



Third Session - Thirty-Seventh Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

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

Wednesday, May 1, 2002

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

TABLING OF REPORTS

Hon. Oscar Lathlin (Minister of Conservation): Mr. Speaker, I am pleased to table the 2002-2003 Supplementary Estimates Information for the Department of Conservation.

INTRODUCTION OF BILLS

Bill 5—The Workers Compensation Amendment Act

Hon. Becky Barrett (Minister charged with the administration of The Workers Compensation Act): I move, seconded by the Minister of Transportation and Government Services (Mr. Ashton), that leave be given to introduce Bill 5, The Workers Compensation Amendment Act; Loi modifiant la Loi sur les accidents du travail, and that the same be now received and read a first time.

Motion presented.

Ms. Barrett: Mr. Speaker, I am very pleased to introduce The Workers Compensation Amendment Act. This act creates a rebuttable presumption that if a full-time firefighter who is employed for a minimum period gets primary site brain, bladder or kidney cancer, primary non-Hodgkin's, lymphoma or leukemia, the dominant cause of the disease is the employment as a firefighter.

I am pleased to have worked in consultation with the firefighters, many of whom are here in the gallery today, and anticipate that we will have the full support of all members in the Legislature for the very quick passage of this important legislation.

Motion agreed to.

Hon. Gord Mackintosh (Government House Leader): Could you canvass the House to see if there is leave to revert to ministerial statements and tabling of reports, please?

Mr. Speaker: Is there leave to revert back to ministerial statements and tabling of reports?
[Agreed]

MINISTERIAL STATEMENTS

U.S. Agriculture Support

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

* (13:35)

Mr. Speaker: Before recognizing the honourable Minister of Agriculture and Food, I would just like to remind all honourable ministers when bringing in ministerial statements to please bring 12 copies for the critics and House leaders. Twelve copies, I would just like to remind all ministers.

Ms. Wowchuk: Mr. Speaker, I rise today to address an important issue for Manitoba farmers and for the Canadian agriculture industry in general.

Last Friday, the joint committee of the U.S. Senate and House of Representatives negotiated a final version of a new U.S. farm bill that proposes to spend almost \$73.5 billion more over 10 years in support of the U.S. agriculture industry. This is above the current level of \$90 billion already provided to the U.S. farmers.

This level of support is of great concern to our farmers and to our Government. In 2000, the U.S. recorded the highest producer support equivalents for wheat of all exporters at 49 percent, significantly higher than the European Union at 43 percent and 17 percent in Canada. Already, Mr. Speaker, U.S. subsidies in

grains and oilseeds cost Manitoba farmers about \$250 million yearly in reduced prices. This increased support under the proposed farm bill will negatively influence international markets and continue to drive down prices for Manitoban and Canadian producers.

Other provisions in the bill include a plan for mandatory country-of-origin labelling for meats and products and the inclusion of pulse crops in the farm bill coverage.

Mr. Speaker, a key success story for Manitoba has been the diversification into pulse crops. In the past four years, Manitoba farmers have seeded an average of 192 000 acres in these crops. These acreages are clearly threatened with the U.S. loan program for pulses and the potential to increase U.S. production.

Mr. Speaker, the U.S. farm bill has not been passed, but the bill is rapidly moving towards ratification.

I want to inform the House that I am sending a letter to the federal Minister of Agriculture and his counterpart, the Minister of International Trade, outlining these concerns. I also want to inform the Legislature that I will raise these issues at the Federal-Provincial-Territorial ministers meetings in Ottawa on May 6 and 7. I will also take a strong position at the Tri-National accord meeting in Arizona in mid-May. It is my intention to speak directly to my U.S. counterparts in the Provincial-State Advisory group.

Following these meetings, Mr. Speaker, I will bring more information to this House on this important matter.

Mr. Jack Penner (Emerson): As critic for the Agriculture portfolio, I would like to put a few words on the record. The \$73.5-billion increase that the minister notes, and I thank the minister for this statement because I think it is appropriate to deal with it at this time although it has not yet passed the U.S. Senate or the House. I understand that the Senate and the House have agreed on a formula now which will see the majority of the monies, the \$73.5 billion, spent in the first six years of this mandate, which leads us into a six-year program that we are facing.

* (13:40)

The second one is that the pulse crops have been included except for dry beans. Dry beans have been excluded from the U.S. farm bill due to a lobby put on by the dry bean growers in the U.S., that they did not want to be included at this time. That does not mean that they will be excluded totally forever, but certainly I think this proves what members of our side of this House have been saying for the longest time, that the agricultural community in the province of Manitoba is being attacked time and again by Americans, by Europeans and, indeed, by other provinces in this country.

I think it is time, Mr. Speaker, that our Minister of Agriculture and the Premier (Mr. Doer) jointly go to Ottawa and meet with the Prime Minister, and take along the farm leaders of western Canada to make the case that our farmers can no longer single-handedly fight the U.S. treasury in an international competition. Our farmers simply have not got big enough pockets. I know Mr. Lyle Vanclief, the Minister of Agriculture federally, has said that the federal government cannot fight this trade war. How in the deuce do we expect individual farmers to be able to compete against a 125-billion farm bill that was in place and now add 73 billion to it? It will be a \$200-billion plus farm bill in the U.S. that U.S. farmers will be able to—the effect of which you saw in the last two days in the marketplace. It plummeted in Canola, it plummeted wheat prices and it plummeted virtually every other commodity in the marketplace, and that is a result of the decision that the Americans are making.

