



First Session - Thirty-Seventh Legislature

of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
(Hansard)**

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The Honourable George Hickey  
Speaker*



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

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy	St. Vital	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
ASPER, Linda	Riel	N.D.P.
BARRETT, Becky, Hon.	Inkster	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DACQUAY, Louise	Seine River	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
FILMON, Gary	Tuxedo	P.C.
FRIESEN, Jean, Hon.	Wolseley	N.D.P.
GERRARD, Jon, Hon.	River Heights	Lib.
GILLESHAMMER, Harold	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
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MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
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MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
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NEVAKSHONOFF, Tom	Interlake	N.D.P.
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PENNER, Jim	Steinbach	P.C.
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PRAZNIK, Darren	Lac du Bonnet	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
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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

Monday, May 15, 2000

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### READING AND RECEIVING PETITIONS

#### Winnipeg Police Athletic Clubs

**Mr. Speaker:** I have reviewed the petition and find that the petitioners have complied with the authorities and 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.

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

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

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

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

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

THAT during the 1999 provincial election, the New Democratic Party, led by the Member for Concordia, promised "to open schools after

hours and expand recreation activities for children and youth"; and

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

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

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

### MINISTERIAL STATEMENTS

#### Provincial Mining Week

**Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines):** I am very pleased to rise today on a ministerial statement pertaining, announcing—until they distribute it. Mr. Speaker, today we launch Provincial Mining Week from May 12 to 19. The ore in front of members of the House comes from Hudson Bay Mining and Smelting at Chisel North deposit in Snow Lake, soon to be one of Manitoba's newest mines. The sample consists primarily of a zinc sulphide mineral known as sphalerite and the iron sulphide mineral known as pyrite.

\* (13:35)

You may not realize that zinc is the third most used non-ferrous metal after aluminum and copper. The average person will use 730 pounds of zinc in their lifetime, and no matter where you

look today, you will find products made with zinc, products such as E.M.I. shielding, which is a component of the wiring in your computers, zinc dust in your lipstick and other cosmetics, as well as all brass goods. Did you know that 17 pounds of zinc product protects your cars from rust? Another 20 pounds are used to die cast parts like door handles and locks, and each tire has half a pound of zinc which is needed to cure the rubber.

By the way, Snow Lake is one of Manitoba's vibrant northern mining communities and Chisel North will be the 11th deposit in the Snow Lake area to be mined by Hudson Bay Mining and Smelting. From a broader perspective, we need to celebrate mining because of its importance to Manitoba. It contributes millions of dollars in mineral production to our local economy, creates jobs that employ highly skilled, technologically advanced workers, provides wages that are twice the provincial average, indirectly contributes to many other jobs through spin-off businesses and results in significant infrastructure development. We also need to celebrate mining in our province because it is the reason for communities such as Thompson, Flin Flon, Leaf Rapids, Snow Lake and Bissett.

**An Honourable Member:** Lynn Lake.

**Ms. Mihychuk:** And Lynn Lake, if I missed it. Mining has the potential to contribute to the viability of other northern communities, especially aboriginal communities. We hope that this will encourage, through the Manitoba Minerals Guideline, an ongoing initiative that is helping to build relationships and create opportunities between our aboriginal communities and the mining industries.

It is no secret that, on a global scale, the mining industry has been suffering for the past few years. Despite this, we have had some positive news in Manitoba, even gaining recognition on a global scale. According to the Fraser Institute, Manitoba is one of the best places in the world to invest in exploration and mining. As well, according to the World Wildlife Fund, the mining industry has been applauded for its ongoing participation and input into the program.

Other good news includes the investment of over \$400 million in capital investments to the operations at Flin Flon and Snow Lake by Hudson Bay Mining and Smelting. Inco is investing over \$70 million to deepen Birchtree mine. Harmony Gold's \$6-million investment in Bissett is good news for southeast Manitoba. Recent increases in oil prices have driven up demand for Tanco's cesium formate product, a biodegradable drilling fluid being tested in the oil and natural gas industries. A strong growth in industrial uses for PGEs in the past decade, Manitoba's favourable geology and a positive sample result means the province is well-positioned to benefit from future exploration and the development of this commodity.

Diamonds are another commodity that are generating new and exciting exploration activity in Manitoba. We also have new companies exploring in Manitoba, companies such as Monopros, Kennecott and WMC International of Australia coming to complement the many other major and junior companies that are working here actively in Manitoba. It is for these reasons that we celebrate the importance of mining during Provincial Mining Week.

Join us at The Forks on Wednesday for a mine safety demonstration and a mineral sample and products display. On Thursday, wander outside this building by the front steps to have a look a jumbo, a huge drill used in many mine operations. The mineral samples and product displays will be here on Thursday just inside the Legislative Building doors. Thank you for your time.

\* (13:40)

**Mr. Mervin Tweed (Turtle Mountain):** Mr. Speaker, I would like to thank the Minister for her statement announcing the Provincial Mining Week and recognize some of her comments that she made.

I think the things that we saw as a previous government was the fact of the need for incentives for creating exploration and development in the mining industry in the province of Manitoba, and I believe that the Minister is correct in one of her statements, that Manitoba was recognized as exploration friendly to a lot of

the major investors in the mining industry. It is certainly true that it contributes millions of dollars in mineral production in our local economy and creates jobs that employ highly skilled technologically advanced workers.

The one comment that I do note that she makes in her statement, and I would agree with, but I would just add a caution to it, is the fact that the wages that are provided in this industry are twice the provincial average. With the recent budget announcing the highest tax rates in Canada, it is a concern that we have as a deterrent for the mining industry. I think it is important to note when you are trying to attract new industry to Manitoba, be it mining or any industry, the fact that taxes play a huge role and an important role in that.

I would also like to just comment that we agree that Manitoba is one of the best places in the world to invest in exploration and mining, and we would advise and recommend to the Government that they move forward in strengthening this position.

With those few statements, I thank the Minister, and I look forward to seeing her at the demonstrations. Thank you.

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

**Mr. Speaker:** Does the Honourable Member for River Heights have leave to respond to the ministerial statement? *[Agreed]*

**Mr. Gerrard:** Mr. Speaker, I rise to echo, as speakers from the other parties have, the importance of mining to Manitoba, the importance of recognizing, as we are doing through Mining Week, that this is a very important industry and that there are many Manitobans who work in this industry. It is one that we need to make sure that we pay attention to and nourish appropriately.

### Citizenship Court

**Hon. Becky Barrett (Minister of Labour):** Mr. Speaker, I have a ministerial statement for the House.

Today, I was privileged to participate in a citizenship court presided over by Judge Arthur Miki held here in the Legislative Building. Thirty people from sixteen countries from around the world completed a major journey that began when they decided to move to Canada and join their lives and destinies to ours. These families showed great courage and commitment in moving to a new country and blending its languages, customs, goals and ideals to that of their homeland. I know they will apply that commitment to the next stages in their lives, experiencing the joys and challenges of Canadian citizenship. It is one of the great triumphs of the development of Canada that our country has evolved in only a few generations to a nation that welcomes people from all over the world.

Canadians value differences as much as kinship and similarity. We take pride in our larger sense of community, but at the same time we value our many cultural roots and origins. We have learned to respect the ways of our fellow citizens while working together to achieve specific goals for our communities.

Although the families trace their roots to Portugal, the Azores, Brazil, Haiti, Jamaica, Burundi, the Philippines, Morocco, El Salvador, Hong Kong, Taiwan, the People's Republic of China, India, Poland, Yugoslavia and England, as of today, they are all Canadians. I know all members of the Legislature will join in extending our best wishes for happiness and prosperity to these, the newest citizens of Manitoba and Canada. Thank you.

\*(13:45)

**Mrs. Louise Dacquay (Seine River):** I, too, was pleased to be in the citizenship court ceremonies this morning. One of the particularly pleasing aspects of the ceremony this morning was the fact that there were families, there were many young children, families of five and six. I was particularly impressed to see the entire family participate in this ceremony this morning.

Also, I witnessed the excitement and the pride that these new citizens exhibited this morning during the presentation of their citizenship certificates. It was a very interesting

and moving ceremony this morning, and it was extremely well attended.

I particularly am proud that members of one of the schools in my area, George McDowell School, and the principal, Gord Ptashnick, participated and witnessed this ceremony first-hand. Also, the choir from Garden City Collegiate sang this morning.

Once again, congratulations to all of those who participated in the ceremony. We all need to join in extending our best wishes and congratulations to those who took that very bold move and welcome them as proud Manitobans. Thank you.

### TABLING OF REPORTS

**Hon. Diane McGifford (Minister charged with the administration of The Manitoba Lotteries Corporation Act):** Mr. Speaker, I wish to table the Provincial Auditor's report of his investigation of the Manitoba Lotteries Corporation.

**Hon. Eric Robinson (Minister charged with the administration of The Communities Economic Development Fund Act):** I would like to take the opportunity to table copies of the quarterly report for the Communities Economic Development Fund for the period ending December 31, 1999.

### Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions, I would like to draw the attention of all honourable members to the gallery where we have, from Travel Manitoba, five summer tour guides for the Manitoba Legislative Building under the direction of Colette Delaurier.

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

### ORAL QUESTION PERIOD

#### Income Tax Provincial Comparisons

**Mr. Gary Filmon (Leader of the Official Opposition):** My question is to the First

Minister. We already know, thanks to the Budget that his government delivered last week, that middle-income earners in Manitoba are now the highest taxed in Canada. According to the Government's own budget, we have gone, for instance, from the fourth highest to the highest in the category of a family of four with an income of \$60,000. The First Minister has said that they are reducing taxes, but can he explain why a middle-income earner making \$60,000, with two children, will actually pay \$165 more in provincial income taxes than if they had not decoupled from the federal tax system a year early?

**Hon. Gary Doer (Premier):** Mr. Speaker, the CIBC report, tabled last week publicly, indicated that Manitoba had the fourth lowest provincial taxes in Canada when you take into consideration all the taxes. Certainly, in the next six weeks, something that has not happened for a long time will take place in Manitoba. Unlike the regime of members opposite where property taxes went up every year, property taxes will go down, and the same family that the Member opposite quotes as part of the \$68 million in income tax reductions in the year 2001 will save well over \$400.

#### Taxpayer Protection Act Referendum Requirements

**Mr. Gary Filmon (Leader of the Official Opposition):** Mr. Speaker, that middle-income earner at \$60,000 is not going to feel that a \$75 property tax credit makes up for paying \$165 more in personal income taxes had they not decoupled from the federal system. The Balanced Budget, Debt Repayment and Taxpayer Protection Act requires a referendum before increases to any of the major tax rates. Has he sought legal advice as to whether or not he has broken The Taxpayer Protection Act because these people pay more now than they would have if they had not decoupled?

\* (13:50)

**Hon. Gary Doer (Premier):** Mr. Speaker, the other point worth noting, if one is to look at independent analysis from the Budget that was tabled by the Member last week, is that they also identify that the amount of money taken out of

the Fiscal Stabilization Fund, \$185 million, minus the \$75 million that was attributed to debt repayment, really produced, last year, a deficit of well over \$100 million. Unlike last year, this year the amount of money has been reduced by over 50 percent from \$185 million to \$90 million, which is an increase in debt, or \$90 million from the Fiscal Stabilization Fund and \$96 million for debt repayment, in other words, a surplus situation, unlike the real figure of last year that was commented on by the financial institutions.

**Mr. Filmon:** Mr. Speaker, of course, the First Minister does not refer to the fact that his government has \$500 million more in revenue than in that budget of last year.

#### **Income Tax Provincial Comparisons**

**Mr. Gary Filmon (Leader of the Official Opposition):** The First Minister did not campaign on tax cuts, but he should have at least come clean to the people, when he was campaigning, to say that Today's NDP plan to make middle-income families the highest taxed in the land.

Can the First Minister please explain why hard-working families will have to pay more personal income tax here than anywhere else in Canada?

**Hon. Gary Doer (Premier):** Mr. Speaker, in the Budget last week we again felt a follow-through on our promise. It is a novel idea for members opposite, I know, but we promised in this budget year to reduce the property taxes in Manitoba by taking back the property tax increase that was made by members opposite, the \$75 that was put on to people by members opposite, and reducing it by \$75 with the Budget we brought in, something the public is going to see in the next six weeks in terms of tax relief in Manitoba.

As the Member opposite has pointed out, we went beyond our election promises by announcing a \$68-million income tax reduction in the year 2001, to be followed by a \$34-million reduction in the year 2002. The Member opposite will talk about the revenue issues, but he will note that, in his so-called 50-50 plan, we

exceed members opposite in income tax reductions, but, more importantly to the public, the amount of money they put in for health care was \$2.4 billion by the year 2004. One wonders how many nurses, how many doctors, how many med techs would have been fired by members opposite just like after the election in 1995.

#### **Business Subsidies Elimination**

**Mr. Mervin Tweed (Turtle Mountain):** Mr. Speaker, in the '99 election campaign, the NDP announced with great fanfare that, if it formed Government, it would create over \$20 million in savings by eliminating grants and aids to businesses.

Can the Minister of Finance advise this House and Manitobans where those savings can be found in the Budget?

\* (13:55)

**Hon. Greg Selinger (Minister of Finance):** All parties in the election promised reductions to business subsidies. We have gone ahead and reduced some of them as well. We have not been able to achieve the full \$20 million that was indicated, but as we go through the Budget, we will see where reductions have been accomplished. Some of them have already been announced and have been discussed and asked about in the Legislature.

**Mr. Tweed:** My question then is to the Minister of Industry, Trade and Mines. Can the Minister tell the House if the \$20 million in savings has come out of her budget?

**Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines):** Thank you for the question. I appreciate it.

Yes, some of the money has been found within our department, including reduction in the direct grants payable through the call centre initiative. We have also looked at some money from the EITC direct fund, a recommendation from the executive management of that committee to look at restructuring the way those funds were available. So there were a number of initiatives that we took. We felt that we could

still implement a strong economic program in Manitoba and find business subsidies to keep our promises.

**Mr. Tweed:** Recognizing the fact that the amount is nowhere near the \$20 million to \$25 million that they talked about in the election, my question is: Why has the Premier failed to follow through on this government's election commitment? Is it another example of a promise made is a promise kept?

**Hon. Gary Doer (Premier):** Mr. Speaker, we are starting a good first step on reducing the business subsidies. We have also placed, next week, on the Western Premiers' agenda the matter of subsidies to business. To us, it does not make any sense at all for us to compete with Saskatchewan and Alberta for value-added jobs and subsidies in the value-added industries in agriculture. We have reduced some of the subsidies, some of the subsidies that we had to implement for members opposite. I mean, paving a parking lot to compete against another shopping centre across the street, we are slowly ratcheting down those commitments, the previous government's investment in Maple Leaf, ours is quite a bit lower in Schneider's.

But, having said that, Mr. Speaker, we are going to systematically work on the subsidies to business. We have taken the first step in this budget. We will take the second step in the second budget. We will take the third step in our third budget. We will work with other provinces, and we are committed to keeping our commitment.

#### **MARN Nursing Awards Dinner Minister's Absence**

**Mrs. Myrna Driedger (Charleswood):** It was disappointing not to see any members opposite at the Manitoba Association of Registered Nurses Professional Achievement Awards Dinner on Thursday, especially because the awards dinner was held to recognize talented nurses as well as the Main Street Project for their outstanding achievements.

The Health Minister's absence was particularly noted by nurses. Was the Minister absent because MARN passed a resolution

earlier in the day reaffirming their commitment to baccalaureate entrance to practice, and he knows that his decision recently about nursing education has recreated a division within the nursing profession?

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, as I indicated to the Manitoba Association of Registered Nurses when I addressed their convention on Thursday afternoon, when we came into office we were facing a Tory nursing shortage of 700 nurses, and we were facing 1500 RNs retiring in the next five years. We could not let that, coupled with the Tory firing of 1000 nurses, stand in the way of providing bedside nurses, bedside nurses in care of our patients who are, above all, the most important thing that we work for in this Legislature. That is why we announced, as I said at the MARN meeting I attended on Thursday, our extensive five-point nursing program, Mr. Speaker, to try to train, retrain and retain nurses in the province of Manitoba.

\* (14:00)

**Mrs. Driedger:** When I was at the dinner on Thursday evening, it was also noted to me that the Minister did not stick around very long at lunchtime either.

#### **MARN Resolution Licensing Standards**

**Mrs. Myrna Driedger (Charleswood):** Mr. Speaker, will the Minister respectfully support MARN in their resolution to set university training as a minimum-licensing standard for new graduates?

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, I could never understand, in the previous government, why a caucus with two nurses in the caucus would do so much damage in the history of nurses in the province of Manitoba.

I noted that the resolution passed by MARN was originally passed in 1988 when members opposite were in government, just when they started their form, about the early '90s, about firing nurses. I think what we did in our approach was a win-win situation. We supported

the baccalaureate program. We put in place a diploma program to try to provide flexibility, to try to put patients first so that the people of Manitoba could have adequate nursing down the road as opposed to the Tory nursing shortage that has been foisted on us for the past several years of mismanagement.

**Mrs. Driedger:** If we want to talk about damage to the nursing profession, will the Minister of Health explain why, as noted by Dr. Helen Glass in a number of public speaking engagements, he has interfered in the nursing profession's right to regulate itself?

**Mr. Chomiak:** Mr. Speaker, when we came to office, we decided that probably the biggest crisis facing us in health care was the fact that the previous government had fired over a thousand nurses. We are facing 700 full-time nursing vacancies and facing 1500 retirements from RNs in the next 5 years, and the previous government had not taken any action. Three years ago, when I asked the previous government to put together a nursing strategy, there was a silence. There was silence. One of the first things we did was to come in and put in place something that the people—as our responsibility as Government of Manitoba is to provide nurses in health care. We have a public responsibility to provide that care. That is why we announced our five-point nursing plan; that is why it is meeting with a good deal of support out there amongst working men and women and nurses and patients. That is why we are pursuing it. I wish members opposite would support us in trying to get more nurses into the province of Manitoba.

#### **Youth News Network Government Position**

**Mrs. Joy Smith (Fort Garry):** Mr. Speaker, the Member for St. Vital (Ms. Allan) told her constituents on April 6 that YNN was cancelled because "it was taking curriculum time." Now divisions with YNN are showing commercial-free broadcasts outside of classroom contact time. Can the Minister justify his comments about his commitment to the autonomy of school boards given that the basis of his argument against YNN has been completely negated?

**Hon. Drew Caldwell (Minister of Education and Training):** The basis of the Government's position on YNN is the utilization of public resources and public infrastructure for commercial purposes, and the decision remains the same.

**Mrs. Smith:** Can the Minister advise this House whether he has been invited to participate in an ongoing evaluation process as currently taking place with Dr. McLean from OISE, whether he is participating in this process in the schools that have YNN?

**Mr. Caldwell:** Mr. Speaker, it is truly unfortunate the members opposite are using House time to advocate for commercial corporations in the public schools system in the province of Manitoba.

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

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

#### **Point of Order**

**Mr. Marcel Laurendeau (Opposition House Leader):** Mr. Speaker, *Beauchesne's* 417: "Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate." If the Minister does not have an answer, he can just sit it out.

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

**Hon. Gord Mackintosh (Government House Leader):** On the same point of order, Mr. Speaker, I fail to hear any point of order being raised here. The Minister got up and began to answer the question. He should be allowed to complete his remarks.

**Mr. Speaker:** On the point of order, I would just like to remind all honourable ministers of *Beauchesne's* Citation 417: "Answers to questions should be as brief as possible, deal with the matter raised and not provoke debate." I am sure that the Honourable Minister was about to answer the question.

\* \* \*

**Mr. Caldwell:** Thank you, Mr. Speaker. We on the Government side of the House believe in putting our resources into the classrooms of Manitoba and not into the corporate interests of those who would make incursions into the classrooms of Manitoba.

