was being run into the ground by the person they had put in charge of it, right? That has happened on all sides of the House, right? But it does not end up in the *Free Press*.

We all know that, when you have any more than one or two people together in an enterprise, miscommunication happens, bad decisions get made. This is a constant problem in business. So, when you look at businesses, you wonder how they survive too. I mean, some of them are very poorly run, but I am just saying that that is just the nature of the beasts, and governments are no different. As a matter of fact, governments, in many cases, are even worse because to get a decision in government it takes usually a lot

longer than business. You have people looking at it every different possible way. You have people looking at political motives. You have people looking for stories in the *Free Press* or whatever, and they do not get the facts right. There are all sorts of impediments to running the government efficiently.

So I am not surprised, and I think that this government, too, will have its share of problems over the years, that there will be mistakes that will be made. You know, honestly some of them are not even mistakes. There are I do not know how many directors of corporations, presidents, CEOs of corporations and government officials and ministers who have said that, after they have found a big boondoggle in their department or in their company, it was hidden from them because the people who were running the project were afraid. They did not want to tell a superior. So these things happen.

Anyway, I really think that since the election the opposition party here are really dazed and confused. I mean, I see them walking around here just hopeless. They do not know what to do. I mean, you have the former Finance Minister—he has just dropped out, dropped out of sight. He is moving on to bigger and better things. He does not even want the leadership of the party. They cannot even get anybody to run for the leadership over there. They have the Health Minister, ex-Health Minister, ex-ex-Health Minister, who is the only one who wants the leadership, and they do not want him. Figure that one out. I mean dazed and confused, that is what they are. What have they done? They are recruiting the head of Domo Gas, right, the guy that pumps gas every Friday. I have no problem with that. I think that is good. We should all be out pumping gas every once in a while, and that is a credit to him. But, I mean, to take somebody who has never been elected to anything before, never run for anything before and probably messed up their campaign, to boot, and then reward the guy with a leadership, no wonder they are over there. Unbelievable.

I know the Member for Morris (Mr. Pitura) will sort it all out. I know that he has got his thinking cap on and he has been thinking about this. I know, I have talked to some of the members over there. They think it is absolutely

terrible that a party that had just been in government for 12 years is disintegrated this way, that they can only get two people to run for leadership. That is unbelievable. So, I think, there are some of them over there reconsidering. *[interjection]* The Member for Wolseley (Ms. Friesen) said to join the Reform Party—but certainly not a positive thing for them. *[interjection]* Well, the Member said that the former Member for Assiniboia might be coming back. That is a pretty scary possibility. I saw the Member for Morris's ex-holder of his office in here yesterday, that was pretty scary, Don Orchard.

Mr. Speaker, I had made some notes here and I have not been following them. I do not exactly know where I am, but I am sure that we can find a few things to talk about. *[interjection]* Yes, the kind of real Conservatives, that is right, you know and the Member for Wolseley (Ms. Friesen) told me a very important piece of advice a couple of years ago when I was chatting to her. She told me, intimated to me, that in fact we were the true Conservative Party in this Legislature. I think that is probably true, you see, and it ties in with what I said earlier about the voter wanting a nice middle-of-the-road alternative. They do not want extremes, and that is what you people are right now. You are extremes.

Anyway, I want to talk about the changes that are coming in the economy; in fact, we have seen eight years of growth. It is pretty hard to believe that that could continue much longer. One of the arguments for its continuation is that there is a shift going on, that there is a revolution going on much similar to the turn of the century when the agriculture economy changed over to the industrial economy and if that is true that the revolution is, in fact, in its early stages that we may see growth for a few more years. That is a possibility and I look forward to that, if that happens. But, with that in mind and preparing for that eventuality, we announced in the budget yesterday that we would be bringing in an e-commerce bill fairly shortly.

I wanted to point out to you that in Saskatchewan yesterday they announced a new e-commerce bill. They withdrew the bill that

they had before the House last November, and they repealed their e-filing legislation which they have had for a couple of years. They have now introduced, a first in Canada, a comprehensive e-commerce legislation. As a matter of fact, there was a big write-up in one of the national newspapers about that, heralding the new approach. I think Ontario is well on its way to developing a comprehensive bill in this area. I think, as announced yesterday, you should be expecting the same from Manitoba fairly soon. I wanted to point out to you that Mexico, in the last week or two, passed its own e-commerce legislation. Australia has a piece of legislation.

So what you see in a way, the legislation is in a way following activities on the Internet and business to the Internet. In fact, I am not certain what the figures are at present for Internet sales transactions, but, in fact, they are growing exponentially. So it is time for governments across the country, in fact around the world, to be dealing with this issue, providing consumer protection for people who are shopping on the Internet, but at this point in time, I have to tell you that the real activity in the e-commerce business is, in fact, B to B, it is called, business to business.

In fact, the business-to-consumer transactions are going to take a little longer to develop and will not reach the point where they become pervasive until another three or four years, but the business to business is what is really, really prevalent at the moment. You are seeing that with everything from Ford Motor Co. and GM. All of the companies now have gotten together and are collaborating to purchase their parts, and by doing so, they plan to reduce the cost of new vehicles by perhaps a third.

So for those of us who have Ford Wind Stars—I know there are a few in the room here who may be contemplating replacing them—if you could just hold on for two or three years—or any other new car for that matter. I mentioned Ford only because I know they are part of the consortium. I think GM is too, but certainly I know Ford is planning to reduce its costs by a third—

Mr. Speaker: Order, please. When this matter is again before the House, the Honourable Member will have 10 minutes remaining.

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 11, 2000

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