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

Mr. Speaker: Does the honourable Member for River Heights have leave? [*Agreed*]

Mr. Gerrard: Mr. Speaker, I rise to thank the minister for bringing this issue forward. It is clearly a very important one for Manitoba. I think it is important that we take each and every, and indeed all opportunities to speak out against the subsidies that the United States is putting forward, the distortion of trade practices, that we make it very clear that these distortions which the United States is entering into make a major

problem for the organization of global free markets in agriculture and create major problems for producers in Manitoba as well as elsewhere.

I think it is also important, as we pay attention to agriculture, that we make sure that at the provincial level we are doing things to provide the fundamental support appropriately, that, for example, last year when there was several hundreds of millions of dollars in crop losses because of problems with provincial drains and poor organization of drainage that we make a major effort to improve this and make sure that we are providing in all ways we can at the provincial level the kind of support our producers really need.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have with us from the Lions Place 16 visitors under the direction of Mrs. Colleen Epp. This centre is located in the constituency of the honourable Minister of Intergovernmental Affairs (Ms. Friesen).

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

ORAL QUESTION PERIOD

Budget 2001 Balanced Budget

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, I would like to also just comment that we welcome the firefighters that were in the gallery today. We would like to on behalf of all members I believe thank them for the hard work they do on behalf of all the citizens. We are delighted that the minister has recognized this by bringing in her amendment today to the Workers Compensation.

* (13:45)

Mr. Speaker, during the Budget Address, the Finance Minister indicated that the Doer government would be raiding Manitoba Hydro for \$288 million; \$150 million of that was used

to pay last year's books. It was used to pay down the deficit from last year. Will the Premier today admit to all Manitobans, admit to this Legislature the year 2001-2002, that Budget for last year was not a balanced budget?

Hon. Gary Doer (Premier): Mr. Speaker, first of all, I am very proud of the Minister of Labour's (Ms. Barrett) amendment to The Workers Compensation Act. I want to thank the firefighters and the Workers Compensation Board for their excellent research in this matter. Some of us were opposed to the amendment to The Workers Compensation Act back in '88-89, after a decision was made in the courts. In fact, I think it was a minority government at the time and both the Conservatives and Liberals voted, regrettably, I think, to amend this act. I am glad that a wrong is being righted today in the Legislature.

Secondly, Mr. Speaker, over the last four or five years there have been considerable amounts of sums placed in budgets from rainy day funds, so-called fiscal stabilization funds. In fact, the rainy day fund was established with legislation that was introduced by former Finance Minister Manness. To go back nine months into a previous fiscal year and create a deficit—in one year to create a fiscal stabilization fund in a subsequent year.

The members opposite will also know that \$100 million was taken out of the rainy day fund in '97-98, I believe; '98-99, \$185 million for a debt repayment of \$75 million, and \$185 million in '99-2000 for a debt repayment of \$75 million. The members opposite will know that not only was the Budget balanced in year 2000-2001 but the \$96-million debt repayment did not require a draw from the Fiscal Stabilization Fund. The amount of money required from the Fiscal Stabilization Fund in the previous year has also been dealt with with the revenues from U.S. export sales, and so we have another \$96 million in debt repayment that I think puts Manitoba in pretty good stead.

Some provinces are not paying down debt. Some provinces are taking away more money out of Crown corporations. Some provinces are running major deficits. I think with the 2001

fiscal year and given the uncertainty of that fiscal year most Manitobans are saying to us it is a pretty sensible way to go.

I was reminded by a member of the Business Council of Manitoba today that I should be speaking out to the fact that this was an idea that the Business Council of Manitoba presented to the Government in their consultations with the Government.

Budget 2002 Balanced Budget

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, I find it interesting. I was also talking to numbers of members of the Business Council who said never should you on an ad hoc basis go in and take 72 percent of profits and use it for government revenues. That is clearly what they said. We have heard this Premier say continually to Manitobans: Well, look, there is no Brink's truck here. There is no Brink's truck that I can see.

Well, on the night of April 22, on the day before the Budget came in, there they were, Mr. Speaker, like Bonnie and Clyde, backing a Brink's truck up to Manitoba Hydro, taking \$288 million out of Manitoba Hydro profits and they drove it to the Legislature. They loaded up the Brink's truck from Manitoba Hydro, moved it here with \$288 million. Will the Premier today admit that the 2002-03, this year's Budget, is not a balanced Budget?

Hon. Gary Doer (Premier): What hypocrisy, Mr. Speaker. Here we have members opposite that virtually did steal the Manitoba Telephone System away from the people of Manitoba. They put over \$400 million into budgets from 1995, 1996, 1997, 1998 and 1999. How dare they criticize former Premier Filmon? That is what they are doing with their question.

* (13:50)

But we will be critical of members opposite when they talk about stealing Crown corporations. The only Crown corporation that was stolen in the middle of the night without permission of the public was the Manitoba Telephone System on November 8 and 9 in 1995-1996.

Mr. Speaker, we have a similar situation going on with Ontario Hydro. Never ever elect a Tory government and expect the Crown corporations to be used for the benefit of all the citizens.

Health care, education, dealing with the debt repayment—

Mr. Speaker: Order.