**Mrs. Smith:** Mr. Speaker, since the Minister has publicly stated that he believes in putting the funds and the resources into the classroom, can the Minister please advise the House what funds have been specifically allocated to school divisions who, through their autonomy, entered into contracts with YNN and are now facing the loss of \$200,000?

**Mr. Caldwell:** Mr. Speaker, as part of the ongoing operations of the Department of Education and Training, we are engaged in active consultation and dialogue with every division of the province of Manitoba, and upon the completion of the contractual obligations, we will begin to discuss the very points the Member raises.

### **Budget Economic Future**

**Mr. John Loewen (Fort Whyte):** Mr. Speaker, this government and its budget presentation last week has displayed clearly that it does not have a plan for Manitoba. Provincial budgets are supposed to be visionary documents. This document has no vision for the future. In fact, this government has its blinders on.

Mr. Speaker, for the First Minister (Mr. Doer): How can he presume to present this document to Manitobans when it provides absolutely no plan for our province's economic future?

**Hon. Greg Selinger (Minister of Finance):** I think the Member opposite must have missed the speech on the Budget because within that speech—I would advise him to read it over again carefully—we announced many initiatives which would further the economic development of the province, including tax reductions which exceed the zero personal income tax reductions offered in the 50-50 plan for the year 2000-2001.

**Mr. Loewen:** Mr. Speaker, it is becoming evident through our research that there are no tax reductions in this budget for middle-income

families. How does the First Minister expect to keep mobile businesses and educated graduates in Manitoba when he cannot even deliver a budget that provides an economic plan and a vision for Manitobans?

**Mr. Selinger:** I just want to once again invite the public to go to the web page where we have indicated what their tax reductions were. If they go to [www.gov.mb.ca/budget2000](http://www.gov.mb.ca/budget2000), they will get the truth about what the tax reductions are.

\* (14:10)

### **Point of Order**

**Mr. Marcel Laurendeau (Opposition House Leader):** The Minister might want to advise all the taxpaying public that they might have to go out and buy Excel so they can use the program on his web page.

**Mr. Speaker:** Order, please. The Honourable Member does not have a point of order.

\* \* \*

**Mr. Loewen:** The Minister refers us to the website, which of course, as mentioned, only works for those who have Excel and in fact does not compare information to information that was available on the day before the Budget. It compares it to 1999, which is irrelevant.

My question to the Minister is: How does this minister expect to encourage the growth of the new economy when all that he offers to those who work hard and are successful in growing businesses in Manitoba is to punish them by the highest taxes in the country?

**Mr. Selinger:** We reduced the small business taxation rate this January. We will be reducing it again next January. We will be reducing it again in January of 2002. Over that period of time, that will equate to a significant reduction of tax for small business.

I know the Member would like to forget 1999 and the famous family of \$60,000 where their taxes were \$6,625 and ignore the fact that this year there are \$231 less for the taxes in that family.

In addition, in our redesign of the tax system, we introduced a new feature called the family tax reduction which will provide significant relief to families with children in the year 2001 of \$601, including the property tax, and \$680 the year after, 2002. That will provide more decreases in taxes in those two years than the previous government provided.

### **Manitoba Lotteries Corporation Provincial Auditor's Report**

**Hon. Jon Gerrard (River Heights):** My question is for the Minister responsible for the Manitoba Lotteries Corporation. In view of the Provincial Auditor's report presented today which shows large overruns in capital expenditures; tens of thousands of dollars in unsupported executive expenditures; the fact that two executives arranged, either directly or indirectly, for the purchase of Manitoba Lotteries Corporation leased vehicles at the end of the lease for amounts significantly below market value and for use by their spouses; and \$18,000 of questionable golf equipment purchases, what is the Minister planning to do to address the major concerns raised by the Provincial Auditor?

**Hon. Diane McGifford (Minister charged with the administration of The Manitoba Lotteries Corporation Act):** Thank you to the Member for that question. Certainly our government will move very quickly to address the deficiencies and problems identified and associated with Lotteries under the former government. We recognize that our duty is to ensure public confidence in Lotteries and to ensure the integrity of the corporation. There will be an announcement later on this afternoon. There will be a conference tomorrow morning. The board is meeting tonight.

I want to assure the Member opposite that matters are under control and will proceed very quickly.

**Mr. Gerrard:** My question is for the Premier. Given that the Government is responsible for many Crown corporations in the appointment of many boards, what action is the Premier taking to make sure that there are not similar problems in other corporations and with other government-appointed boards?

**Hon. Gary Doer (Premier):** I think it is important that we have boards and Crown corporations that are accountable to the public; that understand clearly that the public is the ultimate shareholder, if you will, in a Crown corporation; that the competitive situation or the monopoly situation or a combination of both that has been given by this Legislature and delegated to a Crown corporation reports to the public in an effective way; that the Crown corporations understand that they are a creation of the public through this Legislature; they are accountable for all information to the public through this Legislature and through other means; and that the public interest always must be the paramount consideration of a Crown corporation.

**Mr. Gerrard:** My supplementary is for the Premier.

Although you have talked about the principle, I would like to know what action you are going to take to make sure that there are not problems in other corporations and to make sure that in the future things will be handled in a much more appropriate fashion.

**Mr. Doer:** The board of the Lotteries Corporation, Mr. Speaker, I believe is meeting in about 45 minutes from now to review many of the recommendations of the Auditor's report. Other recommendations of the Auditor's report fall within the responsibility of the Executive Council, and we will obviously have to take action accordingly.

A number of the recommendations that have been made we will make sure are forwarded to the Crown Council. Mr. Mauro has been maintained by ourselves as chair of the Crown Council of Manitoba, and we believe that this is the exception of our Crown corporations, not the rule.

### **ARDI Program Funding**

**Mr. David Faurshou (Portage la Prairie):** Mr. Speaker, I hope the Minister of Finance (Mr. Selinger) will listen to the question, because I did indeed listen to his statement on the Budget.

My question is for the Minister of Agriculture.

Thanks to ARDI, and for those persons who are not agriculturists here, that is Agricultural Research and Development Initiative program, many innovative agricultural research and development projects have taken place across this province. For example, in my own constituency, Parrheim Foods received a grant to study the viability of making diverse products out of Manitoba's yellow field peas. Sadly, this government has slashed ARDI.

Could the Minister of Agriculture please explain how producers are to diversify their operations and in turn create value-added opportunities for Manitoba?

Why did she neuter this very much-needed program for agricultural diversification in our province?

**Hon. Rosann Wowchuk (Minister of Agriculture and Food):** Mr. Speaker, I thank the Member for the question, because he does raise a very important issue.

I would hope that the Member would know that we are in a transition year in funding and in negotiations on safety-net funding. For that reason we had not put the amount of money that has been in past years.

But I think the Member should also know that there is over \$9 million in that fund at the present time. There is no reason for any project that is a valuable project in diversification to be denied any funds.

**Mr. Faurchou:** Mr. Speaker, given recent developments at the University of Manitoba in regard to the SMARTpark, which does research in areas such as agricultural and biotechnology, could the Minister of Agriculture explain, then, why this government is dumbing down agricultural research and development?

**Ms. Wowchuk:** Mr. Speaker, again, the Member knows that I am very much committed to agriculture research. I have to tell my friend that this is the beginning of our mandate. We had some very serious issues that we had to

address because of the things that the previous government did.

We are committed to research. There is plenty of money in the ARDI program. We are committed to research at the University of Manitoba as well.

**Mr. Faurchou:** Mr. Speaker, I would certainly appreciate if the Minister would understand the value of research.

Will the Minister of Agriculture commit today, then, to reinstate full support for the ARDI program to show that this government is indeed devoted to diversification and value-added opportunities for the agricultural sector of Manitoba?

**Ms. Wowchuk:** Mr. Speaker, you know, the Member indicated that he would like the Minister of Finance to listen to a question. I would like him to listen to the answer.

Mr. Speaker, I told him, I indicated to the Member that we are in a transition year of funding with the federal government. That is why we reduced the amount we have this year, but there is \$9 million in the ARDI fund that is not spent. Any project that is a valuable project that will help with the diversification of agriculture in this province will not have difficulty getting funding from that fund.

\* (14:20)

### **Flooding Agricultural Disaster Assistance**

**Mr. Larry Maguire (Arthur-Virden):** Mr. Speaker, this commitment to agriculture keeps getting decimated.

The recent headline in the *Winnipeg Free Press* states that the Minister of Finance wants the Fiscal Stabilization Fund, also known as the rainy day fund, to be saved for disasters only.

Mr. Speaker, could the Minister of Finance tell the 1999 flood victims if he recognizes their plight as a disaster? and then explain to them

why the Budget failed to provide them with any funding either from the regular programs or from the Fiscal Stabilization account.

**Hon. Steve Ashton (Minister of Highways and Government Services):** I am surprised the Member would ask that question, because I think the Member is quite aware of what we have done in this province.

I say we as a province, not a political party but as a province, put \$70 million into the southwest. There is a \$16-million program that is cost-shared with the federal government, but that \$70-million program right now, apart from AIDA credits, the remaining portion of that, which is at least \$20 million, is 100 percent funded by the provincial government.

What we need to deal with the situation in the southwest, what we need to deal with any emergency is to have the federal government involved, whether it is 90-10 or 50-50. We need this member to support us in our fight with the federal government.

**Mr. Maguire:** We have been doing that all along, Mr. Speaker, but there has been no success.

Could the Minister of Finance tell these flood victims what, if any, portion of the unexpected federal transfer payments that Manitoba and he have received went into these programs to help these people? Did any of this funding go to meet their needs?

**Mr. Ashton:** Mr. Speaker, I continue to be disappointed with members opposite who have taken a rather interesting position with the federal government.

Their position is, well, we would like 90-10 funding, but if we cannot get that, 50-50, and if we cannot get that, 100 percent from the province, when in fact the Province of Manitoba already has at least \$20 million on the table, direct financing, to go towards the southwest.

I say to the Member opposite he should be joining us and saying to Ottawa to match that money. That is what we have called for. That is what we are saying as a province, to get the

federal government involved in dealing with the southwest.

**Mr. Maguire:** Mr. Speaker, could the Minister of Finance answer the question, as he admits that uncertainty associated with the disaster assistance abounds? Could he now dispel this uncertainty, boldly take the next steps and commit today to working with his Cabinet colleagues to develop the needed aid program with or without the federal government's immediate commitment? What is next, Mr. Minister?

**Mr. Ashton:** I think it is important to note for the record that one of the legacies of the previous government was to drain the Fiscal Stabilization Fund significantly, drainage that has been reduced by this Finance Minister to the point where we are only withdrawing to pay down the debt.

I say to the Member opposite, if that previous provincial government had shown as much concern in terms of the Fiscal Stabilization Fund, they would not have left us in the position where we are having to put up \$20 million of stand-alone provincial money.

What we need is for the federal government to get involved. The provincial government cannot afford to go 100 percent on disasters. The Member opposite should know that.

### **Income Tax Federal Reductions**

**Mr. Jim Penner (Steinbach):** Mr. Speaker, the Minister of Finance stated in the House that he is under no obligation to provide to Manitobans the full benefits of \$40 million in federal tax reductions.

As Dave Christiansen, Senior Advisor with MacDonald Shymko & Co., stated: Personal taxes would have gone down even more if there had been no provincial budget on Wednesday. Why, when in his February 25 news release the Minister said that Manitobans would receive the full benefit of any federal tax reductions announced in the federal budget, has he broken his promise?

**Hon. Greg Selinger (Minister of Finance):** The federal tax reductions have been fully made available to all Manitobans. The impact of the federal tax reductions, we have passed on \$10 million of those through the basic adjustments for a net difference of \$19 million, and with our property tax credit being implemented fully this year, Manitobans are \$7 million better off than they would have been staying on the old system.

**Mr. Jim Penner:** Mr. Speaker, we still feel that we have not seen the benefit of the \$40-million tax reduction, and we still feel that we are entitled to that. We would like to ask the Minister when we will get that.

**Mr. Selinger:** As I just indicated, Manitobans are better off to the tune of \$7 million with our property tax credit and our pass-through of the \$10 million from the federal government. Next year, with our new income tax regime portfolio in place, they will be \$11 million better off.

#### **Manitoba Hydro Land Negotiations**

**Mr. John Loewen (Fort Whyte):** Mr. Speaker, last fall it was reported that Manitoba Hydro was going to require over 300 000 square feet of new space to consolidate their workforce.

My question to the Minister responsible for Hydro: Is he able to advise the House today on the status of Manitoba Hydro's negotiations with the owners of the 150 000 square feet that they presently lease in Apache Park on Waverley?

**Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act):** The specifics of the negotiations I am not at liberty to disclose, but I can say this: We see Manitoba Hydro as a tremendous resource for the economic development of this province, and we also think that Manitoba Hydro can play a useful role in the rejuvenation of the downtown. As we proceed, we will look for opportunities to do that.

**Mr. Loewen:** Mr. Speaker, I am not hearing any commitment to downtown Winnipeg, so I would ask the Minister if he could advise this House on the status of Manitoba Hydro's plans as they plan to redevelop and build a 150 000 square foot

structure on the corner of Kenaston and Wilkes. Can he advise us of those plans?

**Mr. Selinger:** What I can advise the Member opposite for Fort Whyte of is that we have made it very clear to Manitoba Hydro that we see them playing a role in the downtown development of Winnipeg and that, as we go forward, they will be part of that ongoing discussion.

**Mr. Loewen:** Again, I am not hearing any commitment from this minister, so I would ask the Minister today to tell this House if they will insist that Manitoba Hydro play its part in assisting with the revitalization of downtown Winnipeg by insisting that they locate the majority of the 900 employees—it was discussed in that article—in downtown Winnipeg, not a small portion of their head office but a majority of those 900 employees.

**Mr. Selinger:** The plan to expand employee occupancy space in the suburbs was a plan of the previous government. I have made it very clear to Hydro that I think that Hydro has to play a role in downtown development. They are taking that very seriously. With our new board, I am confident that they will move forward and make a major contribution to the downtown of Winnipeg.

#### **First Nations Reserves Voters' Rights**

**Hon. Eric Robinson (Minister of Aboriginal and Northern Affairs):** I would like to respond to a question that was posed to me on Wednesday, May 10. I would like to advise the Honourable Member for Morris (Mr. Pitura) of the information he requested.

On May 20, 1999, the Supreme Court of Canada, in the Corbiere case against Canada, decided that the requirement in the Indian Act that band members must be ordinarily resident on reserve in order to be allowed to vote in band council elections violated the equality rights of off-reserve band members under section 15 of the Charter of Rights and Freedoms. The court said that excluding off-reserve members from voting was discrimination and gave the federal government until November 20 of this year to amend legislation to allow off-reserve members

the right to vote. The federal government is currently moving on the legislation issue, while at the same time working with the Assembly of First Nations to hold public meetings across the country to hear the views of First Nations' peoples and organizations.

\* (14:30)

At this time, there has been no indication that the Corbiere decision will directly impact on a provincial government nor relations of the provincial government with First Nations in the province of Manitoba.

### **Physician Resources Foreign-Trained Technologists**

**Mrs. Bonnie Mitchelson (River East):** My question is for the Minister of Health. Concerns have been raised about the process through which arrangements have been made to bring several South African radiation therapists and technologists to Manitoba.

My question is: Can the Minister of Health clarify whether foreign radiation technologists and therapists practising in Manitoba are certified by the Manitoba Association of Medical Radiation Technologists or the Canadian Association of Medical Radiation Technologists?

**Hon. Dave Chomiak (Minister of Health):** As I understand it, the arrangements that were put in place with respect to that were put in place by the former government. Mr. Speaker, I will take the question as notice.

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

## **MEMBERS' STATEMENTS**

### **Education Policy**

**Ms. Nancy Allan (St. Vital):** I rise today in recognition of the dedication this government has shown to our public school system and our students. Good schools and well-prepared students concern everyone. It is no secret that one of the best economic policies for any province is a strong education policy. Employers are attracted by an educated and skilled

workforce. It is important that our schools provide our students with the skills necessary for good citizenship so that, upon graduation, our students are prepared for a lifetime of learning and independence. Graduates who are skilled in learning will have the ability to adapt to a society that is constantly changing.

Our commitment to stable and predictable education funding will help ensure that our public schools are able to provide an environment in which learning, innovation and imagination flourish. This government has taken initial steps toward reversing years of public school neglect. Announced in this year's budget was almost \$30 million for the funding from K to Senior 4 programs provided by school divisions.

Additionally, schools will receive \$51 million this year through the public schools capital program. It is also important that young Franco-Manitobans have access to quality education in French. Through the renewal, in principle, of a five-year Canada-Manitoba special funding agreement, \$15 million to the Division scolaire franco-manitobaine will be allocated to assist in meeting our province-wide mandate and obligations. The stability of our education system must be supported through the co-operation of everyone: our communities, parents, teachers, students and our government.

With this year's budget, today's government has committed stable, financial support for our public schools so that they may continue to provide our students with the precious gift of quality education.

### **Occupational Safety and Health Week**

**Mr. Ron Schuler (Springfield):** I would like to take this opportunity to rise in the House and inform all honourable members that this week, May 15 to the 21, has been proclaimed as North American Occupational Safety and Health Week. The theme is Partners Together in Safety.

I would also like to take this opportunity to admonish the Minister of Labour (Ms. Barrett), who runs thousand-dollar ads in the paper but has no time in this House for the North

American Occupational Safety and Health Week. Shame on her.

The week is a co-operative effort between Canada, the United States and Mexico. The objectives of the North American Occupational Safety and Health Week are threefold: first, to increase employees', employers' and the public's awareness of the benefits of investing in occupational safety and health; second, to raise awareness of the role and contribution of safety and health professionals; third, to reduce workplace injuries and illnesses by encouraging new safety and health-related activities.

Each year more than 700 people die at work in Canada, and most of these accidents could have been prevented. Everyone must work together to identify hazards, evaluate risk and identify measures to work to protect workers from injury and disease. Everyone has a role to play in achieving the safety and health objective to make his or her workplace a safe one. The effectiveness of the safety and health activities is dependent upon the collective strength of partners working to establish and maintain the workplace environment.

A good safety and health record in the workplace means good business. A healthy employee is an efficient employee. By working together we can achieve healthy working conditions, encourage healthy employee activities and reduce financial costs of unsafe, unhealthy working environments. Thank you.

#### **Community Needs Assessment**

**Ms. Marianne Cerilli (Radisson):** Mr. Speaker, I want to recognize a wonderful initiative in Transcona and recognize the group that was involved in initiating it. There was a community-needs assessment for Transcona that was conducted over the past number of months. It was initiated by the Transcona-Springfield Employment Network. I want to give special recognition to Lana Zieske, the president of the board, and the other volunteers, as well as Darryl Kippen and the rest of the staff.

They initiated a survey and the first Transcona town hall meetings, which were held on May 8. I attended these, and I hope that they

will become an annual event. It was wonderful to get people together and talk about issues that affect their community and a vision that they have for the kinds of ways to develop the Transcona neighbourhoods.

There were questions on the surveys that were distributed throughout the community, such as: What makes Transcona a great place to live? What services and programs have you found useful? What do you feel you require to meet the needs of you and your family? What were the top three issues that were affecting you in Transcona?

There is also a pamphlet that was prepared that has a number of very useful, quick facts I will talk about: a history of Transcona, information on the population, income, education, health, child care, seniors and crime. All of this is being compiled into a report, of which I have had a chance to read the draft. I think it is going to be a very useful compilation of statistics and other resources that will be very helpful in developing programs to service Transcona and getting existing organizations to work together for the benefit of all Transcona residents.

I think that this initiative will only serve us in finding better ways to work together as a community. I want to thank the Transcona-Springfield Employment Network for initiating this project and for all those who participated. I look forward to continuing to work with them. Thank you.