Mr. Doer: Health care, education, children, highways, early childhood development, debt reduction, tax reduction. Mr. Speaker, I will go on when the member opposite regurgitates his other question.

Mr. Murray: Just like you to presume everything.

Balanced Budget Legislation Amendments

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, when The Manitoba Hydro Act was initially passed, politicians at that time, some 40 years ago, had the foresight to look into the future and ensure that the governments of the day would not use a Crown corporation, go in and raid it, because they had a spending problem. That is what this document was all about.

We know full well that the honourable first leader, that if he has a problem with something and does not like it, he just changes the legislation. We have seen him just change the legislation. So now what are we doing, Mr. Speaker? He is going in and he is going to change The Manitoba Hydro Act to satisfy one simple thing, his spending problem. That is the only reason.

Can the Premier commit today to this Legislature and to all hardworking Manitobans that he will uphold the existing balanced budget legislation?

Hon. Gary Doer (Premier): Mr. Speaker, we plan no amendments to the balanced budget legislation.

The former communications director for the Conservative Party in the last election campaign

must have xeroxed or prepared a press release from Thompson, Manitoba, where the former Premier of Manitoba promised to have a "dividend" for Manitoba Hydro for economic development. I would have thought the member opposite was in the so-called Tory loop.

* (13:55)

I think Manitobans should be proud of the fact, Mr. Speaker, that today the Royal Bank of Canada has come out, the RBC Financial Group has come out on a provincial outlet: Manitoba's diversified economy holding up surprisingly well, predicting a 3-

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: Mr. Speaker, talking about the increased employment opportunities, the record-high improvement in retail sales, the record-high numbers of housing starts, people are voting with their decisions in our economy, and they are positive decisions.

The bank goes on to say: Strengthening the farm economy, relatively low unemployment and another modest reduction in tax burden shall continue to support consumer confidence and consumer spending, especially in the years 2002 and 2003.

Mr. Speaker, this is positive performance, and the final chapter of the Budget says it all. We believe in a balanced approach, over \$500 million, which is more than in the last three years of office they were in, is being spent for health, education, children; over \$200 million for tax reductions, money, over \$288 million in three budgets for debt reduction, balanced investments in the future, balanced and sustainable tax reductions and debt reductions. This is a balanced government that governs for all Manitobans, not just for the brokers.

Budget Tax Initiatives

Mr. Jim Penner (Steinbach): Mr. Speaker, can you hear me without shouting?

A recent headline sums up the truth about this Government's so-called tax relief found in the Budget, and it reads: Tax relief, do not make me laugh. The gap between Manitoba families and our neighbours continues to widen.

Can the Minister of Finance confirm, that according to his own Budget, middle-income families in Manitoba pay a full 38% more income tax than the same family in Ontario?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, I hope the Member for Steinbach took a careful look at the *Manitoba Advantage*. The cost of living for a single person, lowest in the country; the cost of living for a single parent with one child at \$30,000 income, second-lowest in the country; the cost of living for a single-earner family of \$40,000 with a family of four, first in the country, the lowest in the country; the cost of living for a single-earner family of four at \$60,000 income, third-lowest in the country; the cost of living for a two-earner family of four, \$60,000 income, second-lowest in the country; and the cost of living for a family of five, \$75,000, a two-earner family, second-lowest in the country. The cost of living advantage in Manitoba is growing compared to our neighbours.

Mr. Jim Penner: Mr. Speaker, can the minister confirm that middle-income Manitobans who in 1999 paid \$253 less income tax as compared to Saskatchewan now pay \$786 more income tax as compared to Saskatchewan, a difference of over a thousand bucks?

Mr. Selinger: Mr. Speaker, I think it is important to note progress when progress is being achieved. In the year 2000, the middle-income earner family the member opposite refers to had the tenth lowest taxes in the country. In the year 2001, they had the seventh lowest taxes in the country. In the year 2002, they have the sixth lowest. There has been steady progress every year in reducing taxes for families. At the same time we have not done what other provinces have done, which is to hike user fees, which is to increase health care premiums, which is to increase the cost of living for everybody. We have lowered taxes. We have kept the cost of living down and we have made

Manitoba one of the best places to live in this country.

* (14:00)

Mr. Jim Penner: Well, Mr. Speaker, if that is the case, can the Minister of Finance confirm that beginning with the Doer government's 2000 Budget, middle-income Manitobans have been saddled with the dubious distinction of highest taxed west of Québec?

Mr. Selinger: Mr. Speaker, at the risk of repeating myself, taxes have gone down every year over 10.5 percent. We brought in a family tax reduction package in our first Budget when we eliminated the net tax and the surtax, something the members opposite had 12 years to do. They never removed it. We brought in a family tax reduction which extends to families up to \$80,000 total income and made it more affordable for families to raise children in this province. That is the *Manitoba Advantage*.