#### **Speech and Audiology Centre**

**Mrs. Joy Smith (Fort Garry):** Mr. Speaker, it is with great pleasure I would like to inform Manitobans about the official opening of the Variety Club of Manitoba Speech and Audiology Centre at the Victoria General Hospital. This newly renovated space is devoted to better meet our community's needs for auditory and speech-language treatment. The centre consolidates the Victoria General Hospital's existing Audiology Department and the new Pediatric Speech-Language pathology service introduced last summer.

Together with the Central Speech and Hearing Clinic, a speech and hearing centre for excellence in south Winnipeg has been created. The new speech and audiology centre features a sound booth and facilities for comprehension hearing, testing and treatment, a speech language therapy room with a parental observation booth, a play area in the waiting room and a speech and audiology donor recognition piece created by local artist Deborah Danelley.

This new facility was built through the generous support of private donors, business members of our community, the staff of the Victoria General Hospital and the Variety Club of Manitoba. The Victoria General Hospital Foundation launched a fundraising campaign to fund renovations of existing space to accommodate the new service. The Variety Club of Manitoba became the title sponsor of the centre, matching all individual donations to the campaign.

Through their tireless efforts, Victoria Hospital will provide excellent speech and hearing services for many years to come. My congratulations go out to them all. Thank you.

\* (14:40)

### Friendship Centres

**Mr. Gregory Dewar (Selkirk):** Mr. Speaker, in the spring of 1993, the Conservative government cut provincial funding to friendship centres here in Manitoba. This was one in a series of mean-spirited attacks on Aboriginal people by the members opposite. We promised during the campaign that when we were elected, we would restore core funding to Manitoba aboriginal organizations. I had the pleasure today to join the Minister of Aboriginal and Northern Affairs (Mr. Robinson) and the Minister of Conservation (Mr. Lathlin) in The Pas where we announced \$700,000 in core funding for 11 friendship centres to promote self-reliance in economic development here in Manitoba.

The funding will be administered through the Manitoba Association of Friendship Centres which represents the 11 facilities across the province. There are friendship centres in Brandon, Dauphin, Flin Flon, Lynn Lake,

Portage la Prairie, Riverton, Selkirk, Swan River, The Pas, Thompson and Winnipeg. These funds will help the friendship centres to expand their services to aboriginal communities and develop long-term strategies to improve the many aspects of life for Aboriginal people. The proposal will see the first-year funding used to develop a five-year development action plan which will identify community priorities and create long-term strategies.

Mr. Speaker, this is the beginning of a new partnership between Aboriginal people and the Government of Manitoba. Thank you very much.

## ORDERS OF THE DAY

### BUDGET DEBATE (Fourth Day of Debate)

**Mr. Speaker:** Adjourned debate on the proposed motion of the Honourable Minister of Finance (Mr. Selinger) and the proposed motion of the Honourable Member for Kirkfield Park (Mr. Stefanson) in amendment thereto, standing in the name of the Honourable Member for Fort Whyte (Mr. Loewen), who has 40 minutes remaining.

**Mr. John Loewen (Fort Whyte):** Mr. Speaker, before I begin discussing this disappointing budget which we heard last week, I would like to offer some words of congratulations to former Finance Minister Eric Stefanson and former Premier Gary Filmon who provided vision and leadership for the future of this province for so many years, particularly, in terms of sound financial planning.

**Mr. Speaker:** I would like to take a moment to remind all honourable members when making reference to a member of the House to please refer to their constituency or to their ministry. Just a reminder to all members.

**Mr. Loewen:** Thank you, Mr. Speaker, and I would like to echo my comments of congratulations to the former Finance Minister, Mr. Stefanson, and the former Premier, Mr. Filmon, for the tremendous leadership that they have provided this province in many ways but, in particular, in the way of economics and the

leadership they have shown in crafting their budgets.

It was no easy task when they came to office to clean up the mess that had been left behind by previous NDP governments, by previous governments who had basked in the sunshine of deficit financing, who had paid no attention to what was really needed in terms of the economy of this province but whose only motto was spend, spend, spend, and, if we need more money, just raise taxes. It is no wonder that in 1988, the previous NDP government left us a regime in which Manitobans were faced with the highest tax rates in the country. The highest tax rates in the great country of Canada were the legacy of the previous NDP government.

It took many years of hard work by the former government to clean up the mess. It took a lot of vision to understand that diversity and the diversification of Manitoba's economy was the real priority. It took vision to understand that a strong focus would have to be placed on rural development, so that value-added products and value-added production could be brought to rural Manitoba in an effort to increase the ability of those who wish to remain in rural Manitoba to increase their ability to thrive and, in fact, to do well wherever they chose to live in this great province.

We have left from the previous government a legacy of strength, a legacy of newfound hope in the economy and a legacy of economic diversity which will serve this province well into the future. We also have a legacy of tax reduction from the previous Conservative government. In 1997 and, as I said, in early 1998, this province was faced with the highest taxation rates in all of Canada. Through hard work and sound economic planning, in 1997, the previous government was able to begin reducing this burden on Manitobans and, in fact, between 1998 and the year 2000 was able to move our income tax rates to the middle of the pack and reduce our tax rates from 52 percent to where they stood before the Budget at 47.5 percent. That is a reduction of over 4.5 percent, Mr. Speaker, done at a time when the economy was just starting to take off, and yet at the same time there was increasing pressure to spend wisely on health care and education.

In her speech the other day, I think it was the Minister of Industry and Trade (Ms. Mihychuk) who advised the people of Manitoba how proud she was that her government had found a balanced view and how proud she was of the Budget they had presented to Manitobans. My only wish is that, if the Member and her associates in Cabinet, and those caucus members on the other side of the House, if in fact they were so proud of their budget, why will they not just stand up and tell Manitobans exactly what it is all about? Why will they not stand up and tell Manitobans exactly where they stand on tax relief? In fact, we have seen in the analysis of the numbers, and we do not have tax relief. We have a tax grab.

What we have is a government who has looked at the books and decided how much more we can spend. How much more can we spend? How much would the people of Manitoba take? How much can we force and impose taxes on them to feed our appetite for increased expenses? So that is what the people of Manitoba are faced with in this budget. This budget is really about a tax grab. It is about an increase in provincial income taxes of \$75 million that Manitobans are going to have to pay in this year compared to the previous year's budget, an increase of \$75 million in income tax, and that is money that comes directly out of their pocket.

This government in their budget talks about tax relief, but in fact when the numbers are done, what does it show? It shows that a family who earned \$60,000, had two children, one family, one major earner, that in fact they will pay more the day after this budget in provincial income taxes than they would have the day before. That does not hold true with what the Government is spinning, their political rhetoric, what they are saying to the people of Manitoba. They are telling the people of Manitoba that there is tax relief, that there is tax reduction.

Well, if that is the case, I would encourage the Government to come clean with the facts. Instead of comparing their new budget to the tax regime that was in place in 1999, they should compare it to the tax regime that was in place the day before. What would that show? It would show that in fact there is not savings for middle-

income-earning Manitobans, that in fact there is a tax cost, the tax grab which this government, unashamedly, is using to increase their ability to spend, to spend without any plan, to spend without any responsibility, just to spend because their philosophy is the more money you throw at a problem, the more money you can throw at it, the less the problem will become.

Mr. Speaker, we know from history, we know from this attempt by their government in the 1980s that this does not work. This is not true. In order to solve the problems that we have in our society, we have to focus our spending on results. We have to look at what we are targeting to different problems that are out there, and we have to look for real outcomes. Until we put into the equation the desired outcomes, it is of no use just to throw money at problems because you will not get the desired result. All you will get is an increase in the problems and an increase in the cost to the taxpayers.

So, I would ask the Government to take the necessary steps to come clean with the people of Manitoba, to explain to them what is actually going on, to show them. It would be easy to do. They could easily change their website to focus on what the changes will be from May 8 as opposed to after the Budget on May 11. What that would show to middle-income earners in Manitoba is that their taxes have gone up. Their taxes are increasing dramatically over the course of the first year.

\* (14:50)

In fact, even when this government talks about tax relief in year two and year three, what those numbers, as a result of the benefits of tax reductions that have been passed on to the people of Canada through the federal budget that was introduced in February of this year, will show is that, if this government had simply done nothing, if they had simply let the tax system flow the way it is, Manitobans would receive significantly more benefits in the form of tax reductions.

But, no, they looked at the numbers, they analyzed the numbers, and what did they see? They saw money flowing back into the pockets of Manitobans. They saw income tax reductions flowing back to Manitobans through the changes

that were going to be made at the federal level. In fact, they looked at it and said: Well, hold it, that does not give us enough money to spend. We are going to have to spend more and spend more. So they deliberately crafted a tax system which saw to it that the benefits that were put in place by the federal government in their budget and in their five-year plan for tax reduction did not and will not flow through to the people of Manitoba. I think for the people of Manitoba that is very unfortunate.

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

As we have already seen in their document, this budget will impose upon middle-income-earning families in the province of Manitoba the highest tax rates of anywhere in the country. Our tax rates will be higher than our neighbours to the west, the province of Saskatchewan. We will be paying 16.2 percent or 17.5 percent depending on income levels where our neighbours to the west will be paying 13 percent and 15 percent, a dramatic increase simply fueled by this government's desire to spend more money. That is echoed in the numbers they released that indicate that this government, in terms of its revenue estimates, will increase the revenue it receives from the people of Manitoba through income tax this year by over \$75 million when compared to last year's budget, and in fact over \$40 million when compared to the actual numbers that resulted from the economic increases last year.

Mr. Acting Speaker, it also indicates that corporate income tax will rise over \$128 million. The corporation capital tax will go up \$14 million. Many other taxes will increase as a result of this budget. The result will be an increase in revenue to the Province of Manitoba of a very, very significant amount. In fact, the revenue that the Province receives this year is projected to increase by over \$237 million over what will transpire in the year ending March 31, 2000. That is the Province's own source revenue, the revenue that the Province takes from the people, takes from the corporations, takes from the citizens of this province. That does not even include the extra revenue that is being directed towards the provinces from the federal government.

So, when one looks at that, what we really find is that, in fact, revenues to the Province of Manitoba in total over what was budgeted last year due to the largesse of the federal government and the economic circumstances that they find themselves in, an increase in revenue of well over \$400 million. In most years, that would be great news. Any time provincial income was able to be increased by over \$400 million in any given year would be news that would be welcomed by the people of that province.

Unfortunately, this year, what will happen to that money? Will any of it go back to the people of Manitoba? Will any of it find its way into the pockets of the taxpayers of this province? Well, the simple answer is, no, it will not. Instead, what we will have is a government that has gone crazy with their spending habits. Their own Estimates indicate that this year alone, spending over last year's budget will increase over \$412 million, Mr. Acting Speaker. What are they going to accomplish with that? What are they targeted for in terms of this excess spending? What plan do they have? What vision do they have for the Province of Manitoba?

**An Honourable Member:** None.

**Mr. Loewen:** That is exactly right. The answer is none. This government has no plans for the excess spending. In fact, what they have done in many cases as we go through the details of their budget is simply put funds away into budgets, but they have not announced any plan that is going to benefit the city, going to benefit the citizens of this province.

We see funds being directed to Neighbourhoods Alive!, for example, \$3 million. No hard plans for that money, simply money set aside in the Budget for the Government to use, because they feel that to solve the problem you have to spend more money. You do not have to consult with people. You do not have to talk to them about how that money is going to be used. You do not have to have a plan in terms of how that money is going to be used. You just slush it away and make sure that at the end of the day people come to you with ideas.

Of course, they will come to you with the ideas. The money is there. They are recognized as in the Budget to be spent, but will those ideas have any merit? Not likely. In fact, they will just be ideas to spend more money. What this government has lost track of is that it takes a strong economy. It takes economic growth to provide people with hope, to provide people with opportunity so that people can get out and do what they need to do to ensure that their own personal circumstances are well taken care of. There is no doubt that that the primary incentive for people to improve their neighbourhoods, to improve their situation in life, to improve their lot in life, is to have some hope and have some opportunity, and that, Mr. Acting Speaker, comes primarily from economic growth.

Mr. Acting Speaker, the Minister of Finance (Mr. Selinger) spoke to this House about how this budget will help them fulfil their commitments that they made in the election. Again, I would argue that point. I see nothing in this budget that will help the people of Manitoba accomplish their goals. Instead, I see action from the Government that bears no relation to their five promises. We see action that relates to the promises that they made strictly to their individual supporters. We see this government moving, fast-tracking along with the new casinos, and shortly we will have five new casinos. Was that really the five promises that this government made out?

We have the Government moving along with Bill 72 to remove the amendments in that bill that allow the school divisions, the trustees who are responsible for those school budgets, to ensure that they have the funds available, that they have the ability to handle, to manage the negotiated increases. We have no view and no solid plan to increase the effects of the education system in terms of how it will respond to the economy of the future, how it will produce graduates that are well prepared for the jobs that lie ahead. We have no indication from this government on firm plans to improve the education system or, for that matter, the health care system. All we have are promises to spend.

Mr. Acting Speaker, it is obvious from looking at this budget that the Government of Manitoba forgot entirely that the federal

government passed a budget which provides significant tax relief to all citizens of Manitoba back in February. Had the Government done nothing and just let this flow through, this province and the people in this province would be a lot better off today than they are as a result of the Budget that was presented to this House last week.

I would like to also comment on some of these specifics that are in the Budget documents that have been put forward by this government because, once again, when we start to analyze the numbers, we see that these numbers in fact do not correspond to what the Government is telling us.

We have a budget that talks about expenditure control, but really it is all about manipulation. This goes right back to the first days of this government. It goes right back even before that to when the transition team took over and, in fact, looked at a report which indicated where the Government could be at the end of the fiscal year and refused to share it with the Minister of Finance (Mr. Selinger), because the old NDP that were working on this transition team. Gene Kostyra, Vic Schroeder and others, took a look at it and said: Hold it, we need to play some political games here. We need to take whatever expenses we can find, valid or invalid, and shove them into this year's budget so that next year we can increase the spending without any reliance on what the actual facts were.

\*(15:00)

Mr. Acting Speaker, in fact, when we look at the operating expenditures estimates that were presented in this budget, we see some dramatic increases in budget year to budget year. We see those because the Government, since coming to office, has refused to deal with any of the Budget pressures that were on them and, in fact, instead of dealing with the issues, put out a wish list to the various departments and said: What is it that you want to spend? What would you like to spend this year?

Sure enough, that wish list, which they then gave to Deloitte and Touche to compile, came back, and said: Well, Government, if we had our druthers, if we as the civil servants could do

what we want, this is what we would spend. Did this government push back and say: Well, hold it, where can we save? What is really needed and what is not needed? No, they did not.

They just took the numbers that were in that wish list, added them up, and said: Well, gee, this is what we are going to have to spend in order to get through this year. In fact, as a result of the largesse of the federal government and the increase in transfer payments, what we had is a situation where the Government then looked at it and said: Hey, we will have extra revenue. We will have more money to spend, so let us cast a vote and see how much in total we can increase expenditures in order to use all these funds up that have been directed our way by the federal government and do what we can do to incorporate these funds in the ongoing expenses of the Province so that we do not have to pass any of these increases in revenues back to the people of Manitoba in the form of tax relief.

Mr. Acting Speaker, it is interesting that last week the Finance Minister was quoted in one of the papers about his belief that the use of the rainy day fund should be strictly for disasters, a hard point to argue against. We also have the Minister of Agriculture (Ms. Wowchuk), who has been standing up in this House telling us over and over about the disaster in southwestern Manitoba, and yet when we look at the numbers, what do we see? Do we see any disaster relief? Do we see any funds being drawn down from the rainy day fund for disaster relief? No.

What we see is that this government has moved the funds that were paid out by the previous government into the actual operating expenditures of the Department of Agriculture. No recognition that these funds were for disaster spending, no recognition that further funds would be needed in the future for disaster spending to help out the farmers of southwestern Manitoba.

In addition, when we look at the numbers, we see that under Other Appropriations they have overspent the Budget by \$114 million. What does that mean? It means simply that they have gone everywhere they could go within the various departments within government and pulled out as many figures as they could

possibly write off in one year. These are one-time adjustments, and they have incorporated them in the annual operating expenditures of the Province of Manitoba—again, the result of which is to inflate the operating budget, so that the following year it does not look like much when they increase those expenditures again. A clever trick, but it does not do much for the people of Manitoba.

As a result of this, what do we see at the end of the day? I have already explained how the Province's operating revenue estimates have increased close to over \$500 million, will increase over \$500 million from the 1999-2000 budget to the 2000-2001 budget. So what do we have? We have a government that then says: Well, we have all this revenue. Let us figure out how we are going to spend it. How do they spend it? Of course, they look at programs. They look at how they can put money in their budget to spend on programs for which they have had no plan for, for which they have no plan in terms of what the desired outcomes will be from those programs. They will simply put the money in, so they can present to the people of Manitoba what appears to be a balanced budget but a budget that in fact increases spending by well over \$400 million.

Mr. Acting Speaker, I think that is a travesty. I think that is a fate that the voters of the province of Manitoba would not have wished on themselves last fall; and, if they had been aware of this, they would have surely had second thoughts about how they were going to cast their ballots.

What has happened since this government took office? What has happened since this transition team first got a look at the numbers? What has happened is identified in this government's own budget document, and that is that they have spent \$452 million more than was budgeted for. Some of these funds—one cannot argue with the spending—some of it is well spent. Over half of this was spent in health care as a result, but \$219 million was spent on one-time extraordinary items.

At the end of the day—and that number is right in the Government's own budget document—even if that \$219 million could be

justified, it should be recognized as a one-time expense and not built into the operating base of this province that the taxpayers of Manitoba will have to pay for year after year after year. That is what this government has done.

I think the people of Manitoba will not be happy and will not respond in a positive fashion to those types of increases and expenditure. It is no wonder that the result of that is, of course, when the Government looks at its tax structure and when they see what the federal government is planning to do in terms of its tax relief, tax relief which, I would argue, does not go far enough from the federal government but is certainly a step in the right direction—what does this provincial government see when it looks at that? It sees that too much money is going back to the people of Manitoba for their liking. It sees that there is too much tax relief, and they, in fact, will not have enough money to continue on their free-spending program that they embarked on the day that they took office.

So what do they do? Instead of just staying the course and allowing the federal tax reductions to flow through to the Province of Manitoba, they decide to move quickly, one year earlier than planned, to rejig the tax system, to rejig the tax system so that the people of Manitoba end up paying more income tax than they would have had this government simply done nothing with their budget.

If they are so proud of that, as the Minister of Industry and Mines (Ms. Mihychuk) stated they were the other day, then why do they not just come clean with the people of Manitoba and tell them exactly what they have done, that they have imposed spending on the people of Manitoba, spending without much thought in terms of what results that spending will bring, that they have imposed taxes on the people of Manitoba, that they have in fact in their program, as they say, given tax relief, but they have given tax relief with the right hand, Mr. Acting Speaker. Unfortunately, they have taken away more with the left hand.

What are the people of Manitoba left with? Middle-income earners in Manitoba are left with a plight of not only having the highest tax rates in the country, the highest tax rates in all of

Canada, but they are left with the plight of having to pay more taxes come July 1 than they would have had this government done nothing. I think that is unfortunate.

\* (15:10)

The very least they could do is to publish that in the rhetoric that they are going to be providing the people of Manitoba. They can publish that on their website and, as a matter of course, they could make their website more useful to the people of Manitoba if they would not force on the people of Manitoba the necessity of buying Excel in order to operate the spreadsheet which they have provided.

When one looks at the numbers, when one looks at what would have happened had the Government simply done nothing and simply allowed the tax reductions to flow through to the people of Manitoba, one becomes appalled.

What do we see? We see for a family of four where, in their own budget document, this government is claiming that over a three-year period they have given the people of Manitoba who earn \$25,000 a year and try to support a family of four tax relief of \$735. In fact, if they had done nothing except leave the rate at 47.5 percent, which it was moved to under the previous government's budget, that same family would have received tax relief, once the federal budget announcements are all put in place, of \$759. They are not even helping the low-income earners of this province.

It gets worse the more that one earns. It just degenerates from there. People who earn more than one hundred thousand dollars are going to pay significantly more, not only this year, but in years to come as a result of this government not allowing the tax reductions that were sent their way from the federal government to flow through.

That, Mr. Acting Speaker, is very unfortunate, but the more unfortunate thing, and I was quite amused when the Member for Elmwood (Mr. Maloway) stood up in this House yesterday and stated that anybody can manage an economy when it is good, that any fool can run a \$6-billion enterprise. Well, I guess this

budget proves that any fool but an NDP fool can operate a \$6-billion enterprise, because what we see here is not going to work. It is not going to work for the people of Manitoba. It is unfortunate that the Member for Elmwood would make such a foolish statement to this House. Certainly this is a statement that will come back to haunt this minister in the future.

In 1988 when the previous Conservative government took over, this province was a mess. We had the highest tax rates in all of Canada. We had Crown corporations that were losing hundreds of millions of dollars as a regular occurrence. We had an economy that was going nowhere. We had the city of Winnipeg's economy floundering. We had rural Manitoba's economy floundering.

Over the course of the last eleven and a half years, a lot of effort has gone in to helping the people of Manitoba in terms of providing them with tax relief by reducing their tax rates from the highest in the country, from 52 percent to 47.5 percent, so that they would have more money, they would have more decision-making power in terms of how they spent their hard-earned money. That is something that the people of Manitoba have appreciated.

We also have seen, over the course of the last eleven and a half years, tremendous growth in the economy. In fact, over and over we heard reports from independent economists ranking Manitoba's growth in economic production either first or second when comparing to other provinces in the country. This government continues to benefit from the momentum of the hard work of the previous government, but I would warn them that it will not take much, that it will not take even implementing all the measures that we see in this budget, in order to grind this economy to a halt. When that happens under this government, the people of Manitoba are going to be the losers.

Unfortunately, we will see, and we are seeing today, people looking at Manitoba, particularly those involved in the new economy who have the ability, who have the freedom to choose where they are going to create their businesses, where they are going to grow their businesses and where they are going to expand

their businesses anywhere in North America. So what do we do for those folks, those folks who are going to drive economic growth in the future? We tell them: Come to Manitoba, enjoy your success and let us punish you. Let us provide you with the highest income tax rates, the highest individual income tax rates in all of Canada.

So what do we have today? We have people in Ontario, we have people in Alberta, we have people all across this country looking at Manitoba, saying: Why would I go there? Why would I go there to be successful only to be punished by the highest tax rates in Canada? It will not take very long at those rates for the economy to come to a grinding halt. Certainly there will be some momentum carrying on from the good work that was done in the past, but that momentum will not carry on much longer.

What we will have two or three years from now, unfortunately, when the people of Manitoba will be faced with another decision, we will have a situation where once again—it is like a time warp back to 1988—we will have the highest tax rates in the country.

It is kind of like there has been an invasion of the body snatchers in this House where Eugene Kostyra and Vic Schroeder have come in and literally taken over the body of the Finance Minister and said: We had a vision. We had a plan in 1988. We understand, of course, that it went nowhere because the people did not want to hear that vision, but we have come back in the form of Mr. Selinger, the Honourable Minister of Finance. What they have said is we are going to invoke this same plan that we had in 1988 on the people of the province of Manitoba in the year 2000. Unfortunately, what is going to happen is the same result. The economy will dry up. Businesses will look for other opportunities. They will look to expand in other jurisdictions. Individuals will make their own choices.

We might have, as was quoted in the paper, reduced tuition fees, but students will not have books. They will not have the options of as many courses to take. In fact, at the end of the day, as soon as they do graduate from the universities and the colleges, they will be looking abroad. They will look elsewhere for

their opportunities because they will not have faith, because they will not have hope that the Province of Manitoba will provide them with an opportunity to be successful and an opportunity to share rewards of that success.

So, Mr. Acting Speaker, in conclusion, I would say to this government on this budget that they have failed the people of Manitoba miserably. They should take a hard look at what numbers are actually in this budget and what they have done to set Manitoba back in time, back to 1988 when things were not good, how they have taken, in the course of eight months, in one fell swoop, the province from a place where people had hope for a better life, where people had opportunity, where they realized that if they were successful they would be treated fairly.

They have taken this province back in eight short months to a point in time where we are going to have the highest tax rates in the country and where the economy is going to grind itself to a halt. What is going to be the result? We will have increased spending with no discernible results from that spending, and we will end up in a situation which we have been in before, where we were in 1988, where it is going to take a new government with some vision and with some strong ideas to implement a plan to do something positive for this province. Thank you.

\* (15:20)

**Hon. Jean Friesen (Minister of Intergovernmental Affairs):** Mr. Acting Speaker, it is a pleasure to be able to have the opportunity to speak after the Member for Fort Whyte (Mr. Loewen), who presented such a negative and depressing view of the situation of the Province that I really am quite appalled. It was only in the last 30 seconds, I think, that I actually heard him mention people or the effect upon young people in this province.

I think the Member needs to be reminded that in 1988 when this government left office before that we left a surplus that has been mentioned many, many times, not necessarily during his session in this Legislature. Perhaps he needs to refresh his memory upon that.

I want to suggest some alternative perspectives on this budget. I think it is a very good budget. I want to commend the Minister of Finance (Mr. Selinger) for what he has been able to do in a very short period of time. I must say that as I was out in the community this past week and over the weekend that I heard many, many positive comments about this budget. I found that people in general were, at least in my constituency, feeling very hopeful, that they were feeling that this was a government that was prepared to listen to them, that this was a government that was not interested in dividing the social fabric of this province any deeper, such as had been happening under the previous government for the last 11 years. They recognize that this is the first step. They recognize that it was the first of many steps that we would be taking to restore the kind of Manitoba that we have seen in the past.

So I am very, I think, concerned that the members opposite would not take the time to look at the general context, the general philosophy, the general ideas and the overall vision and purpose of this budget.

I want to remind members opposite that there are indeed differences between the two of us. It is one of the reasons I think that the Government has changed during this past election. We are part of a broader context, and we are part, as a social democratic party, of a broader movement around the world. In Scandinavian countries, in Greece, in England, Scotland, Wales and the German states, there are many governments which espouse a similar vision and a similar philosophy to the New Democratic Party.

We are a party, first of all, which believes that government matters and that good government matters. I would say that over the last 10 years, the Tory Party has come to believe, as one of its idols, or at least certainly the idol of one of the previous ministers of Finance, von Hayek, that they set about creating the conditions through the sale of things like the Manitoba Telephone System where government came not to matter. They set about creating conditions where people, in fact, came to not see the Government as any possible help in the conditions with which they were faced.

It was not always the case. There used to be a Tory Party in this country and in this province which did believe that government mattered, a Tory Party which did, to its great credit, bring together the beginnings of the Canadian Broadcasting Corporation, which developed in an earlier generation a national transportation network and other, I think, socially progressive policies which did earn them quite genuinely the title of Progressive Conservatives.

If I may step aside from the provincial arena for the moment, I think that one of the most tragic things we are seeing at the moment is the disintegration of that national Tory Party. I know that members opposite, for the most part, are dividing along the lines of the two or three contenders for the new Alliance Party and leaving behind a party which did have a national perspective, which did have a sense of progressive policies.

Now I know it is not true of all members on the other side. I think there are perhaps four parties over there at the moment, and certainly, as one of them said most recently, he was going to be waiting for the rest of them to come crawling back to the Tory Party. Well, I am not sure if that is actually going to be the case. It really is a very strange set of circumstances that they are getting themselves involved in on the national scale. I do not think it will be to the advantage, either of their party or indeed of the future of Manitoba, if that should happen. Nevertheless, what we see across the floor from us is not a Progressive Conservative Party anymore.

This was the party which sold off the provincial assets of the Manitoba Telephone System, which certainly set about telling Manitobans that government did not matter, that government could, in fact, take the initiative in selling off and transferring the greatest transfer of wealth in this province that we have seen since the treaties. That is what the Manitoba sale of the Manitoba Telephone System was, and they know it.

If we want to speak of tragedies in the economic history of Manitoba, I think that will certainly rank as one of them. The Tories, of course, will bear the full responsibility for that.

So I will say that, yes, there are indeed philosophical and visionary differences between us, and the sale of the Manitoba Telephone System certainly underlines that. We believe that government matters, that government makes a difference in the lives of people, and that it enables people to do together what none of them can do alone. The things which matter, such as health care and education and access to a post-secondary education, are matters of government which have enabled a greater equality across this province and across this country than most countries have been able to see. It has been done by governments which believed that government counted, and which believed that government had a role to play in a greater sense of equality, which, we believe, all Manitobans value. I think the results of the last election show that.

No one on their own can create the kind of educational system and the educational opportunities that are available to all of us. No one on their own can create a health care system which provides for everyone, which provides for seniors, which provides for the seriously ill, as well as for the many minor ailments that many of us face over the years, which provides for it—this is what I want to emphasize—on a basis of equality.

It is not just that this budget has taken us much further down the road to protecting the public health care system and the public education system of this province. What it does is also protect the underlying sense of equality which Manitobans have valued, and why I believe that they rejected this government last September.

What the public system does is give a sense of equality to all citizens. It is not just that we have a health care system that provides for nurses, provides for doctors, provides for prescriptions and provides for all the very basic elements of the system. What it also says to us on a daily basis is that, when you go to that health care system, whether it is at the hospital in an emergency room, or whether it is to your family doctor, or whether it is to a nurse-managed clinic, you know that you have the right to be treated equally with every other citizen. It does not matter what the colour of your skin is. It does not matter how much you

make. It does not matter what your father does. You have the right to be treated equally.

The same thing when you come to education. When you take your child to the kindergarten or you take your child to Grade 1, you have the right to be treated equally. You have the right to expect the same kind of education and the same kind of treatment for whatever of assistance. Whatever your disability might be, or whatever your talent might be, you have the right to be treated as everyone else. Those are the principles that underline the two systems which our Finance Minister and, in our election promises, we set out to preserve and protect.

So, when the members opposite talk simply about spending, let them think one step further, or perhaps three or four steps further, because what that spending on health care means and where that vision is, is about a vision of equality which underlies this community. It is a vision of equality which, I think, is fundamental to the results of the election last time because what was happening under the previous government was year after year the inequalities were becoming evident. The inequalities of the inner city and suburban areas, the inequalities between north and south. It was that division within Manitoba and those increasing inequalities that people could feel in their own lives that led to the election results last time. Now I know that members opposite think that perhaps they lost the election, as the former Minister of Agriculture now says, because of their own incompetence. That may well be true. I would not want to comment on that, but certainly I think what people saw was a sense of a government which did not care about government, which did not see the responsibilities that government had, which sold off major assets of the community without any consultation and which was undermining the fundamental equalities of this society in health care and education. They recognized those divisions and they made a different kind of choice.

\*(15:30)

I want to remind the members opposite that when they say, as the Member for Fort Whyte (Mr. Loewen) had his comments, that there was

no vision, the vision is a very fundamental one. It is not just about programs. It is not just about particular elements of a budget but it is of a much broader sense of a social democratic vision which talks about and fulfils and moves towards wealth creation and social cohesion. If the previous government wants to look at their own record, they will see that, yes, there may have been wealth in areas where they were instrumental in wealth creation. I have no problem with saying that, but where they fell down and where people recognized that they had fallen down and where they had missed the opportunities to support the underlying society of Manitoba was in the area of social cohesion.

They looked at the inner cities and we told them time after time—I remember myself and my colleagues rising in the House time after time to say: What route do you people drive to work on? Do you ever pass through the poorer neighbourhoods of this community? Are you looking at the number of boarded-up houses there are? Have you noticed that the pace of those boarded up houses has increased? Time after time, they turned a blind eye to that. This just was not last year, this was over and over again, and there was no relief for the inner city. What there was during the election was a former Minister of Justice with a background of guard dogs talking about how they were going to deal with the inner city. Video cameras and guard dogs and more people in prison, less money for education, less money for post-secondary education, fewer opportunities for young people, but they would deal with crime in the city, and they could only deal with it in one way.

I think what people recognized was that this was not the way of a government of Manitoba. A social democratic vision of a government of Manitoba is one that includes wealth creation but equally involves the maintenance and the preservation and the expansion of social cohesion. We do not want to see the divided society that we believe the Tories were well on the way to creating.

So that wealth creation, Mr. Acting Speaker, you will see in this budget, in the tax cuts that the Minister has spoken about and that the Opposition wants to dismiss, but there certainly are tax reductions beginning with property tax

reductions for every citizen of Manitoba, including those who are not homeowners. There is a tremendous investment in education in this budget, and it is the first of many. That was certainly something that was brought to my attention by my constituents over the past week. There is a commitment to community economic development.

The mining industry, as the Minister has spoken of today in the House, is increasing. Unemployment figures are low, and there are many other areas that the Minister of Industry, Trade and Mines (Ms. Mihychuk) can speak to about the expansion of wealth and the opportunities for business in Manitoba. Yes, that is important, and, yes, we did carry through with the Budget that we voted for last spring and with the reduction in the business taxes that came through that. Yes, to wealth creation but, yes, too, to social cohesion and to a society which is not divided and particularly one which is not divided by the policies of the former government.

So, yes, there are very large investments in health care, so that people have the sense that they will be treated equally. The \$50 ambulance fee for the northern communities has been eliminated so that people will feel that they are treated equally, that they are not excluded, that our Manitoba includes northern communities.

We have invested \$2 million a year in housing for inner city neighbourhoods. It is a small amount, but it will be there year after year. We have pulled it together through negotiations through the Minister of Family Services (Mr. Sale) with federal money and with city money. We will begin to make a difference block by block in some of those communities, which over the term and the responsibilities of the previous government were deteriorating at a rapid rate. We will do it through community development processes that build upon the strengths of those communities.

So, Mr. Acting Speaker, when the members opposite talk about no vision, what it seems to me is that they are not able to look any further than the numbers under their noses, and that they are not able to translate that into a sense of community. They have not yet learned the

lessons of why they were rejected at the election in September, because it is there in the Budget, a budget which makes investments in those areas which will bring us equality, which will treat us equally, which will include the North, which will enable us to create wealth and which will maintain us as a cohesive community.

I very strongly support this budget, and I urge the Government to support this. I urge the members of the Opposition to look very carefully at that which it is they are going to vote against, because they should be aware of that. They are going, as they propose now, to reject a budget which gives us the greatest increase in education that this province has ever seen, which gives us, for the first time since 1993, bursaries for post-secondary students, and you want to talk about bringing hope and bringing opportunities for young people. What we have been able to do in six months in education is something that this government I think has been something which is—*[interjection]* Well, I hear members opposite wanting to criticize this. I cannot believe that this opposition is prepared to vote against the Canada Millennium Scholarships. They are proposing to vote against bursaries for students in need. They are proposing to vote against the increase for public school education in Manitoba. I think they are certainly free to follow their own consciences in this House, but I would like them to examine very carefully this vote for a rejection of this budget.

I think that what we have in this budget is one which will bring hope to post-secondary students, which will bring hope to young people across Manitoba, which will bring them the lowest fees in colleges across the country and I believe very low fees on a national basis in universities.

It is a balanced budget. It is a budget which is responsible and responsive to the needs of Manitobans. It is not one which meets all the needs that we are presented with after 11 years of Tory neglect, but it is a good first step. That is what I hear people in the community saying. It is a good first step. It has been done in conjunction with Manitobans. It was done, in part, as a result of the economic summit, not in the backrooms, but responds to the needs particularly of families across the province, including northern

Manitoba. It does have a vision of a society where there is wealth creation and where it is a socially cohesive and united province. Thank you.

**Mr. Ron Schuler (Springfield):** Mr. Acting Speaker, first of all, I would like to congratulate you on your position in the Chair. I do not know if I have been in this House when you have occupied that chair, and I congratulate you and look forward to a good 40 minutes in which I get to speak to you.

I stand here today with a great degree of concern. The first budget where I have been an MLA. The Budget came down and I think a lot of Manitobans, in fact, I would go so far as to say most Manitobans, have a great degree of concern in regard to the Budget that was presented.

I guess it is not as much what is in it as what has been left out, and that is that the singularly, the foundation of any modern society anywhere in the world, the foundation of a democratic, modern society is the middle class. If there is one thing that with a great degree of chagrin and frankly shame on the Government, one has to say that this probably is one of the successive NDP budgets that we have had in the last 25 years that are blatantly anti-middle class. It is actually an attack on the men and women who are the backbone of this nation.

\* (15:40)

I have listened to a lot of things. I refer back to the Minister of Finance's (Mr. Selinger) speech. Again it is always this doublespeak that one hears from the other side in which they talk about a government that understands the priorities of today's families, yet absolutely and completely misses their mark. They are probably the furthest away from understanding the priorities of today's families. In fact, I would have to say that after listening to the Minister's comments and reading Eugene Kostyra's most recent budget, I have come to the conclusion that there is only one positive in it for Manitobans, and I quote here. That is that it is printed on recycled paper. That seems to be the only positive that comes out of this one.

I point clearly at the taxes that seem to be foisted on families and on the middle class. You define a society and we have defined our modern democracies on where our middle class is standing. I look at this budget today, and I speak from experience, that this is clearly, clearly not a friendly budget to the middle class. You have to talk with a great degree of shame towards the Government for having presented this kind of a budget.

*Mr. Speaker in the Chair*

Probably an article that most represents what I think people in this province believe in, and I quote from a wonderful article in the May 15 *Winnipeg Free Press*. It is titled "A budget for Never Never Land." I quote: "In his rapid-fire delivery of the first budget prepared by the New Democratic Party in Manitoba in more than a decade, Finance Minister Greg Selinger raised a remarkable number of ifs. If those polls that tell us most Canadians prefer to have the Government spend their money rather than cut taxes are correct"—and we know they are not—"then the majority of Manitobans should be deliriously happy with last week's budget."

Mr. Speaker, they are not happy with this week's budget. If Manitobans do not mind becoming Canada's highest taxed citizens, which they have now become, they will not move east or west to get the chance to spend more of their own money. If we do not really mind having to send Mr. Selinger 60 percent more in taxes on the same income than our neighbours in Kenora pay, the Doer government will have succeeded in pleasing most of the people in this province, which they have not.

That really goes to the crux of it, because Manitoba is not just in isolation. It is not about us standing here on our own. It is about the fact that people have a lot more mobility, more mobility than they have ever had, more mobility than we have ever had in the history of humankind. Yet you have a government that cannot seem to grasp that, that does not realize the fact that if people feel they are being overtaxed that their efforts are not really being rewarded properly, they will, in fact, leave.

I continue on with this excellent article here: "In short, if the polls are right most Manitobans would be downright proud to have the 'Taxes R Us' signs suggested by former Premier Gary Filmon displayed prominently at the Ontario and Saskatchewan borders." I can say they are not happy about that. "So much for those governments who have fallen for the line that most people really believe that they can spend their own money better and smarter than governments can spend it for them."

You see, that is where you get into this fundamental belief. The Government opposite, and it has been a characteristic of them when it was under the Honourable Edward Schreyer, when it was under the Honourable Howard Pawley and now this government, they believe that government knows best. Mr. Speaker, time and time again they are proven wrong on that point. They are wrong. The people who are best able to decide where their money should be spent, frankly, are the people, and that is where the money should stay.

I will continue: "There is no doubt that Manitoba is marching to a different drummer than the other Canadian provinces who are cutting taxes." Mr. Speaker, I would like to point out to the members who just cannot seem to grasp this, that they should not even make an ideological thing because all of their colleagues across the nation—I mean, they are jumping off the socialism boat of tax-and-spend, tax-and-spend. It seems to be that this is the Albania here. This is the Cuba here. They are going to stand by this tax-and-spend, tax-and-spend. Shame on them. All of their colleagues have abandoned them.