Manitoba Hydro Profits-Debt Reduction

Mr. John Loewen (Fort Whyte): Mr. Speaker, yesterday the Minister of Finance tabled the nine-month financial report of Manitoba Hydro covering the period to December 31, 2001. This report contained no information on the Government's intent to draw \$150 million out of Manitoba Hydro to balance last year's deficit. I would ask the Minister of Finance to explain where he expects to get the money for Hydro to get the money to pay this \$150-million dividend when in fact this report clearly shows that as of December 31, in spite of profits of \$154 million, Manitoba Hydro had only \$14 million in cash. Where are they going to get the rest?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, between the years 1997 and the year 2001, the forecasted net profits for Manitoba Hydro were \$362 million. The actual was \$734 million. The difference was \$371 million. We are taking a portion of that to pay for health care, education and essential service for Manitobans, a practice that is followed in every other province. The Leader of the Opposition (Mr. Murray) indicated that the legislation was brought in in 1950. There were

no exports in 1950. This side of the House built the export capacity of Manitoba Hydro for the advantage of all Manitobans.

Mr. Loewen: I would like the minister to simply answer the question. Will he just admit once and for all, will he finally admit to the people of Manitoba that, as a result of his Government's decision to raid Manitoba Hydro for \$288 million, Manitoba Hydro is going to have to go out and borrow more money to make that transfer? He is just robbing Peter to pay Paul.

Mr. Selinger: You know, Mr. Speaker, this is what we will admit to. We are the Government that built Manitoba Hydro. We are the Government that reduced flooding in the North. The Member for Lakeside (Mr. Enns) blamed the former government for flooding when in fact the former government significantly reduced the flooding. This Government is bringing First Nations peoples into a full partnership on hydro. The North will benefit, and all Manitobans will benefit from our development.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I would ask the co-operation of all honourable members. I have to be able to hear the question and I have to be able to hear the answer, because if there is a breach of the rule or departure from the practices of the House I have to be able to hear that. So I ask the co-operation of all honourable members, please.

Mr. Loewen: Thank you, Mr. Speaker. I appreciate that. After that last response, I am inclined to ask the minister if he invented the Internet as well, but I will not. I would just like this minister to answer the people of Manitoba in a clear and concise way. His Government is raiding Manitoba for \$288 million despite the fact they only have \$14 million in cash. How much more debt is Manitoba Hydro going to have to incur as a result of his Government's decision to raid \$288 million to cover their deficits?

Mr. Selinger: Since we have come into office, the debt-to-equity ratio is reduced every year that we have been here. It is at a record level in terms of financial solvency. The corporation has earned extraordinary revenues in the export market as a result of the far-sighted decisions of

former NDP governments to build this utility for export purposes. It will form a continuing and enduring part of the *Manitoba Advantage* as we go forward.

Oh, and on the Internet, we are going to try and make sure all Manitobans get access to it, not like you guys did.

Fort Garry School Division Property Taxes

Mrs. Joy Smith (Fort Garry): Mr. Speaker, two decisions made by the Doer government have seriously impacted on the taxpayers in Fort Garry. Forced amalgamation will cost Fort Garry \$500,000 in the year 2002, and exempting the University of Manitoba assessment caused a net shortfall of \$525,000, yet the Premier (Mr. Doer) insists that taxpayers will see \$33 less on their tax bill.

Can this Premier guarantee Fort Garry residents that their tax bills will be going down, as he predicted the other day in this House?

Hon. Drew Caldwell (Minister of Education, Training and Youth): I thank the member opposite for the question. Of course, this Government is very concerned about taxation levels in the province. That is why we have implemented a 10% reduction in income tax over the last three budgets.

In terms of the education support levy, members opposite had the opportunity for 12 years in office to begin the reduction on the education support levy. The property tax that all Manitobans pay did not do it. This Government is doing it.

Mrs. Smith: Mr. Speaker, if this Government is so interested in the tax situation in the province of Manitoba and the fact that Fort Garry is very hard hit with increased taxes, will this Premier tell the people of Fort Garry and guarantee the people of Fort Garry that he will provide an annual grant to the Fort Garry School Division to make sure that Fort Garry taxpayers are not so hard hit?

Hon. Gary Doer (Premier): Mr. Speaker, I will guarantee that the minus 2, minus 2, 0, plus 2

just before an election, minus 2, minus 2 pattern—that was the pattern of the 1990s government, the former government—will not be the practice of our Government and has not been the practice of our Government. I will guarantee that the property tax credit that was clawed back by members opposite in the 1992-93 Budget will not be clawed back. I will guarantee that our election promises to increase the property tax credit to \$400 from \$250 will be maintained in our Budget, and I will guarantee that we will continue to reduce the ESL on property and residences of Fort Garry, something members opposite had 12 years to do and neglected to do.

Mrs. Smith: Will this Premier just simply guarantee Fort Garry residents that their property tax bill will not be unusually high this year as a result of the decisions of this Doer government?

* (14:10)

Mr. Doer: Mr. Speaker, I hope the member opposite goes back and corrects the record and points out to all the constituents of Fort Garry that the tax increase on the education portion of householders in Fort Garry was 49 percent in the 1990s under their previous government. I will put our record against her record in Fort Garry any day of the week.

Budget Impact on Small Business

Mr. Ron Schuler (Springfield): In this year's Budget, the plunder of \$288 million from Manitoba Hydro to cover the Premier's spending addiction was announced; on top of that a 100% tax increase on various construction site labour, a 160% increase on dealer plates, a 67% increase on vehicle inspections. Does the minister expect Manitobans to support his budgets which attack Manitoba small business?