In fact, the Saskatchewan Roy Romanow might as well change his name to Ralph Klein. I mean, my goodness, the tax cuts he is starting to administer. It must just drive an ice-cold wedge into the socialist hearts next door, because what are they to do? All their comrades are jumping overboard on the right thing to do, giving the middle class what they need most, and that is tax relief. For those who cannot hear, and for the record—I mean, you can just see—they all nod, they all know exactly what I am speaking is right, but, alas, they have got themselves into

this ideological vortex that they just cannot get out of.

If there is one thing that we will do here in opposition—and this side of the House is full of my fellow colleagues, and my fellow colleagues are going to help me with this one—we will help them out of this socialist vortex. We will help them out of this opium, socialist opium of tax-and-spend, tax-and-spend, of government-knows-best. We will help them. We will sit night after night and stroke their hand, and say: You can get out of this vortex of tax-and-spend. We will take a washcloth and put it into cold water and put it on their foreheads, and we will say: You can break this fever that you are in, this tax-and-spend socialist fever. We will be there, and we will help them out as the Opposition.

We are here for the good of this province, and the good of this province is a strong province, is a strong middle class. That means reducing the taxes on those people who are overburdened. That is what we are going to help this government with.

We are going to be an opposition that helps them out of this socialist disease, that helps them with this fever that they are in. We are going to reach down, and, by the looks of this government, we will have to reach real low. We will reach low into the depths. We will hold on to their hands, and we will give them a hand-up the likes they have never seen before, and they will see the light. They will see the light like has been seen in Saskatchewan. All of a sudden now—I mean, the fact after losing the election and getting three Liberals to move over saved their political fortunes. It is amazing when you lose government. The socialists tend then to see that this taxism is too high and that the middle class would like to have some relief, which they have seen in Saskatchewan.

You know what, Mr. Speaker, I give them credit for that. They allowed the Opposition, they grasped that hand, that hand that was going to pull them out of this socialist vortex, to pull them out of that mud that they were stuck into, mud from 100 years ago, from 50 years ago, and were allowed to be pulled out of this socialism. That is what we are going to do for the Manitoba NDP. We will help them out of this.

In fact, I would say, Mr. Speaker, I hope you are sitting, but of course you are. Even one step further, that Albanian socialist bastion of British Columbia, they have fallen. Even the B.C. NDP have come to the realization that they must protect the middle class, the families who need tax relief. They have seen the wisdom of the conservative parties who have been pushing this, who have been heralding this. You know what? Again there too, I believe it was because of that opposition, and, boy, did they have to reach down low in B.C. They had to reach down so low it makes you wonder how long the arm was of that opposition, but they reached down into the depth of that socialist pit and they reached down and pulled that government to its senses. We will not go into the financial crisis that place is in, but at least they helped out their middle class.

\* (15:50)

But what is with our current government? They have got themselves so mired that even when their friends fall, even when the hard-line, Albanian style of socialists in British Columbia—for the record, I have already got one to come over. He is going to start listening to common sense. Mr. Speaker, they are falling fast, and, you know, maybe if the Minister of Finance (Mr. Selinger), if he would just, say, read a newspaper. There was one in fact that you mentioned to me about a couple of days ago that I happened to be trying to show to the Minister of Finance.

You know, he is a fine man. I like the Minister of Finance. In fact, I have been following his career. I know he is going to hold this against me for the rest of my life. I did not actually vote for him for mayor, but you know what? He was a very good politician when he was at City Hall, and I think he is a good politician all the way around, but, you know, why does he not just at least read that newspaper?

I know you and I, it is a little bit touchy between you and me, that one newspaper that I was showing, but, you know, the Minister should listen to these wise sages in the media who clearly indicated not on the fourth page, on the front page, the highest taxes in Canada.

Shame on us, Mr. Speaker, shame on us. As near and dear as all of us on this side of the House hold the Minister of Finance, he just does not listen.

We are going to work on him. We are going to reach down into that socialist pit, way down, and if we have to add an extra arm on, we are going to do it. If it means we have got to hold onto each other's ankles to reach way down, we are going to give a hand up to that Minister of Finance, get him on the right path. In fact, I am sure some of my colleagues here, the former Minister of Finance would love to sit down and give today's Minister of Finance a hand up showing him how to give that tax relief to the men and women who need it most.

In fact, over the last three-four days I have had the opportunity to speak to all kinds of people on this particular issue. It is interesting. If there is one thing the web has been able to do, it has empowered people to get more information than they have ever had access to before. One of the things that they have been doing is calculating their taxes on the Minister's website and then going to the Alberta website and calculating their taxes. At a minimum, Minister of Finance (Mr. Selinger)—I know he is hanging on to my every word, Mr. Speaker; I can just see his knuckles gripping his desk waiting to see what I am going to say next. As a minimum, in Alberta, those same people would be paying at least two and a half thousand dollars less—as a minimum.

Mr. Minister of Finance, can you grasp that? Can you actually see what is going on here, kind sir? Do you realize how we are being overtaxed, and you, sir—through you, Mr. Speaker, of course—the Minister of Finance actually has the opportunity to make those changes, those real changes that are necessary to make us competitive on a global stage.

Anyway, back to the wise sage who wrote this great article in the paper: "There is no doubt that Manitoba is marching to a different drummer." You know, Mr. Speaker, as I said, even a different drummer than all their colleagues across the country. They have all fallen off the boat, and here they are marching to a different drummer. "The question is what do

we know that those other provincial governments do not? More to the point, what do they know that this minister does not know?"

"True, Mr. Doer and Company did not campaign on tax cuts. Gary Filmon did and lost the election." Alas! Shame, shame! And members opposite keep saying what a sad day that was, and we agree with them on this. What a terrible, terrible day it was.

"As a result the baby steps in tax reduction"—in fact the Minister of Intergovernmental Affairs (Ms. Friesen) said that basically they are going to do this moving maybe an inch every year. They are going to do it with small steps. I guess my question to the members opposite is: Imagine you have a piano on this side and you are going to take this government's approach to moving the piano from one side of the room to the other side of the room, moving it one inch every year. Well, Mr. Speaker, I would suggest that most of us would not even outlive that whole process, and that is the problem with this government. They are going to try this small incremental approach to tax relief.

It is not going to work. It is not going to work because your best and your brightest are going to say: Wait a minute! Look at our teaching profession—they earn \$52,000 a year—you guys are taxing them out of the province. Big deal, you give them a pay increase; you are taxing them to death. Give it a rest. You want to bring more doctors in, you want to bring in more health care professionals. You can pay them whatever, but if you are charging them, and it is basically a government charge for living in this province way above what they would pay anywhere else. They are not going to come, and the members opposite know what they are hearing. It is company after company. Whether it is high-tech industries, whether it is in health care, whether it is in—[interjection] The Honourable Member across the way, I give her credit, Mr. Speaker. So far she has agreed with everything I have said, and, frankly, we would give her a hand up into these benches any day. She can come and sit on our side. I appreciate that very much.

It is going to become increasingly more difficult to attract those individuals that we need

most at the higher end of the pay scale because we are taxing them to death. That is going to be one of the problems. I will give you a quote here: "As a result the baby steps in tax reduction announced by Mr. Selinger are offset by new spending, mostly on health care and education." Fine. "Every dollar we will save in taxes during the next three years will be offset, at least in this year, by eight new dollars spent on government programs."

Mr. Speaker, the Minister of Finance wrote in to the newspaper, wanting, of course, to be amongst those wise sages that I know he aspires to be. He wants to be one of them. In here he writes: "Responsible, balanced."

Mr Speaker, I have to tell you, when you have eight dollars spent for every dollar we save on taxes, that is hardly balance. That is not balance.

I would suggest to the Minister, you know what? Cut us some slack. Drop the balance thing. I mean, nobody is buying it. I do not think the public is, and certainly we on this side are not.

Anyway, back to this article that I was trying to impart on you.

"The solution sounds familiar." This is the new NDP—sorry, new and improved new NDP, which is actually the old new NDP. Listen to this one.

"The solution sounds familiar. Got a problem? Throw money at it."

Now, I was not here in this House, alas, when the last NDP government was in here, but some of my colleagues were, two of them, but from what I know during my time of being in politics, boy, if that defined a government. In fact, you know what? Even if you had a perceived problem, they threw money at it, and by the time they were on the last legs of their government, they did not need a problem. They just threw money at everything.

\* (16:00)

It is a slippery slope. We see the new, new and improved, old new NDP doing exactly the same thing. It will not take long. This government is going to get into that churning machine, and they are going to churn out the money.

In fact, the Minister of Labour (Ms. Barrett) asked me when I am going to talk about labour. Well, actually, you know what? Let us go to the Budget documents, which I happen to have here, and unlike many on the other side, I actually read through. You know, it is interesting. In the Department of Labour, spending went up 3.77 percent. For the kind of talk we heard from this government when they were in opposition, oh, man, you would have thought that we were back a hundred years ago. All of a sudden, it is all fine. That is something that you hear from this side all of a sudden. Strong economy, oh, like they fixed that in six months. Like, give us a break.

Oh, McJobs, you remember when they were in opposition. Ooh, McJobs, McJobs. The first thing this government did was signed on more telemarketing jobs. We were happy about it, we on this side. At least we are bringing employment into this province. They could not even have the generosity to say at least we have some jobs coming into this province. For all the griping and complaining that we heard, all of a sudden labour went up 3.77 percent. It obviously was not as bad as the members opposite tried to make it when they were in opposition. I have read through some of the Budget debates that went on. My goodness, you want to talk about Chicken Little running around, oh, man, you would have thought people were—well, Mr. Speaker, I will not go there. I will get back to this.

"Altogether, our government tells us, our taxes will go down by \$100 million during the next three years. That sounds like an impressive amount of money. At least it is impressive until you start breaking it down, an argument often used by those who oppose any tax cuts whatsoever.

"Let's apply this approach to Mr. Selinger's cuts. A family of four earning \$60,000 will save a total of \$486 by the year 2002. That is almost

\$6.25 a payday. A single senior with an income of \$20,000 will save less than \$3 every two weeks. A single parent with one child and the same \$20,000 income will save slightly less.

"Even a couple, both working with a combined income of \$150,000 and no children will save, during these coming three years, less than \$9 per paycheque. That won't buy enough gasoline to change the gauge reading on their SUV.

"Mr. Doer says his new tax structure will leave Manitoba where it was before, in the middle of the pack . . ." No, Mr. Speaker, not even close. What the members on the other side have been very effective at doing is fudging. They have been very good at darkening the waters so you actually cannot see what is taking place here. Even the most modest reductions we have been promised do not really take effect this year. So, in other words, always promising it for the next year. By decoupling other provincial rates from the federal tax system, Manitobans will lose what under the old system would have been their provincial share of the tax reductions announced in the last federal budget.

So I am going to lay this out for you in simpler terms, and certainly for the members opposite because I have a feeling they do not quite understand these budget documents. Basically, the evil federal government, which this present provincial government has so much trouble with they cannot even get anything on agriculture from them even though they did not put any more on agriculture in their own budget, is the same government that gave them basically \$50 million for tax relief to the people.

What did this government do? What did this Minister of Finance (Mr. Selinger) do? They clawed back. Not just do they have the generosity to allow the citizens, to allow the working men and women in this province, those who are trying to raise families and get ahead and really do appreciate this province—frankly, I am one of them. My wife and I and our two and a half children appreciate this province. We appreciate the wonderful things that it has to offer. And what does this government do? It cuts all the nice gifts that the federal government—and believe me, we do not get many from this federal

government. The least you could have done is left us the few that we get from them. What do you do? You claw it all back. Shame.

Once again the NDP are in the never-never land of provincial budgets. Ask not what will happen now or this year; ask what things will look like three years down the road. The answer, Mr. Speaker, is not encouraging. Already saddled with the highest provincial rate on income tax—I hope the Minister of Finance is listening. This is from one of the wise sages of the *Free Press*: Manitoba will see a wider gap each year between itself and the other provinces.

That little graph that we see here in this particular document, and a frightening one it is—I know we are not allowed props, but this is the Budget document. If the Minister of Finance just wants to look into here. Already, if you look at a family of four, \$60,000. I think it is important to read right out of the original document, take original text. That way we are not confused. It is page D14. So that tax of \$6,394, the provincial tax, the highest in the country which here is being referenced in the article, because other provinces are going to continue to drop their tax rates, that will de facto go up. And that will be the legacy of this government.

A question has to be posed. How many more nurses have to flee Manitoba's high taxes before this government recognizes the importance of real tax relief? How many more doctors must flee? How many more teachers must flee Manitoba's high taxes? How many more young Manitobans must flee Manitoba? Even this government's neglect of provincial roads will not keep up with the people in this province trying to get out. Only commitment to cut our taxes will keep them, their families and their tax dollars here in Manitoba. Those are valid questions. Those are questions that the Minister of Finance (Mr. Selinger) should be answering.

Again, we could have hoped to compete with Saskatchewan. I mean, Mr. Speaker, is it asking too much that a socialist government of Manitoba who try to be on the same level as the socialist government of Saskatchewan—or maybe we could even have them on the same level as the people's republic of British Columbia under the socialist NDP there.

**An Honourable Member:** Or Albania, Ron.

**Mr. Schuler:** Or Albania, I mean, their other colleagues, or Cuba, their other colleagues, but no, no.

The other day I raised a question in this House, and I know the members opposite were very, very offended by this because, you see, when in opposition they are everybody's friend. What we have found out is when they are in government, they are almost nobody's friend. In fact, they are comrades.

I would say the Minister of Finance (Mr. Selinger) and the First Minister's (Mr. Doer) arm-in-arm comrades—their colleagues in the Communist Party of Canada who herald their victory and are so supportive of this government—not just the people's republic of Saskatchewan, and not the people's republic of British Columbia, but the Communist Party of Canada is calling for tax cuts. Yet this government does not listen. You know, when I said we are going to have to reach down, way down, it will probably take the whole caucus holding on to each other's ankles to reach down to pull these guys out.

\* (16:10)

We are going to reach down and we are going to pull you up. We are going to help this government, Mr. Speaker, but I can tell you that it is going to take every member on these opposition benches. It is going to be a tough one. I know the likes of the Member from Kirkfield Park (Mr. Stefanson) and the likes of the Member from St. Norbert (Mr. Laurendeau) and the rest of us, and we are going to stand and help you get out of this morass. We are going to reach down and reach down, and we will reach as far as we have to. We will pull you up out of this socialist mud that you are into because we know that all over this nation and even that bastion, that strong fort called the Liberal Government, the Liberal Party of Canada, even they are seeing the light. Even they are passing on tax relief. In fact, I believe they were the ones who negated their responsibility a long time ago and said they would never go for it. Well, one by one these great Canadian bastions of socialism are falling. They are being pushed over by the force, by the

determination and by the will of the people who are under them, and they are pushing them over. I say to the Minister of Finance (Mr. Selinger): Look out, Mr. Minister, because you, too, will fall under this desire and this need to have some relief.

I would say to the Minister of Finance: Do not, Mr. Minister of Finance, get into that slippery slope of got a problem, throw money at it. Throw away those roots. We will help. In fact, I would go so far as to say that this side of the House would even give that side of the House counselling to get out of that socialist opium that seems to get into their veins, and they want to spend, and spend, and spend. We will even give them counselling. Right? We would even be willing to sit and pay for them to go for counselling to get out of this vortex of socialism. We will help them out.

I would like to just finish off this article. "We could have hoped to compete with Saskatchewan, but Mr. Doer and Mr. Selinger have decided that we won't." Shame, shame, shame. Saskatchewan's Roy Romanow, that converted socialist—yes, he is on the wagon again. He said he is not going to fall off. He is now going to do what is right for the people. "Saskatchewan's Roy Romanow did not have a sudden conversion to the philosophy of tax cutting. He actually lost an election, and has managed to hang on to power by persuading three turncoat Liberals to support him." We will take the conversion any way we can take it. Any way it comes our way, we will take it.

"Many will suspect that his near political death experience helped to convince him to change tax rates, so that in three years Saskatchewan taxpayers"—okay, Mr. Speaker, I would suggest anybody standing in this Chamber right now would sit down. Sit down, people. This is going to hurt. This is going to shock you. Hold on, and I can see the Minister of Finance. He is digging his fingers in so deep into his desk he is going to pull his fingernails out when he lets go. "Saskatchewan taxpayers will be quite close to the Alberta cousins" by the time this all comes into effect. Can you imagine that you now have the people's republic of Saskatchewan following the goodness and the right path that the Conservative government in

Alberta is doing? I mean, have a look at our colleagues on the other side, the white faces and the shock and horror. Yes, yes, they are following the great demon Ralph Klein himself. They are going to compete with him, because they know if they do not, their people are going to cross the border.

That is what is going to happen. Saskatchewan taxpayers will be quite close to our Alberta cousins. Now, can you imagine? They are now comparing Roy Romanow's socialist government to that of the cousins, Ralph Klein's Conservative Government. Now, Ralph Klein and Roy Romanow are cousins. It is too bad that the public cannot see the absolute look of horror on the faces opposite, but we will help you with that. We will help you through your difficulties.

It is hard, this conversion process, Mr. Speaker. I have stated here on behalf of our caucus we are willing to give them counselling. We are willing to give them the help they need. One day, they and their socialist colleagues from Saskatchewan and their cousins from Alberta and this government can lock arm in arm and can walk towards tax relief, which is what our middle class needs.

"Manitobans, thanks to our new government, have just begun a new love affair with high taxes," is how this article concludes. Mr. Speaker, I say, shame, shame, shame on that. We have gotten into this tax and spend, tax and spend.

Mr. Speaker, there is another very disappointing side to this. Shameful. Shameful. Shameful. There were men and women who stood up for this socialist government, who put their political careers on the line and stood up for what was going to happen, and the good times were going to flow with just a sniff of an NDP government. The good times would be here. One of those, alas, was our beloved mayor, Glen Murray.

I read from an article here, another wise sage that I know the Minister of Finance (Mr. Selinger) is also trying to emulate and that would probably be one of this government's best friends, Charles Adler, who I know they all look

up to and appreciate dearly. The Minister of Education (Mr. Caldwell) shakes his head and agrees. Thumbs up to Charles Adler, Mayor Murray and the right stuff, it says. Mayor Glen Murray in his continuing embrace of the political right—Mr. Speaker, must be a typo. Must be a typo in here. It says: Glen Murray, in his continuing embrace of the political right—oh, my—said this week that the City of Winnipeg was—are you all sitting down? Is this Chamber ready to hear what I am going to read into the record, that Mayor Glen Murray says: The City of Winnipeg was better off with the Filmon government. My goodness.

Now, I just cannot believe it. The next thing we are going to read is Mayor Glen Murray taking out a membership in the Conservative Party. How the fortunes have changed. Again the reason is this provincial budget. The Doer budget is forcing a lot of political moderates to ask themselves the question: How much did the last election cost us?

Well, besides the whole middle class, which is the bulk of our province, now we have basically all citizens of the City of Winnipeg, who, to use one of my colleague's statements today about being neutered, talk about neutering the Budget of the City of Winnipeg, emasculating it, in effect. The Leader of the Liberal Party asked a question the other day. In fury and with anger in his voice, he talked about pulling out the dagger and slashing.

Well, Mr. Speaker, that all would apply to this. The Doer budget is forcing a lot of political moderates to ask themselves the question: How much did this last election cost us? For the average Manitoba couple with two kids making \$60,000, the Doer government will cost them more than \$1,000, and the City of Winnipeg is taking a hit. I will not be supporting this. I have run out of time, but the Home Builders Association, and the list goes on and the list goes on—I would say it is unfortunate the Conservatives left a fortune of money to the government that is in office now. They have chosen to blow a great opportunity. I am saddened by that. I know the middle class, my constituents in Springfield are saddened by that. I stand today and bring that message to this House. We are saddened by what this govern-

ment is doing to the Province. Shame, shame on them. Thank you.