Hon. Greg Selinger (Minister of Finance): Since we have come into office, we have reduced the small business taxation rate by 37.5 percent. In addition, we have increased the revenue covered by that reduced rate 5 percent, among the lowest in the country, from \$200,000 to \$300,000. In this Budget, we have set in place a program to increase that to \$400,000, so the band of income covered will double from

\$200,000 to \$400,000, and the small business rate will be reduced 37.5 percent, something never accomplished ever in the history of the Government across the way.

Mr. Schuler: I ask, Mr. Speaker: Why is this minister increasing user fees on chiropractic visits by 30 percent, increasing the Oath of Commissioner fees by 42 percent and a 167% increase for dealer permits? When will this tax, spend and loot nightmare end?

Mr. Selinger: Mr. Speaker, to set the record straight, the increase was from \$2.50 a month to a market rate of \$39 a month for dealer plates that were used. All we did was establish a market rate, something the members opposite support; market rates for market services.

Taxes—Propane Gas

Mr. Ron Schuler (Springfield): Then I ask the minister: Why the ultimate insult to injury? In his tax, spend and loot Budget, he increases taxes on propane for backyard family barbecues by 43 percent.

Does he not know that Manitobans feel that the Government has no place in the family barbecues? Even Pierre Trudeau had more sense than that.

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, this is a classic example of the member opposite—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. May I remind all honourable members, when a Speaker rises all members should be seated, and the Speaker should be heard in silence. I would ask the co-operation of all honourable members, please.

Mr. Selinger: What we have just heard from the member opposite is an example of puffing up his case with percentages.

The overall rate for propane was blended together into one uniform rate. The cost for a tank of propane for a barbecue went up 25 cents, but what the member opposite does not mention is that propane for motor vehicles has gone

down dramatically, and those people who use propane in their motor vehicles will see a significant reduction. That will be something that will be positive for the environment.

Winnipeg Casinos Occupancy Permits

Hon. Jon Gerrard (River Heights): My question, Mr. Speaker, is to the Minister responsible for Manitoba Lotteries, the minister who did not answer my question from yesterday as to whether the \$145 million was the final total bill for the Club Regent and McPhillips Street Station casinos.

Today I would like to table a copy of the expired interim building occupancy permits for these two casinos. I ask the minister to admit that neither of these casinos presently have valid building occupancy permits and are therefore operating outside of or above the normal framework of laws and by-laws in this province.

Hon. Diane McGifford (Minister charged with the administration of The Manitoba Lotteries Corporation Act): I do not know whether the buildings have valid building occupancy, whatever else it was. I will look into it and advise the member as soon as possible.

Mechanical Certification

Hon. Jon Gerrard (River Heights): I would like to ask my supplementary to the Minister responsible for the Manitoba Lotteries Corporation, Mr. Speaker: Why does the Manitoba Lotteries Corporation not have full mechanical certification for these two buildings, and what is the minister going to do about this situation?

Hon. Diane McGifford (Minister charged with the administration of The Manitoba Lotteries Corporation Act): I thank the member for the question. I think it is the kind of detail that would have been more intelligently referred to the administration of Lotteries through me.

Mr. Speaker, as I advised the member in my answer to the first question, this is the kind of detail that I do not have at my fingertips. However, I will be very pleased to contact

Lotteries on behalf of the member. I will let him know as soon as I have that information what the answers to his questions are.

Mr. Gerrard: Mr. Speaker, this is a very serious matter. I ask the minister to admit that Crown corporations like the Manitoba Lotteries Corporation should be functioning as exemplary citizens.

Do you not believe as a minister that they should be exemplary in the conduct of business and not operating in the grey or shady areas of the law?

Ms. McGifford: Mr. Speaker, my understanding is that the point of Question Period is to ask the minister questions and not for opinions.

Regional Health Authorities Deficit Financing

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, my question is for the Minister of Health. Hopefully he thinks it is an intelligent question.

The Premier (Mr. Doer) indicated yesterday that he was very proud of increases in expenditures to the rural RHAs. I wonder if this Minister of Health, in dealing with this year's Budget, will be clawing back from the RHAs the deficits from previous years.

* (14:20)

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I am very happy to report that the Winnipeg Regional Health Authority is the largest health authority in western Canada that has no deficit. I am also happy to report that the deficits for all the regions in Manitoba has declined from a high of \$70 million when members opposite controlled the Budget to less than \$20 million in the last year.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Cummings: Mr. Speaker, on a new question.

Well, the minister did everything except assure the people of Marquette and southwestern Manitoba that they will not have \$2 million

clawed back from this year's Budget because of the previous year deficit. Yes, or no?

Mr. Chomiak: Mr. Speaker, members opposite seem to want to have it both ways. They say spend, spend, spend, and then they say there is a deficit; they say pick up the deficit.

With respect to this particular issue, we have met with all of the regions and outlined for them the spending requirements that we can do under very difficult circumstances. I think under the circumstances we have made significant improvements when one considers that we have met the increased needs, expanded resources, paid for additional significant increases to nurses, something members opposite demanded day after day after day: Pay the nurses more, pay the nurses more, pay the nurses more. We concluded an agreement in which the nurses, I think, are in a situation where they will be secure and very competitive across the country.

Winnipeg Regional Health Authority Director of Public Affairs

Mrs. Myrna Driedger (Charleswood): The Minister of Health asks us where he can save administrative dollars. I would like to suggest that he could start with the elimination of the cushy job he created at the WRHA for his former political advisor, Terry Goertzen.