**Mr. Conrad Santos (Wellington):** Mr. Speaker, I wish to speak about budgeting initially in plain, simple language and then in more abstract language, using economic concepts and terms of political science. Then I will talk about accountability after the program is already formulated through the Budget process.

\* (16:20)

In simple terminology, budgeting consists of getting, receiving, having, dividing, then giving away. So there are five sets of activities, and they take place in a certain sequence. You get, you receive, you have, you divide, and you give away.

Notice the relationship between all these behavioural acts involved in budgeting. There are certain statements we can make. First, there can be no receiving without getting, no having without receiving, and unless you have it, you cannot give it.

Out of these many relationships, two stand significantly so that they can be generalized and can be called principles. The first one is what we call the having-before-giving principle. This is embodied in the old legal maxim which says: *nemo dat qui non habet*. You cannot give what you do not have. If you have nothing, what can you give? Nothing. If you have one, how many can you give? One. If you have two, how many can you give? Either one or two. That is the first principle. No one can give what he does not have.

The second principle is the principle of scarcity. This requires the budget maker, the decision maker to first divide and allocate, because the resource is scarce. Society cannot produce all the goods and services that people want, because these goods and services are scarce resources. What do we mean by scarcity? It is simply limited supply, and you can allocate and give them away in finite quantity or finite amounts.

Budgeting in more sophisticated terms is dealing with the basic question in government

allocation of funds. The basic economic question is: On what basis shall it be decided that a limited amount of X dollars be allocated to program activity A or to program activity B, or alternatively, leaving this money in the private sector, and let the taxpayer use it the way he likes.

You could see that public budgeting is essentially applied economics, calling for reallocation of scarce resources among competing claims. This claim is taking place in the context of the political situation calling for the decision of who gets what, how much, when, where and how. So budgeting is at the intersection of the overlapping area of economics and politics.

To understand the economic side of budgeting we need to deal with some basic economic concepts, at least three of them, according to Vern Lewis, who wrote an article about half a century ago entitled "Towards a Theory of Public Budgeting." The first concept is the concept of relative value. The second concept is the concept of marginal analysis. The third concept is the concept of relative effectiveness.

Let us look closely at each of these. Because of the scarcity of resources, we need to define relative value. The value of anything is simply that which is given up if you have to have this thing. Robinson Crusoe, for example, on the island, yes, only limited number of daylight time. It is a forest. Should he spend his daylight time looking for a tree to get some fruit or should he spend his time going to the river and catching some fish? Whatever he decides—let us say he decides to look for fruit—the value of the fruit is the fish that he did not catch.

In other words, the value of anything is the forgone alternative use of your resources called, by economists, opportunity costs. If I were a young man and I want to spend four years of my life I can either spend it going to school and getting a bachelor's degree, or I can spend it working out in industry making money. Should I decide to go to school, the value of my degree, my education, my training is the lost wages that I could have earned had I started working during all those four years. That is relative value. In

other words, the value of anything is what is forgone once you embrace or choose the particular thing for yourself.

The second concept is marginal analysis. Marginal analysis arises out of a bit more basic phenomenon. They call it marginal utility. There is a law called the law of the diminishing marginal utility. It is an economic law. The classic statement of this is Professor Bigou, that resources should be so distributed among different uses such that the marginal return of satisfaction is the same for each of such uses. Government expenditure should be so spent and distributed between battleships or relief for the poor such as the last shilling will bring or yield the same real return, real economic return.

What does it mean? Marginal utility means this: the more you acquire units of anything, there will come a point when acquiring one more unit will bring you less and less utility or usefulness. If I have a car and all my four tires are worn out, I can buy the first brand new tire, the second brand new tire, the third brand new tire, the fourth brand new tire. After that I will be thinking, should I buy the fifth brand new tire? It will have less value than the first four. If I buy the fifth, because I want also a spare which is brand new, would I buy the sixth tire? No, because it already had value less than zero. It will just be a hindrance to me, it will occupy space in my trunk, so I will not even buy it. That is the law of diminishing marginal utility.

\* (16:30)

The relative effectiveness of the different purposes for which you use public money. In our provincial government we can use public money for health care, we can use public money for education, we can use public money for crime prevention, police protection, safety, or we can use it for bringing up other purposes in government. This concept, relative effectiveness, simply means that each of these alternative uses of public funds are to be evaluated in terms of their respective contribution to the higher common purpose, in the case of the provincial government, in promoting the general welfare of all Manitobans. That is relative effectiveness.

Government budgeting, therefore, is the authoritative distribution of limited economic

resources among competing clans seeking to satisfy unlimited human wants through efficient distribution of these resources within the given political system for a specified period of time, the Budget year. There are competing claims because our needs, the need for food, for shelter, for clothing are basic needs, but our wants are unlimited. We want not only shelter, we want a house, and we want the house to be a three-bedroom house. We want carpeting, wall-to-wall carpeting. We want many, many things, unlimited human wants. That is the nature of human beings. Their wants are much, much beyond their needs.

Indeed, some people call this tendency of human beings greed, in violation of the Ten Commandments: Tu ne convoiteras pas la maison de ton prochain, la femme de ton prochain, ni son serviteur, ni sa servante, ni son boeuf, ni son âne, ni aucune chose de ton prochain; thou shalt not covet thy neighbour's house, nor thy neighbour's wife, nor thy neighbour's manservant, nor maidservant, nor his ox, nor his ass, nor anything that is thy neighbour's.

We covet because we want too much. We also want services, of course, all kinds of services. Not only medical services, not only educational services, we also want vacation, we also want recreation, we want travel. We want many, many things. That is why resources that are limited have to be allocated rationally, according to the rules that we have tried to illustrate, the rationality of those economic concepts, of relative value, marginal analysis and relative effectiveness.

Now, let me talk about accountability. Once the budgetary process is completed, the output of that process is government programs of activity, all kinds of government programs. Agriculture, that is one of them. The basic question here is: What do we mean by accountability? Who is accountable to whom? Who is accountable for what? How is accountability to be enforced? We will talk about that. Accountability simply means answerability. There are many types of accountability. I can identify four: political accountability, legal accountability, professional accountability and hierarchical, sometimes

called administrative, accountability. Let us take them one at a time.

On what basis have they classified—this is by Professor Romzek. She wrote an article which says: "Dynamics of Public Sector Accountability in an Era of Reform." That is the title of the article. Reform—I always watch that, what do you call, they show it at two o'clock. Canadian Air Farce.

We made this classification according to the source of accountability, whether it is internal or external to the individual who is accountable, and also on the basis of autonomy, the amount of discretion that he or she exercises in their official function. We identify already political accountability. Political accountability exists because that is accountability that comes from the outside. The politically elected official is accountable to someone who is outside his work environment.

*Ms. Bonnie Korzeniowski, Acting Speaker, in the Chair*

Let me give an example of that. Any one of us, MLA, Member of the Legislative Assembly, are we politically accountable to anyone? Yes. If we are politically accountable, to whom? To those who have the power to elect or not to elect us. Who are they? They are the voters in our constituencies. They are from the outside, but we have a relationship of political accountability to them under the system of representative democratic government, because if you do not satisfy your political accountability to these voters, you will not be here. The primary standard by which they judge us in the performance of our political functions as elected officials is responsiveness. That is the standard: responsiveness to the reasonable wishes of our constituents. If we are responsive and we react positively to the reasonable requests and we serve them, then they elect us. But, if we do not, if we are not responsive, we do not return phone calls, we do not return letters, we ignore them, they will not elect us because we fail in our political accountability.

The second type of accountability is legal accountability. This is also accountability coming from the outside of the individual or

official who is accountable. Usually these people who are legally accountable are exercising a high level of autonomy. They have a great deal of discretion in the performance of their function, but there is a standard to which they will be measured that is known as the rule of law. No one is above the law, even if you are the Premier, a member of the Legislature, judge, whatever you are. If you violate the Constitution or the statute, the legal injunction, you will be held legally accountable.

\* (16:40)

What is happening now with the recent announcement here about the Lotteries commission? Well, I do not know the facts, but all I know is what I read in the paper. Say, it was initially budgeted for \$65 million, and there are cost overruns and it becomes \$112 million. If you compute the percentage increase of the overrun, it is 172 percent. Where did the money all go? It is up for the investigator to find that out.

Although normally legal accountability is enforced by a judge in a court of law, Parliament, like the Manitoba Legislative Assembly, is the mother of all courts, and the Legislative Assembly can act through its agent. The agent of the Legislative Assembly of Manitoba is the Provincial Auditor, and the Provincial Auditor can investigate, scrutinize, test, monitor financial transactions to hold the accountable official legally accountable, and usually legal accountability arises because of money. *Radix malorum est cupiditas*; the root of all evil is the intent for covetous gain.

I will try my French here: Nul ne peut servir deux maîtres, car ou il haïra l'un et aimera l'autre ou il s'attachera à l'un et méprisera l'autre. No one can serve two masters; either he hates the one and loves the other, or else he clings to the one and despises the other.

You cannot serve God and Mammon; vous ne pouvez servir Dieu et l'argent.

You cannot serve your people and money at the same time.

Let us go to the third type. This is called professional accountability. Our civil service,

our public service, is based on the British model, the Whitehall model. The British public service is characterized by the existence of a group of senior bureaucrats, career people. They expend lots of time in their professional career in the public service. They have expertise not in any specialized detail of administration but in translating the complex issues of policy areas in terms that their ministers can understand and apply. The highest ranking public servant in the British model is called permanent secretary. The equivalent in our system is the Deputy Minister. The Deputy Minister is the highest administrative official in any department of government.

Hierarchical responsibilities is next. This is an exercise or a relationship that exists between superior and subordinate. An employee has a supervisor, for example. The supervisor will give a directive to the employee as to what his tasks shall be and how those tasks shall be done. In addition to the supervisor's directives, there are also existing office rules, regulations and procedures. In the case of public service generally, when you spend money you keep the receipts and you submit your receipts according to office procedures. Apparently, in one of our so-called agencies, Manitoba Lotteries Commission, they get rid of this requirement. They do not even submit evidence of their expenditures. That is not in accordance with the rules and regulations of public service, even of an independent agency. Therefore, sooner or later the official, whoever he is, who did all these things, or anyone like him, will be held legally accountable.

It is important that all officials from the highest elected position, like a premier or deputy premier and members of the government caucus or opposition leader and members of the opposition party, that they exercise political accountability. All of them are politically accountable. Then some of them are professionals, too, especially the career people in the public service. They have professional expertise. They have been there in government under many administrations, and they have this deference to the expertise of these career bureaucrats. That controls the behaviour of their colleagues, even if they are of the same rank, because one deputy minister cannot with impunity ignore the values

that have been the practice of the public service as an established practice of procedure.

It is important that everybody be held accountable, and they can be only held accountable if there are clear standards of performance. In the case of political people, the standard of performance is responsiveness to your own voters, to your own constituents. In the case of public servants generally, including elected officials, appointed or elected, they should be held by the standard of the rule of law. They should follow all the statutes, all the laws, or else they will be legally held accountable. In the case of professional people, they should follow their code of ethics, their professional values. If you are a nurse, there are certain values in the nursing profession that you are supposed to follow and observe. If you are a medical doctor there are certain values in the medical profession that you are supposed to follow. There are certain procedures. These are professional values developed by your colleagues. You are accountable with what you do whether or not you obey these professional standards.

In the case of administrative employees, secretaries, clerks and others, they have to follow the work directives given by their superiors, by their supervisor, how they do their work. If they fail to do it, they will be held hierarchically accountable. Without accountability, the citizen will have no respect for government. If there are too many scandals around any kind of government, the citizens will be very cynical about the system of government. There is no stability, there is no respect. They will rampantly violate the expectations and the rules of society. That will be unfavourable, not only to our system of representative democratic government, but also to the peace, order and prosperity of all the citizens.

If I bore you so much about all these theoretical things, let me tell you a story. We budget according to what we consider necessary. What is necessary depends upon our priority, our values, our beliefs.

In New York there was a physician interviewing a prospective patient. The physician, the medical doctor, said: If I find surgical operation

necessary, would you have the money to pay for it? That is the question. And the prospective patient said: Doc, let us put it this way. If I do not have the money to pay for it, would you find the surgical operation necessary?

You see, here is the operation of self-interest. The medical doctor is, of course, not free from all these human cravings. He wants higher fees, higher salaries to make sure that he can collect before he performs the surgical operation, and he said it would be necessary. But then the gentlemen said: If I do not have the money, would it be necessary? So it depends upon one's value.

\* (16:50)

About another story about waste of public funds, in a barber shop one time I heard two people talking. One said: The modern government nowadays spends too much public money for things that are not necessary. Then suddenly a school bus passed by, and he said: See what I mean? The other gentlemen said: What do you mean? You know, he said, when we were young, maybe that is 50 years ago or so, we walked to school three miles going to school and we walked home three miles from school. Nowadays what does the government do? They build a bus, they spend \$100,000 for a bus so that the kids will not walk, and so they lack exercise. Then in order to have an opportunity for them to exercise they will have \$500,000 to build a gymnasium for the children so they can get their exercise. That is how he proved we are not budgeting rationally in modern government. But in my mind, I ask the question: What about when it is winter, when it is 40 degrees below zero. Would you let your kid walk to school? It depends whether he is well wrapped or well padded. Who knows?

In order to promote, therefore, good budgeting practices and accountability of all kinds, it is incumbent upon us to show by example in our behaviour how we can be accountable. The trouble with accountability is that this is a network, a web of very complicated relationships. Sometimes the accountability is hierarchical and it becomes political. For example, the assistant to an MLA is an appointed person. The appointed person is

supposed to do some office jobs and things like that, but he also has to have relationships with the constituents. So he anticipates what will be responsiveness to the constituent of his elected superior. In that sense, even an appointed person can exercise and have political accountability, like our political assistants.

Sometimes responsibility and accountability are conflicting. An employee says: I just follow the rules. I follow the rules for eligibility. So this constituent of yours, although his request is reasonable, is denied because he failed to satisfy all the eligibility requirements by the rules of this agency. Then the political official at the higher level will complain and intervene and say: Why are you not being responsive to the reasonable request and wish of my constituent? Why are you being so technically correct in applying all the eligibility criteria? Why are you having so much red tape in government when the request is reasonable? See, these are conflicting claims for accountability. Very difficult.

If our government, any government in power, show by example how the Budget can be done by comparing relative values, by marginal analysis that the same return will be coming forth and will be yielded, the cost will be worth its expense of any item of expenditure. It can be defended anywhere. All these expenditures are contributing together by relative effectiveness to the promotion of the welfare of all, of everyone. Then there is accountability and there is good budgeting.

But, like the Member from the opposite side who always said tax cut, tax cut, tax cut, is that reasonable? Who is asking for tax cuts? The few who have high income who do not want to share their good fortune with others, the privileged few who are so broken. If you give tax cuts, of course it is a zero-sum kind of allocation. You have less money for health, you have less money for education, you have less money for your children because you want to give more money to those who are already fat cats in society. Tax cuts, that is what it is.

Who will demand tax cuts except those who have high income? The following statements were made, and guess who said this? The Budget

should be balanced. The Treasury should be refunded. The public debt should be reduced. The arrogance and extravagance of the officialdom—just think of the Lotteries Commission—the arrogance, extravagance of officialdom should be controlled. Expenditures should be monitored, performances should be improved. Who said that? It was said by a Roman orator named Marcus Tullius Cicero. Unless we do these things, he said, Rome will be bankrupt. Yes, the city of Rome, the heart of the Roman Empire.

We ought to train our government officials in the practice of rigorous economy. We have to train them in a strict accountability, legal, hierarchical and professional, and we have to train ourselves in political accountability. Then we will have a stable system of representative democratic government. There will be less clamour for referendums and the direct election and other things. If you grant all these claims of Reform, then there will be no more democratic government, no more representative government because you can have electronic balloting by referendum on every issue, and that is technically possible now.

Where will your job be as a member of the Legislative Assembly? It will be gone, because it will be a form of direct democracy. It is direct democracy. Direct democracy happened already in history, in the golden days of Greece, Athens. Every citizen there, every free man, other than the slaves, had a direct say. They had their meeting in the public square, in the *agora*, and they decided all policy there by every citizen. But direct democracy is no longer possible with millions and millions of people here, but with advances in technology, in systems of communication, in computer voting, in other things that are now within the realm of technical possibility. Do you want that? That is direct democracy. It destroys representative government because the people directly will decide what they want. Unless we control the accountable system in government, there is no more respect for government and government officials, and that will be the risk of losing our heritage of representative democratic government. Thank you.

**Mr. Jim Penner (Steinbach):** I have already got applause from my neighbouring honourable minister without having spoken very much, and that is really great.

Madam Acting Speaker, it is indeed a great pleasure to rise and address for my first time as a member of this Chamber a new provincial budget. Some people told me that, when I ran for election, this would really not be worth the time, but after listening to this last speaker it is most invigorating.

\* (17:00)

I would like to also go outside of the borders of Canada and make some reference to some countries other than B.C. I think it is just wonderful to see what has happened in the country of New Zealand and in the country of Ireland where common sense prevailed, and these countries were in dire trouble. New Zealand was bankrupt; it was in dire trouble. In New Zealand, they started off by being equitable and fair with taxes and giving people the resources to build the country.

Here are two countries, New Zealand and Ireland, where the record stands that proper management of taxes, and not indiscriminate tax grabs, is the solution to the growth of the country. Now both of these countries have grown way in excess of Canada in recent years. In fact, they were somewhat behind us; now, in their growth rate, they are ahead of us. In gross national product, they have outdistanced us too. So I would say what has happened in other countries could be a lesson to Canada, and, obviously, some of the provinces have heard this lesson. We wish that we could hear this thing happening in the Province of Manitoba, too.

I was just outside in the hallway a few minutes ago, and I met some schoolchildren. I asked them: What did you learn today? They told me they had read a really interesting story. Then they asked me: Well, what did you learn today? I was at a loss for words. I do not want to spend too much time on that, but I think that we have to exercise discernment in what we are trying to understand about this budget.

I have some examples of how to exercise discernment, because my job in Pioneer Days in Steinbach is that I run the threshing machine and steam engine at the museum every Pioneer Days. I have done that since 1971. What we do when we power up the steam engine—and that is more than political steam—we run a threshing machine where we pour in bales of wheat. What comes out in one spout is grain, and on the other spout is the chaff.

**An Honourable Member:** Do they not use sheaves?

**Mr. Jim Penner:** Sheaves, yes, bales. I am sorry. Thanks.

Today we need to look at this budget and separate the grain from the chaff, because there are a lot of words here which we practically do not need. It is like the five promises that we heard from the Government. You know, three of the promises are: I will do nothing. I will not sell Hydro. Nobody ever talked about selling Hydro. So here we go. So the promise is, I will do nothing. But we need to separate the—*[interjection]* And we never talked about selling MTS, because we thought it was not something that you would find objectionable. When you look at the fact that we have the lowest telephone rate in Manitoba and Canada, and you find that hard to take, and we are remaining competitive, I think it is a marvellous thing. But we understand that many of you have not had business experience, and we know where you are coming from.

I consider this of particular significance for myself for two reasons. The first is that prior to my election to this Chamber, members of this House know that I spent 36 years in the food industry. *[interjection]* You have to be a little louder or you are going to miss Hansard. In my 36 years in the food industry, I can tell you, Madam Acting Speaker, that as a president of a grocery store we were affected by provincial and federal budgets on two fronts. The most obvious is that as a corporation the business paid taxes. So with each budget, we watched with interest to see how the policies of the day would affect the amount of taxes the company would pay and how that would impact the bottom line of the business.

Mind you, all the taxes that were paid were actually paid by customers, the consumers. They paid—*[interjection]* That was the FST converted to GST. That was a very wise thing, according to Chrétien. But all the taxes that businesses pay are collected by the retailers or manufacturers from customers, from consumers. So in fact businesses, in a sense, do not pay any taxes at all, regardless of what tax rate is applied to them. All the taxes flow through to product, to sales, to manufacturing. So customers and consumers pay all the taxes, regardless of whether we flow it through the businesses or not.