Can the minister please confirm that Mr. Terry Goertzen, his political advisor, was appointed to the brand-new position of director, public affairs and government relations, without having to go through a competition? It was created for him and handed to him on a silver platter.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, as I understand it, the individual to whom the member refers who worked for the City of Winnipeg at a senior level, worked for the Department of Health—*[interjection]*

You know, if the members want an answer, I wish the members would listen and stop. I

cannot even hear. Mr. Speaker, as I understand, that individual is working for the Winnipeg Regional Health—

Mr. Speaker: Order.

Mrs. Driedger: Mr. Speaker, I would like to ask the minister if he could confirm that Mr. Goertzen's salary is in the range of \$70,000 to \$92,000?

Mr. Chomiak: Mr. Speaker, I do not know what Mr. Goertzen's salary is at the Winnipeg Regional Health Authority. I do not know what the salary is with respect to executive directors and vice-presidents and others around the hundreds and the literally thousands of positions across the province of Manitoba. All I know is that members opposite are having a good deal of difficulty lifting off issues, so they are attacking specific individuals. That clearly is their tactic in this Chamber.

Mr. Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

International Labour Day

Mr. Ron Schuler (Springfield): I am pleased to announce I would like to once again commemorate May Day by putting a few comments on the record. For the third straight year the Minister of Labour (Ms. Barrett) has failed to recognize this day and its importance, which truly is an unfortunate record for this minister.

Today we celebrate International Labour Day, a day when the accomplishments and the achievements of hardworking individuals across the globe should be celebrated. We in this Chamber should do our very best to remember the hardworking people of Manitoba.

I understand the Minister of Labour will be introducing legislation today, as she has, that will provide compensation for firefighters if they have worked for the fire service for a specific period of time, allow for paid leave and provide compensation to a fallen firefighter's family. I would like to welcome the firefighters in the gallery today and thank them on behalf of all

members for the tremendous service they provide the people of our province. I look forward to introduction of this legislation as it moves through by the minister and look forward to working with her and all members on this issue.

I should, however, remind this Government that they have shown that their legislative changes do not always have the best interests of the hardworking citizens and taxpayers of Manitoba at heart. The loan by the Workers Compensation Board to the True North arena could potentially jeopardize the very compensation the firefighters are looking for. Workers recognize that this Government has violated their right to a secret ballot and the democratic process in the workplace. They recognize that this Government, through legislative change, condones picket line violence, and they recognize that their Budget, the Doer government has made the ratepayers of Manitoba Hydro into direct taxpayers, a move that has negative implications for the employees of Manitoba Hydro and their bargaining units. Who stood up for them at the Cabinet table when this decision was made at the Cabinet table? It certainly was not the Minister of Labour. We know it was not the Minister of Hydro.

On behalf of all members on this side of the House, I would like to thank all workers of Manitoba for their continuing contributions to the prosperity of this province.

École Christine-Lespérance

Ms. Linda Asper (Riel): J'ai eu le plaisir de représenter notre gouvernement le 3 février 2002 à l'ouverture officielle de l'école Christine-Lespérance au sud de Saint-Vital. Plus de 500 personnes se sont réunies au gymnase de la nouvelle école pour assister à l'ouverture officielle. J'ai eu l'honneur de participer avec Yolande Dupuis, présidente de la Commission scolaire franco-manitobaine; Normand Boisvert, ancien directeur de l'école Lavallée; des parents, des élèves et des membres du comité de construction de l'école, à la cérémonie traditionnelle où on coupe le ruban.

Christine Lespérance était la première enseignante de la communauté de Saint-Vital.

Née au Québec, Soeur Lespérance a été nommée en 1860 pour mettre sur pied une petite école à Saint-Vital où elle a enseigné pendant neuf ans. Le but était d'assurer l'importance et la valeur de la langue et de la culture franco-manitobaine.

Plusieurs Soeurs Grises étaient présentes à l'ouverture officielle. J'aimerais prendre l'occasion de féliciter Maurice Landry, directeur de l'école, Dolores Beaumont, directrice adjointe, ainsi que le personnel, les élèves et les parents. L'école est le résultat de 10 ans de leur travail et planification et la réalisation de leur rêve.

Les oeuvres de Christine Lespérance continueront dans cette nouvelle école. Les éducateurs et éducatrices prépareront une autre génération pour la continuation de la langue et de la culture franco-manitobaine.

Translation

I had the pleasure of representing our government last February 3, 2002, at the official opening of Christine Lespérance School in south St. Vital. More than 500 people were assembled in the gymnasium of the new school to take part in the opening ceremony. I had the honour of participating in the traditional ribbon-cutting ceremony with Yolande Dupuis, the chair of the Franco-Manitoban School Board; Normand Boisvert, the former principal of Lavallée School; as well as parents, students and members of the school building committee.

Christine Lespérance was the first teacher of the community of St. Vital. Born in Québec, Sister Lespérance was appointed in 1860 to establish a small school in St. Vital where she taught for nine years. The intent was to ensure the importance and the value of the Franco-Manitoban language and culture.

Several Grey Nuns were present at the opening ceremony. I would like to take the opportunity to congratulate Maurice Landry, principal of the school, Dolores Beaumont, vice-principal, and also the staff, the students and the parents. The school is the result of 10 years of work and planning and the realization of their dream.

Christine Lespérance's work will continue in this new school. The educators will prepare another

generation for the continuation of the Franco-Manitoban language and culture.