Less obviously, of course, the budgetary policies of the Government affected the lives of our shoppers. As taxes increased and our customers were left with less and less discretionary money in their pockets, their shopping patterns changed as they attempted to do with less. Such a change led, of course, to reduced revenues and to fewer staff. This type of negative spiral was mirrored in virtually every business in every part of our province. Of course, the opposite was true in times where governments helped set the stage for a competitive tax environment and lower interest rates. In these times our business grew, and we were able to hire more staff and pay them better wages. This is a simple reality of the relation of business to budgets. Budgeting and business are something that was very effective. To stay in business for 36 years, we had to learn how to budget.

The second reason that I consider it significant to speak to the Budget is that I represent a region that contributes significantly to the tax base of this province. Those tax dollars flow into the provincial coffers. I believe that I have a responsibility to work to ensure that they are invested wisely and to the betterment of my region and our province.

Madam Acting Speaker, let me begin with by telling the members opposite: I know the preparation of a budget document is one of the most difficult things to accomplish. I have done it many times. I am certain that, after more than a decade of being in opposition, they found it more challenging than they could have imagined. Undoubtedly, the added time it took for them to deliver this budget is something of

an admission of the difficulty they had in its preparation. I might also add that, although I was very anxious to see what was in this budget, in hindsight, perhaps members opposite should have taken greater time to ensure that they got it right the first time.

But, as mentioned, Madam Acting Speaker, I have some degree of sympathy for the exercise undertaken by members opposite in crafting this budget. For virtually all of my life I have begun each fiscal year in my business life by sitting down with my staff and assessing the needs of our business for the coming year, and trying to put into place a budget and a vision that would meet the needs of our company and its employees, to serve our staff.

While I have not had the pleasure to date of working on the creation of a provincial budget, I can imagine that many of the challenges could be the same. First and foremost, in the developing of a budget, you have to weigh the competing interests of those affected by it. In a company there are many divisions and sectors competing for revenues, and inevitably each feels that they are in some way more vital to the success of the company than the other.

I am certain that when, the Finance Minister (Mr. Selinger) went to the various departments regarding the upcoming year's budget, he heard arguments as to why each was of great importance to Manitobans. Of course, he got an early start in the process by asking each department what they would like to have for Christmas through the crafting of the Deloitte and Touche report, mistakenly referred to sometimes as an audit.

Unfortunately, while our Finance Minister was trying to play Santa to various government departments, he came out playing Scrooge to Manitoba taxpayers. One of the most difficult things about the creation of a budget, and something I do not think many people realize, is that, although it is a one-year document, the effects are long term. When crafting a budget, you must know that the decision made for one year will echo into the next and that a mistake in a direction might very well take years to fix.

Members opposite, who perhaps do not have a great deal of experience in these matters,

should understand that decisions made do not cease having an effect on the first day of the new budget. It takes vision, and it takes foresight to make a budget. I certainly saw little of either of this in the Government's first attempt.

I would like to spend the bulk of my time reflecting the thoughts of my many constituents who have spoken to me about the Budget and the days leading up to it, and the days since its release. Members of the House may be surprised to know that, rather than being inundated by residents with a list of things they wanted their government to provide them in the Budget, residents of our constituency have been telling me what they do not want their government to do.

Indeed, Madam Acting Speaker, before I go into each point more directly, let me tell you that the residents of my constituency, residents that provide a great deal of tax money that our government spends, have said this: No. 1, they do not want money taken out of the hands of those who make it work; No. 2, they do not want to see the future of our province, our young people, driven out of it. No. 3, they do not want us to forget we were elected to manage their tax dollars and look for efficiencies, and I will come back to the word "management"; No. 4, they do not want governments to forget about the importance of infrastructure; No. 5, they do not want us to stifle the progress that has made this province so strong in the past decade.

\* (17:10)

These concerns become part of our core values. They become part of a vision. They become part of a purpose, and this vision and purpose and assessment of our core values is probably missing because we do not see it addressed in the Budget.

Madam Acting Speaker, there is an old saying that I am certain if I reviewed Hansard has been spoken in this House many times, and it says: You do not make the poor rich by making the rich poor. In fact, that is attributed to a president of the United States. So we do not want to throttle productive people by choking them with excessive taxes. Indeed, I would suggest to the members opposite that by leaving

money in the hands of those who will use it to create new products, they will do exactly what happened in New Zealand and in Ireland, they will create new jobs. They are, in fact, raising the bar for all Manitobans and not just a select few.

Growth comes from reinvestment, not tax and spend. Taxes will grow if productive people can keep some money for reinvestment. When members of my constituency tell me they do not want government to take money out of the hands of those who make it work, I listen because they have been proven a success. We call these people good stewards. Stewardship is a little different than ownership. Stewardship is when you address the money that is in your possession as something that needs to be worked with, not necessarily as a personal possession but as something that you are a steward of.

Madam Acting Speaker, I might cite the example of Loewen Windows, almost 100 years old by the way, in Steinbach, and the 20-million expansion they are undertaking which will result in the creation of 250 new jobs. In fact, I noted that this company, the largest manufacturer of wood-framed windows in Canada, received mention in the Budget. I might also mention as I have in the House in the past the success of Granny's Poultry in Blumenort and the recent expansion they have undergone. Of course, it is not just large business that makes a contribution to our economy and creates jobs. To the contrary, members know that its small business in Manitoba that provides the bulk of employment that is really the backbone of our economy. In fact, these small businesses may need protection from things like big box stores that wipe out many small operators.

With this in mind, I would like to make mention of W. H. Welding in my constituency, which recently grew, I think, from seven employees to thirty-five employees and continues to provide employment as a family-run business.

Madam Acting Speaker, before members opposite become too proud of themselves and again try to take credit undeservingly, let me advise them that the ability of these businesses to grow and expand was not provided in the past six months. In fact, the foundation of this growth

stems, firstly, from entrepreneurs who head these companies, who had a vision and the courage to move forward and, secondly, from a government of the last decade which recognized that the success of our economy was partially tied to providing business with a competitive environment.

Madam Acting Speaker, before members opposite get the impression that I am simply advocating that government reduce taxes and restrain some business, let me say that the greatest ability we have to create a strong economy is by leaving money in the hands of ordinary Manitobans. By allowing Manitobans to keep more of what they earn, they will help stimulate the economy to create more jobs and more opportunities.

And so it was with great disappointment that I listened to the first budget of the New Democratic Government. Rather than prove that they had learned the lesson that governments all across Canada of all political stripes have learned, we awake to a government that is marked by the headline of "highest taxes in Canada." In only eight short months, we have gone from a province filled by the confidence of the Pan Am Games and record low unemployment to a province with a mantra of "highest taxes in Canada."

Perhaps it is that New Democrats do not have the same faith that governments in other provinces do in the ability of their citizens to create jobs and wealth and increase the lot of all Manitobans. Maybe it is that Today's NDP really are the same group of big spenders we saw in the '80s, while the other governments in Ontario, Alberta, and, yes, even in NDP Saskatchewan, are saying to their residents: Here are real tax cuts in Manitoba.

We have created our own island of tax and spend. What do we say to the family of four earning \$60,000 now paying the highest amount of provincial income taxes in the country? Do we say to them: Sorry, we do not have the ability to do more. That would certainly be less than fair. In fact, not only did the Government resist giving any real tax relief of its own, it denied Manitobans the relief it would have received from the federal government by delinking from

the federal income tax structure. Perhaps we should simply tell Manitobans that your government does not see fit to give you the breaks seen in other provinces, because your government believes it knows better where to spend your money than you do.

Madam Acting Speaker, this budget is keeping dollars out of the hands of those who can help contribute to keep our province prosperous, and it will prove I believe to be a mistake we will pay for dearly. This fits in clearly with the next thing that residents have told me. They do not want to see our young people driven out of our province. I think all members of this House would be in agreement that Manitoba's young people are among the most talented and gifted in our country. Young people are the greatest resource that we have. We all know from our own communities the depth of talent and ability our young residents have.

It is a worn cliché to say that they are the future leaders of our province, but perhaps more than ever it is worth repeating because today there is doubt if in fact these young people will still be in Manitoba to lead us through the new century. On the one hand, we have a government that despite a decade of hollow rhetoric has failed our post-secondary institution in its first budget. After falling almost \$17 million short in required funding for post-secondary education, students in Manitoba now face institutions with depleted staff and gutted programs.

I can tell you that I am one of the biggest proponents of higher education and, in fact, of lifelong learning. I personally wish to be a student all my life. I started life becoming a high school teacher, and I have worked 19 years on the board of governors at a university. Also, as a businessperson, I made a special effort to employ post-secondary education students so that they could afford to pursue their studies and reach their goals and contribute to our province. But what signal is this government sending to our youth? If this new government is not truly committed to quality post-secondary education and to the aspirations of our young people, why should young Manitobans feel a commitment to our province?

You know that whole tax-and-spend philosophy means we could be training a lot of people who just leave the province. And, Madam Acting Speaker, what about those who do achieve their training in Manitoba? What does the future hold for them? The New Democratic Government seems to be crossing its fingers that these talented graduates will simply stay in Manitoba, despite the prospect of losing thousands of dollars each year due to a comparatively high tax regime. I believe that Manitoba is one of the best places to live in all of Canada. I have travelled in 38 countries in the world, and I find the best day of my life is always the day I come home to Manitoba. I have learned to appreciate this province, and I have been able to develop myself and my family's interests within it. I can tell the House there is no other place I would choose to hang my hat.

It is naive for members across the way to expect young graduates to turn down opportunities in other areas of Canada which have undergone serious tax reductions. They will not stay here just for sentimental reasons. Can we realistically expect a wage earner to pay income tax that is 66 percent higher than in Kenora, for example? Perhaps Jonas Sammons of the Alliance of Manufacturers and Exporters Canada summed it up best when he said: "We can now offer our students bursaries and train them to leave the province. We must create an incentive to keep our young people at home—a competitive tax structure," *The Winnipeg Sun*, May 11. I would say quite sincerely that the cost to this province of young people leaving is incalculable.

My constituents have also been clear in their discussions with me that they expect government to operate efficiently and with good management. Yet, when we look at the script of the recent budget we find an abundance of words like "additional funding," "increased grants," "expanded programs," and "increased spending." I know personally, and you possibly know too if you want to think about it, that throwing money at a problem is not the way to solve a problem. That is not management. Management goes far beyond just funding.

We write a budget, and we just throw the money at the problem, piles and piles of money,

taxpayers' money, money that does not even belong to us. Just like the businesses collect money from customers that they use to pay taxes, governments collect money from citizens to pay taxes. We have large amounts of money, \$9 billion coming into the Government's coffers, and then we throw it at things when there is a problem. That does not solve problems. We do not see a concerted effort to find a more efficient way of doing things. We do not practise good management principles. We have to find better ways in which a government can operate.

\* (17:20)

Members opposite have, it appears, only looked at one side of the budgetary coin. In this, the first budget of Today's NDP, we find that for every dollar of additional tax reductions, the Budget will increase program spending by \$8. Pouring more and more money into programs may help to provide short-term relief to problem areas, but what does it do to address long-term deficiencies? Unfortunately, it would seem that, when members opposite attended their classes on how to do a budget, they only heard half of the lesson, the half on spending.

We need a plan for savings, and we need a plan for efficiencies so that taxpayers get value for their money. We can be sure that, if we dump an additional \$5 million into programs, the \$5 million will indeed be spent. It is like flushing it away. What can we be sure to get out of it? Of what benefit will it be to Manitobans? Without good management in government, there will never be enough revenue, and there will never be enough programs. It is easy to forget that governments have no money of their own. Every dollar that government spends once resided in the hands of ordinary Manitobans. Manitobans want to see a government that is equally committed to providing efficient government as they are to providing effective government. It is something I think that this administration has failed to demonstrate in their first budget.

Of course, Madam Acting Speaker, I think one of the places that Manitobans do really see a tangible return for their tax dollar is in the infrastructure we provide. This has been proven by my constituents, who remind me that the Government cannot overlook the importance of

solid infrastructure for our province, because it is the lifeblood of our industry and our economy. We know that there are lagoons waiting to be built, we know that there are roads that need to be upgraded, and many of these things have not been addressed in the Budget. We have many concerned citizens. Many people in my constituency are really wondering whether they are being left out.

I was reminded of that just this week when I received a petition signed by several of the local businesses in my constituency and copied to the Department of Highways which implores the Government to maintain a particular stretch of highway because of the economic activity it supports. You know all those new hog barns and chicken barns? They have to haul feed in and they have to haul livestock out, and we really, really need those roads adequate for that purpose. Also the dairy farms, with those large trucks, need the support of a good infrastructure.

Yet in one of the areas where this government can make a truly substantial investment in the economy of Manitoba, it has dropped the ball. Construction and upgrading of provincial trunk highways, provincial roads and related projects will receive \$10 million less than last year and, conversely, winter roads are receiving an increase of more than \$1.5 million. Despite the Honourable Member for La Verendrye's (Mr. Lemieux) past comments that he was to be the voice of the south in cabinet, it appears he has failed, despite his best efforts, to convince his colleagues of the important contribution our southern roads system makes to the economy. He needs to talk to his colleagues about the importance of maintaining a part of our economy that is actually working instead of just throwing money at parts of the economy where we will get no return.

Perhaps this should not come as a surprise, as this budget was produced by the same government which has been unable to provide assistance to agriculture producers affected by last spring's flooding in southwest Manitoba. More than anything, the residents of the Steinbach constituency have consistently told me that they do not want a government that will stifle the progress that has been achieved over the past decade.

Indeed, members will know, and I am sure that the members for Pembina (Mr. Dyck), Emerson (Mr. Jack Penner) and Morris (Mr. Pitura) would concur, that the southeast and centre part of Manitoba has grown at an enormous rate these past 10 years. It has done so under a government that recognized the importance of lower taxes, of providing opportunity for young people, of providing a strong infrastructure system, and of ensuring that we had a diversified and competitive economy.

We talk about the average unemployment rate in Manitoba. How does that average become a number of 4, 5, or 6 percent when, in fact, my Steinbach constituency is considered to have zero percent unemployment. That is an economy we need to stimulate and motivate and keep going.

Indeed, I regret to say that what I have outlined today and what has been moved in the motion of non-confidence by the Honourable Member for Kirkfield Park (Mr. Stefanson) clearly shows that this Government has stalled the progress made by Manitobans over the past decade. Instead of continuing down the road of a relative tax advantage to other provinces, instead of addressing the tax breaks that are coming across Canada, we have a government that has staked out Manitoba as an island of taxes in a sea of reductions.

Businesses and individuals must now wonder: What is the Manitoba Advantage? They must now wonder if the vision for Manitoba's economy is based on a government of high rollers willing to gamble the future of Manitoba away for the ability to start more programs and build bigger government.

Today Manitoba does not even compare favourably with its neighbour to the west, Saskatchewan, a province with comparable size and structure to our own. Middle-income earners who pay 13 percent tax in Saskatchewan will pay over 16 percent in Manitoba. Of course, we all know what our neighbours to the east are doing and the benefits its citizens are receiving.

Madam Acting Speaker, as a parent and as a grandparent, I am frightened by the effects of this budget. One wonders what they should tell

their children when they are graduating from college and they are offered a job in another province that will leave them thousands of extra dollars in their pockets due to a more competitive tax environment. As a representative in the House, I worry that Manitoba schools will become nothing more than a feeder system for the provinces that have taken the steps to reduce the tax burden on their residents.

This is not the continued progress residents of Manitoba or my constituency expected from this government. It is clear that this government has not learned the lessons of prior New Democratic governments in the '80s and the governments across Canada. Today, after only eight months in government, New Democrats have helped bring Manitoba to the top of the heap in terms of taxes.

We cannot be ideologically blind because that ends up that we are academically neutered. We have to learn what the word "manage" means.

I began earlier by stating that budgets are about more than one year's spending. They are about a vision and the decisions made that could have an effect for many years to come. This budget provides a vision for Manitoba that is, at best, unclear, and, at worst, frightening. It contains decisions that will affect Manitobans, young and old, for years to come and which may erase the positive steps which were achieved over the past decade.

As a businessperson in this province and as a representative of this Legislature and as a father and a grandfather, I am deeply concerned by the direction which has been taken by this government. and I will stand in support of a non-confidence motion that has been put forward by the Member for Kirkfield Park (Mr. Stefanson).

**Mr. Doug Martindale (Burrows):** Madam Acting Speaker, it is a pleasure for me to rise to take part in the Budget debate, and I would like to begin by rebutting the amendment to the Budget motion proposed by the Member for Kirkfield Park. It begins by saying our budget fails to provide a vision or plan for Manitoba's economy. On the contrary, we believe that there is a vision. It is in the Budget document. It is in

the Budget speech, and basically that vision is that we have a balanced approach. We believe in investing in health, education and social programs and reducing taxes and bringing in a balanced budget. That is our vision; it is there for everyone to read in the Budget documents.

On the second item, "failing to protect the strong economic climate established in Manitoba . . ." On the contrary we believe that we have protected the strong economy, and probably the most important thing is keeping Manitoba Hydro. Certainly, having the lowest cost electricity in Canada is one of the best ways to protect the economy. In fact, in the Budget documents, there are a number of items which illustrate that we have protected the economy in Manitoba.

\* (17:30)

In fact, I can tell you how I wrote the speech. I looked at each one of your amendments from the former Finance Minister, the Member for Kirkfield, in a rather unusual move. Usually the amendment is introduced by the Leader of the Official Opposition (Mr. Filmon) but he disappeared and the Member for Kirkfield Park was substituting for him, so all I did was look up the Budget document and I would like to quote from it because it talks about our economic initiatives. I will just read some of the headings here: "Addressing skill shortages," "Promoting immigration," "Keeping Manitoba Hydro," and "Reducing small business taxes," in which "our government is committed to seeing small and innovative businesses grow and prosper." The result is that "the small business income tax rate was decreased from 8% to 7% this year, and it will be further reduced to 6% next year, and to 5% on January 1, 2002."

There will be legislation introduced in this session facilitating e-commerce. We will continue to support research and development. Then there is a whole list of budget items which directly encourage more technological knowledge-based activity in Manitoba, and I will just read some of them: for example, the Manitoba Science and Technology Fund, the Manitoba Innovations Fund, which will provide \$7 million to help Manitoba's universities, hospitals and other research institutions. We will

invest money in the mining industry, activities which are sustainable and which promote clean air and fresh water.

There will be a new infrastructure agreement with the federal government, and we are allocating \$4 million for this initiative. The Budget provides ongoing support for Manitoba companies to raise new capital and expand through the Manitoba Equity Tax Credit. Also, labour-sponsored Venture Capital Corporation, supported by Manitoba and federal tax credits, will be continued. The Crocus Investment Fund is an example of this.

Then it goes on to talk about community economic development, urban initiatives, rural initiatives, aboriginal and northern initiatives, agricultural initiatives. So there are many, many ways by which this government is continuing to invest in Manitoba to ensure a strong economy.

Number C says failing to provide substantial tax cuts to Manitobans. [*interjection*] The letter "C." I stand corrected. The Budget documents are quite clear about our commitments to tax relief. If the members of the Opposition would care to read the Budget document, they would find on page 21 several pages of tax relief, which I am happy to read into the record and remind the honourable members of beginning with our election promise of increasing the property tax credit by \$75. On average, this provides a 3.3% reduction to Manitoba property taxpayers. For an average Winnipeg home, the additional \$75 represents a tax saving of 2.7 percent and in rural Manitoba, an even higher saving at 4.9 percent.

Then there is income tax relief. Our government will deliver additional personal tax relief to Manitobans of \$68 million in 2001, a further \$34 million in 2002, for an annual total of over \$100 million. Then there is a long itemized list here of how this affects individuals and the different kinds of tax relief. We are reducing taxes across the board by enhancing the nonrefundable tax credits and adjusting tax brackets. We are providing more support to families with children through the new family tax reduction. We are providing more support to persons living with disabilities in the family tax reduction. We are removing 15 000 low-income

Manitobans from the tax roles. We are increasing the tax recognition for charitable donations. We will simplify Manitoba's income tax with only three categories. We will eliminate use of a net income tax, and we will no longer have a surtax.

*Mr. Speaker in the Chair*

Here is how it affects families of different sizes and incomes. For a family of four with one income of \$40,000, Manitoba income tax falls by \$153 this year, \$421 next year and \$515 in 2002 relative to 1999. There are savings over the period \$1,089. For a single senior with an income of \$20,000, taxes drop \$60 this year, \$192 next year and \$214 in 2002 compared to 1999. Over the three years, this senior will save \$466 in provincial income tax. For a single parent with earnings of \$20,000 and one child, Manitoba income tax drops \$76 this year, \$197 next year and \$229 in 2002 compared to 1999. Over three years, this parent saves \$502 in income tax.

For a two-income family at \$60,000 with two children, income tax falls \$194 this year, \$526 next year and \$605 in 2002 relative to 1999. Their three-year income tax savings total \$1,325. This tax relief means Manitoba remains one of the most affordable places to raise a family.

Then we are going to reduce small business taxes, which I already mentioned. So contrary to the third part of this motion, there are lots of tax cuts in this budget.

Item D says failing to recognize the importance of tax competitiveness so Manitoba can continue to prosper. Well, the members of the Opposition like to talk about tax competitiveness as if it is the only reason to live in Manitoba or the only reason to move to another province. But if honourable members would refer to the Budget documents, they would see there are quite a few items here called the Manitoba Advantage. I think if we looked at previous budgets, these same kinds of tables were printed in the Budget documents by former ministers of Finance in the Conservative government. I would like to begin with a story which illustrates this.

I know a young woman who went to university and got a Commerce degree and became the production manager at a factory, the first woman production manager at this factory. She was offered a job, I believe, at twice the salary, certainly at a substantially higher salary in Toronto. So she checked out everything about living in Toronto, the taxes and the cost of living in terms of auto insurance and particularly housing, and what did she decide to do? Surprise, surprise. She decided to stay in Winnipeg. So, if it was only for taxes, of course, she might move to Toronto; but, if you look at the cost of living, most people are going to stay in Winnipeg.

Why would you want to leave a town where the average house cost is \$90,000 and move to a city where the average cost of a house is \$250,000 or \$300,000? Of course, there are huge advantages to staying here. Now, if you look at "The Manitoba Advantage," and I invite members of the Opposition to do that, beginning on page 9. Just looking at the charts and graphs, "Annual Personal Costs and Taxes: Family of Four Earning \$40,000," if you look at the chart, which compares us to all the provinces, guess who pays the least taxes? Manitoba.

Turning the page, "Average Price of a Single-Detached House, 1999", major cities in Canada are compared here. Guess which city is the second lowest? Winnipeg. "Average Office Rental Rates, 1999: Dollars per Square Foot"—Winnipeg, third-lowest in Canada. "Industrial Rental Rates, 1999"—we are about the middle of the pack. "Monthly Industrial Electrical Bills: Medium-sized Commercial/ Industrial Customer, 400 000 Kilowatt Hours, 1999"—they compare cities in Canada and the United States, and guess what? We are the lowest of all the cities listed there in Canada and the United States. "Monthly Industrial Electrical Bills: Large-sized Commercial/Industrial Customer"—lowest of all the cities in the graph. "Pre-Tax Net Income: Small Manufacturing Firm"—Brandon and Winnipeg, Pre-tax net income is the highest in Manitoba, due to low operating costs. "Effective Tax Rates: Small Manufacturing Firm"—Brandon and Winnipeg are in the low end of the graph here comparing Canadian and American cities.

It shows that a Manitoba location offers competitive taxes. Then, if you go on to "Appendix 1: Manitoba's Competitive Environment for Manufacturing," and on D8, "Net Cost of Investment: Small Manufacturing Firm"—Brandon, second lowest of all the cities in Canada and the United States illustrated, and Winnipeg is in the low end. "Net Cost of Investment: Larger Manufacturing Firm"—Brandon is the third lowest; Winnipeg is in the middle of the pack. "Pre-Tax Net Income: Small Manufacturing Firm"—Brandon and Winnipeg. Pre-tax net income is the highest in Brandon, followed by Winnipeg. "Pre-Tax Net Income: Larger Manufacturing Firm"—Brandon is the highest, followed by Winnipeg, meaning their pre-tax income is the highest.

Going on to D11, "Effective Tax Rates: Small Manufacturing Firm"—Brandon and Winnipeg are in the low end. "Effective Tax Rates: Larger Manufacturing Firm"—Brandon and Winnipeg are in the middle. "Internal Rates of Return: Small Manufacturing Firm"—Brandon is the highest; Winnipeg is in the middle. "Internal Rates of Return: Larger Manufacturing Firm"—Brandon has the highest rate of return; Winnipeg is in the middle. "Internal Rates of Return: Small Manufacturing Firm in Cities over 500,000"—Winnipeg is the best. "Internal Rates of Return: Small Manufacturing Firm in Cities under 500,000"—Brandon is the best.

\* (17:40)

Going on to Appendix 2, "2000 Inter-provincial Comparison of Annual Personal Costs and Taxes": "Annual Personal Costs and Taxes: Single Person Earning \$20,000"—Manitoba, the lowest in Canada; "Annual Personal Costs and Taxes: Family of Four Earning \$40,000"—Manitoba, the lowest in Canada; "Annual Personal Costs and Taxes: Family of Four Earning \$60,000"—Manitoba, the third lowest in Canada.

Now would you believe any of these things listening to the opposition members' speeches? Of course not, because they do not want to look at the facts. They do not want to look at our budget book. They do not want to quote from it. They are only being negative—nabobs of negativism. Then there are charts, "2000

Comparison of Annual Personal Costs and Taxes," and it is all laid out here, comparing families of different sizes.

When I listened to members opposite, it made me think of something that I put away in my files, which I found recently, and it is called—it is from an article. I do not have the whole article here, but it is titled "Workfare: Ideology for a New Underclass." I do not know who the author is, but it is very interesting. It says applying social policy newspeak phrases to the wealthy shows how ridiculous they really are, and I think members will find this interesting. These are questions. Of course, some members will say they are rhetorical questions, but they are very interesting questions, nonetheless. The first one is: Are wealthy people dependent on tax breaks? How could we reform the tax system to make the wealthy more independent? This is turning newspeak and common phrases applied to the poor on their heads and applying them to the rich. We have heard that poor are dependent on the Government. Well, this question is: Are the wealthy dependent on tax breaks?

The next one is: If tax loopholes for the wealthy were closed, would the wealthy continue to pass their tax dependency on to their children? Is greed generational? I suspect that they would pass their tax dependency on to their children. If RRSP laws were changed, would the wealthy lose their incentive to work? Would they lose the incentive to retire? Would they become couch potatoes and sluggards? Should tax policy provide a hand down, not a handout to the wealthy? Would the wealthy have more self-esteem if they worked for their money, rather than inheriting it? Would counselling help the wealthy escape from the culture of wealth? Is 46 percent of the wealth sufficient for the richest 5 percent of the population? Could they get by with 40 percent? Could they eke out an existence on 30 percent? How much would be left for the rest of us if they did? Rather interesting questions. I would like to hear some of the members opposite answer those questions, but I am quite sure that they will not.

Going on in the amendment, E and F talk about allegedly failing to provide any incentive for our young people to stake their futures in Manitoba and failing to provide adequate

support to Manitoba universities. Well, on the contrary, we have invested in education and in universities, and that is a very good reason to stay in Manitoba.

Well, what have we done? Well, let us have a look here. Overall spending on education and training. It is a good question, and I have an answer for it. Overall spending for the 2000-2001 Budget is \$1.4 billion, including tax credits. The overall expenditure increase over last year is 4.5 percent, not counting the property tax credit.

Here are some of the highlights: a \$30-million increase to public school funding; a 10% reduction to college and university tuition fees; an \$8-million benefit to students; \$8 million to colleges and universities to reimburse them for the tuition reduction; \$10.8-million overall increase in base operating grant support to colleges and universities, a 3.8 % increase; an additional \$5.1 million to begin the doubling of college spaces.

What about funding to public schools? That will be interesting to see. I am sure they are going to vote for their amendment, but will they vote for our budget? If they vote against our budget, it means they are voting against increases to education, against increases for K to 12, against increases for post-secondary.

Government has made a long-term commitment to increasing funding to public schools at the rate of growth of the economy. On February 1, 2000, the Minister announced a 3.8 percent or \$29.7-million increase in funding to public schools to a total of \$811 million for the 2000-2001 school year. Let us see if they vote against that. The actual increase for K to S4 is 2.6 percent, which equals the rate of economic growth, the election commitment. The rest of the increase was for adults. Seventy-five percent of the increased funding was for base support where divisions have the most flexibility in the use of the funding.

Public Schools, Capital Program, \$51.2 million has been allocated for capital and public schools system for 2001. This is the largest schools capital spending program on record. Are they going to vote against the largest schools

capital spending program on record? If they vote against it, I will tell the people who want a new high school and a new elementary school—*[interjection]* They are also going to vote against tax cuts for middle-income people. Well, we do not really know how they are going to vote yet, but we suspect we know how they are going to vote. But, if they vote against the increase for the Public Schools Capital Program, I will tell voters in Burrows constituency, where people want a new school at Florence Nightingale and either renovations and upgrading or a new Sisler High School, how the Conservatives voted on that.

This is an increase of 7.6 percent over last year's level of \$47.6 million. This funding will result in more than 170 capital projects, including major construction and renovation; critical structural repairs; \$7 million for the aging schools program; \$1.9 million for construction of child-care facilities in schools.

Special Needs Funding for 2000-2001. Funding for Special Needs increased by \$6.4 million. The per pupil rates for special needs were increased at all three levels. Level 1 funding was increased by \$1.8 million or 4.1 percent, and is now at \$42.6 million. Level 2 and level 3 funding increased by \$4.6 million or 13.9 percent, and now is at \$37.3 million.

Local school divisions also provide funding to support special needs children. Are they going to vote against increased funding for special needs students? That will be interesting.

Community College Expansion and College Operating Grants. The commitment was to double college enrollment over four years. Government is committed to providing new hope for young people, greater access to colleges for underserved populations and to addressing the emerging skill requirements of the Manitoba economy. This budget includes an additional \$1.9 million to the college's base budgets and \$5.1million in the College Expansion Fund.

In addition the Winnipeg Technical College will receive at least \$250,000 for college programming. Since October 1999, the Government has approved or committed approximately 515 new seats in colleges, 90 seats in the diploma nursing program at Red River College,

while there will be 100 new seats in the LPN program at Assiniboine Community College. Colleges will continue to support expanded nursing education. Another 325 seats have been approved in a variety of programs.

Bursaries. I wonder if they will vote against bursaries. The Budget allocates new funding of \$5.9 million to establish a new bursary program in Manitoba. The new bursary will assist about 2,600 students. Manitoba has had no bursary program of its own since 1992-93. In 1999, the Canadian Millennium Scholarship Foundation began to provide \$11 million in bursaries to Manitoba students. The CMS bursary provides assistance to about 3300 students. The new provincial bursary program will provide general assistance to students who are ineligible for the Canadian Millennium Scholarship bursary. The new bursary is a loan remission program based on need. It will apply to students with loan debt in excess of \$6,000.

In the future government will consider having cheques go directly to students. There is not sufficient time to implement such a program this year. It will be interesting to see. Will the Official Opposition vote against bursaries for students to make education more affordable.

The next item, G, is, failing to provide a process for public consultation in the establishing of five new casinos. On the contrary, the understanding is that the request for proposals requires that the people writing the proposal consult with municipalities.

H, failing to provide assistance to agricultural producers, well, I would like to quote from the resolution proposed by our Minister of Agriculture, which says that the Manitoba Government pursued support for compensation under section 25 of the DFAA, which specifies loss of applied fertilizer and land restoration, and was turned down by the federal government.

We also requested assistance similar to levels provided by the federal government to the 1996 Saguenay River flood and the 1997 Red River Valley flood. The next WHEREAS says WHEREAS there has been all-party co-operation. I think the Minister is referring to past all-party co-operation, since the Official

Opposition introduced amendments. Well, we do not know how they are going to vote on the main resolution. That will be very interesting. Maybe there is a division in their caucus and they have not figured out how they are going to vote yet, but we would like to see all-party support for this resolution. I think it only makes sense, if you are bargaining with the federal government, that you have all-party support.

\* (17:50)

The resolution says that we should urge the federal government to reconsider its position on the 1999 flooding, which occurred throughout the province, but specifically the southwest, and include the loss of applied fertilizer and land restoration as eligible costs. So we hope that the Official Opposition will support this important resolution so that we have a united front when we go to the Government of Canada.

The next part alleges failure to meet the highway and infrastructure needs of rural Manitoba. Well, I think one of the changes in the Highway budget is that there is going to be fairness, that all parts of Manitoba are going to be treated equally. Today we made an important announcement about twinning of Highway 59, which shows that we are willing to put money into southern Manitoba. We noticed that there were no questions in Question Period today about the twinning of that highway. As for the allegation that we are failing to meet the infrastructure needs of rural Manitoba, this government is putting lots of money into schools and hospitals and child care all over Manitoba, including rural Manitoba.

The next allegation has to do with ending hallway medicine. Well, that is a promise made and a promise kept. Yes, that is a novel idea, as my colleague points out. It is always good to keep your promises. We have been working hard on doing that. The Minister of Health (Mr. Chomiak) has been doing a great job in doing that, especially when it comes to health care.

It is just too bad that we did not have some of the money that the former government wasted, for example SmartHealth, up to \$33 million, and the ill-fated BSI, up to \$9.7 million. That is \$42 million recommended to be written

down by the independent report prepared for the Government by Deloitte and Touche. Imagine what we could have accomplished with \$42 million, say, \$42 million in health care, \$42 million more dollars in education, \$42 million in social programs. We could have done a lot with \$42 million. I think the Minister of Agriculture (Ms. Wowchuk) could have absorbed \$42 million in her budget alone. It could have gone to compensation for farmers in southwest Manitoba, but it is gone and gone forever.

We have been doing a good job in terms of health. There were lots of problems in health. In fact, one of the main reasons we won the election was because people made a choice. They could either vote for the billion-dollar plan or they could vote for more resources put into health care and education. What did they go for? They went for the balanced approach. We know that the previous government created these problems themselves because of their ill-conceived decision to cut nursing positions and close hospital beds, because of poor management of existing beds, because of delayed construction of required personal care home spaces. We especially remember that one, because they made the announcements during the 1995 election, and after the election they cancelled all the capital construction that they had approved previously.

They also failed to listen to caregivers. We believe in listening to caregivers, particularly nurses, who are on the front lines of health care. So what are we doing and what have we done since taking office? Well, we have opened new beds. We have improved admission and discharge procedures. We have expanded community-based services. We have strengthened preventive programs like flu immunization and increased home care and adult day care programs.

Two weeks ago the Canadian Institute for Health Information cited the dramatic improvements in Manitoba's hospitals over the past six months. Waiting lists are now shorter and postponed surgeries resulting from overcrowding hospitals are down significantly. We will continue this progress.

For example, the Budget of last week provides \$2.4 billion for health care programs. That is an increase of \$135 million over last year's projected expenditures. There will be increased cardiac care and cancer care. Pharmacare will be expanded, including coverage of new lifesaving drugs, palliative care drugs and the Aricept trial for Alzheimer patients. There will be reduced waiting times by increasing hours for oncology treatment, increasing dialysis capacity and providing a new pediatric CT scanner.

We will enhance our rural physician recruitment and retention plan. We will increase funding for personal care home operations, not just for more beds, but for existing beds as well. So we have made many commitments, we have made many improvements to health care since the election. More are promised in the Budget. We will continue to make improvements in that area.

Finally, section L, failing to deal with the needs and concerns of the city of Winnipeg. I just happen to have some notes here on what we have done for the city of Winnipeg. There is quite a long list of what we have done for the city of Winnipeg.

I would like to read that into the record as well: major program increases to the capital grant to the City of Winnipeg; urban economic development initiatives; Winnipeg Development Agreement; financial assistance to the city operating; Capital Regional review.

The 2000-2001 operating grants to the City from Intergovernmental Affairs and provincial-municipal tax sharing will total \$98,430,100, an increase of \$3,524,947, or 3.7 percent from '99-2000. Capital grants to the City will total \$21,600,000. Intergovernmental Affairs will provide the Department of Health with \$2 million for ambulance service for the city of Winnipeg. The \$75 property tax credit is money going directly to Winnipeg home owners.

There are lists here of all the programs and the amounts. As far as I can tell, all of them have gone up.

Probably one of the more important programs, though, is Neighbourhoods Alive!. Revitalizing Manitoba communities was a key theme of our budget. This was announced during the election campaign, another promise that we made, another promise being kept. It involves a long-term community-based development strategy that provides community organizations with the support they need to rebuild their communities. This is definitely a program that is going to make improvements in the north end.

Probably the sale of our house is a good example of why this is needed. In the second-last assessment, our house was assessed at \$59,000; it was reassessed at \$56,100. We listed it for \$44,900, and we were very lucky we got \$44,900. We just found out today that the house sale went through, but we have lost about \$15,000 in equity in the last five years in our house. We moved six blocks and the average house price is \$25,000 higher. By the time I pay off my mortgage, I will be 77 years old. I may never retire, folks, you may never get rid of me. I will have to keep working to pay off my mortgage. And why is that? Did I gain any equity in my house? Well, no. And why would that be? Eleven lost Tory years, eleven lost years. We bought our house in 1983 for \$43,000. We are selling it in 2000 for \$44,900, including major appliances. So we had absolutely no appreciation of our house.

I am not terribly concerned about myself. I can afford to carry a small mortgage. But think about all the other people in the north end who have lost their equity. Think about people who have lost all of their equity. Think about people who have walked away from their houses. Think about people who have abandoned the neighbourhood. Think about all the empty houses and the boarded-up houses. And that is why we needed Neighbourhoods Alive!. We are going to turn around not just the north end but many neighbourhoods in the inner city of Winnipeg with this excellent program. We look forward to hearing more and more details as time goes on.

I would like to talk now about some of our initiatives in terms of fighting poverty in this budget. And I may not get finished by six

o'clock, I may have to come back. It is such a long list that I am not going to get through by six o'clock.

For example, we know that there are many poor people in the province of Manitoba. This is actually a disgrace and it became worse during the last 11 years, during the tough times or Tory times, as we know. For many of the last 11 years, Manitoba was the first or the second or the third highest for rates of child poverty and family poverty in Canada. Do I actually believe that? Yes, I do. I am going by figures from national organizations like the National Council of Welfare, and if you want to provide some different kind of figures, you will probably provide figures from the Fraser Institute, but we have the Business Council on National Issues, for example. But our record is still disgraceful. We have way too many people living in poverty. What happened? Well, the federal government had a plan to address this called the National Child Benefit, and what did the Province of Manitoba do? They clawed it all back. They took it off people's cheques. Now, to their credit, they invested it in programs. We are going to continue those programs, because most of them are good programs.

I hope that the Minister of Family Services (Mr. Sale) will evaluate them and review them and continue the ones that are good. But what we are going to do is we are going to allow people to keep the increased benefit starting on July 1. And we are also going to combine that with a \$20-a-month increase for children six and under living in families on income assistance. I believe this will be the first increase they have had in rates since about April 1, 1994, long overdue. For a single parent with one child, six or under, this combined increase will result in a return of 44 percent of the National Child Benefit to children and families on income assistance. Recently, I was at an Adult Education program.

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

The hour being 6 p.m., the House stands adjourned until 1:30 p.m. tomorrow (Tuesday).

# LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, May 15, 2000

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