Victoria General Hospital Foundation

Mrs. Joy Smith (Fort Garry): Mr. Speaker, I rise today to congratulate the Victoria General Hospital Foundation on their successful ongoing efforts to raise money to support the expansion of the Victoria General Hospital. The Victoria General Hospital Foundation is well on its way to raising the \$5.5 million needed to fund the expansion project that will improve patient care in many areas of their hospital, including critical care, day surgery and the expansion of the oncology unit.

Already the foundation has gathered \$1 million. It is because of the Victoria Hospital Foundation's hard work that the provincial government has agreed to match the foundation's commitment of \$5.5 million. I was happy to hear the Premier (Mr. Doer) acknowledge this morning that the emergency room at Victoria Hospital is cramped. This is something patients, staff and MLAs from the south end of the city have been telling him for some time now. I am pleased that he has agreed to partner with the Victoria Hospital Foundation to ensure this much-needed expansion becomes a reality. This is not the first successful fundraising project by the Victoria General Hospital Foundation. Since 1997, the foundation has been pivotal in generating sufficient funds to improve front ER canopies, the creation of the ER triage desk, diagnostic centre renovations and, most recently, renovations to the speech and audiology facilities.

I would also like to take this opportunity to commend all of the staff at the Victoria Hospital for the excellent job they do. Their commitment and dedication to patient care is outstanding. I know they will all benefit immensely from the expansion of the emergency room, oncology unit, day surgery and critical care units. Congratulations to the Victoria General Hospital Foundation.

* (14:30)

School Capital Funding Program

Mr. Jim Rondeau (Assiniboia): Good day, Mr. Speaker. I rise before the House today to speak

about an important capital funding announcement for our public schools. As part of our Government's ongoing commitment to Manitoba's youth, we recently announced a school capital funding program of \$45 million for the 2002-2003 school year. This Government recognizes the importance of safe, comfortable, healthy learning environments, and this funding will ensure that our children are taught well in well-maintained schools.

The 2002-2003 school's capital program will help maintain our existing school infrastructure and provide funds for exciting new capital projects. Funds from the program will also be dedicated to providing capital support for areas such as science labs, special needs and life skills facilities. A number of mechanical, roofing and structural improvements will be made to our schools to ensure students are safe and comfortable. This announcement illustrates our Government's commitment to the long-term needs of our public school system. Since 2000, this Government has provided \$203 million in capital funding to our public school system, a commitment to our teachers and students. For the first time in our province's history, education spending has exceeded \$1 billion.

I am pleased to add that this announcement will mean some important improvements for the schools in my constituency. There are currently seven tentative capital projects planned for the St. James-Assiniboia area, and of special interest to my constituents is a planned roof project and ventilator replacement at John Taylor School. I would like to commend the Government on its commitment to the public school system. All Manitobans can agree that the children deserve a safe, healthy and comfortable learning environment in schools. It is the goal of this Government to ensure that we can provide our young students now and into the future a good, positive environment.

Winnipeg Art Gallery

Hon. Jon Gerrard (River Heights): I would like today to congratulate Pat Bovey and the staff at the Winnipeg Art Gallery. This year is the 90th anniversary of the Winnipeg Art Gallery, and last night was the opening of several exhibitions. Notable was an exhibition of

works by William Hind called *Hindsight, a Prairie Artist*. This is the first time that these works have been collectively assembled. Quite frankly, Mr. Speaker, it is a stunning collection which all Manitobans should visit and learn more about their history and the art history of this province.

I would also like to congratulate the Manitoba Society of Artists on their 100th anniversary. To celebrate this 100th anniversary, there was last night the opening of an exhibition at the Winnipeg Art Gallery of works displaying the achievements of members of the Manitoba Society of Artists over many, many years. It is an impressive exhibition and one, again, that members of the Legislature should visit.

There were as well works by Grace Nickel, a gallery of short stories, and a western video. All these are quite an accomplishment. To have this opening and to showcase for Manitobans Manitoban art and Manitoban accomplishments is I think quite a feat.

So, Mr. Speaker, I would today pay a big compliment to Pat Bovey, the Winnipeg Art Gallery staff, and others who are involved in putting on these exhibitions and congratulate them for their fine support of Manitoba art and Manitoba achievements.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

ADJOURNED DEBATE

(Eighth Day of Debate)

Mr. Speaker: To resume debate on the proposed motion of the honourable Minister of Finance (Mr. Selinger) that this House approve in general the budgetary policy of the Government and the proposed motion of the Leader of the Official Opposition (Mr. Murray) in amendment thereto, standing in the name of the honourable Member for Portage la Prairie, who has 30 minutes remaining.

Mr. David Faurichou (Portage la Prairie): Mr. Speaker, I was concluding my remarks yesterday complimenting the Minister of Transportation (Mr. Ashton) and the Minister of

Agriculture (Ms. Wowchuk) for their recent visits to Portage la Prairie. I hope that perhaps some of the other ministers could take heed and acknowledge their example and also attend to Portage, because I believe Portage la Prairie is indeed a great place in which to invest and to live and raise a family.

I have listened very intently to the debate over the last number of days in regard to the Budget as presented on the 22nd of this month to this House. I have listened with great interest to members of the Government side of the House as to how they have stated the importance of Manitoba Hydro to the province of Manitoba. I must compliment them on those statements.

Manitoba Hydro is indeed an advantage that we have in this province. It is a well-run, well-managed, integrated company that I think all of us should be proud of, but there is a point that I would like to make that other members of the House have stated, that Manitoba Hydro be maintained as a Crown corporation and owned by the people of Manitoba.

This particular Budget, if adopted, actually sells off a portion of our equity in Manitoba Hydro, because Manitoba Hydro will have to borrow in order to provide the resources that this Budget is requesting of it.

Mr. Conrad Santos, Deputy Speaker, in the Chair

I thought it would have to be a blue moon before I would agree with the member from the Interlake. What I do agree with the member from the Interlake is that we do not want to sell Manitoba Hydro, and this particular Budget requests that we sell part of our equity in Manitoba Hydro. It is beyond comprehension that members of the Government side of the House have stamped their feet, banged their fists on the table to emphasize the importance to maintain ownership in Manitoba Hydro, yet they are now contemplating supporting this Budget which requires us to give up an equity portion in Manitoba Hydro. The word in the Webster's dictionary for making a statement and doing contrary to that statement is "hypocrisy." The First Minister used that word today, and now the members of the Government side of the House

will in fact have to acknowledge that they are going to be making use of that particular term when others are going to be referring to them because they are going to say one thing and do something quite the opposite.

* (14:40)

Mark my words, when the financial statements come in for Manitoba Hydro, when this particular cash draw is taken, the equity in that Crown corporation by the people of Manitoba will be reduced. The member from Flin Flon, the member from Dauphin are going to have to go back to their constituents and say that they are proud of supporting a government that sold off Manitoba Hydro, contrary to their election.

In any event, Mr. Deputy Speaker, I have made my comments, and I will be supporting the Leader of the Opposition's motion. I hope all members of this House will recognize that this Budget is indeed contrary to the best interests of Manitobans.

Hon. Drew Caldwell (Minister of Education, Training and Youth): It is indeed a privilege to rise on behalf of the citizens of Brandon East to put a few words on the record regarding the 2002 Manitoba Budget. The 2002 Manitoba Budget continues the Doer government's record of investing in Brandon, in supporting Brandon in all endeavours that seek to improve that community. Indeed, Mr. Deputy Speaker, the 2002 Budget extends beyond Brandon in terms of its positive impact to embrace all of western Manitoba, indeed, all of Manitoba.

Mr. Deputy Speaker, in the nearly three years that this Government has been in office, successive budgets have invested over \$260 million in Brandon. Major Brandon initiatives include the long, long deferred construction of the Brandon Regional Health Centre. As a city councillor in Brandon, I sat through most of the '90s along with most of the citizens in Brandon, in being repeatedly disappointed by members opposite when they were in government. We had successive announcements, announcing the construction of the Brandon Regional Health Centre, successive announcements year after year announcing the construction of the Brandon

Regional Health Centre. It took a change in government to finally have the construction of that long-promised and many times deferred project. It took a change in government to see that project come to fruition.

In no small way were the repeated disappointments visited upon people of Brandon by members opposite when they were in government. In no small way were those repeated disappointments visited upon Brandonites, the cause for two Cabinet ministers representing Brandon in this Doer government. I expect that as we look forward to elections in the years to come, the two Brandon Cabinet ministers of this Government, two Brandon MLAs that are sitting on the Government side, we will be joined by other MLAs from western Manitoba as successive elections unfold, because we have now a record to compare with the record of members opposite. The record of the Doer government is one of building Brandon, building western Manitoba. The record of the members opposite is one of disappointing Brandon and disappointing western Manitoba year after year after year.

So, Mr. Deputy Speaker, as we stand in the House today and discuss the 2002 Budget in Brandon, in Brandon East, my home constituency, we are seeing the construction of the Brandon Regional Health Centre, something that was, as I said, long promised year after year after year and constantly cancelled by members opposite. In 1999, when this Doer government came to office, we made a commitment that we would build the Brandon Regional Health Centre. Today that commitment is coming true as are all the commitments that this Government made on seeking election in 1999.

So, in addition to the \$60-million construction of the Brandon Regional Health Centre, in addition to the \$60-million redevelopment of the Brandon Regional Health Centre in Brandon East, we are also nearing the concluding stages of the \$180-million conversion of the Brandon Generating Station from coal to natural gas, a \$180-million project to respond to new technology and public concerns for a cleaner environment in our province.

Mr. Deputy Speaker, we in western Manitoba have experienced tens of millions of

dollars of road construction in successive budgets tabled by the honourable Minister of Finance (Mr. Selinger) and Member for St. Boniface. Brandon University and Assiniboine Community College are experiencing tremendous growth in terms of programs and in terms of infrastructure. I will be in Brandon I think it is next week to turn the sod for the new health services building expansion at Brandon University.

We have many, many outstanding projects taking place in Brandon, unprecedented levels of investment in the city of Brandon, unprecedented levels of investment in rural Manitoba, in rural and western Manitoba, to touch on a few of those projects.

Yesterday I was privileged to be able to make my third capital announcement as Minister of Education, Training and Youth of 45 million new dollars put into the public school system to rebuild capital infrastructure that went 12 years without any adequate level of support. Mr. Deputy Speaker, 56 percent of that amount announced yesterday is going to rural Manitoba to expand and to build infrastructure in rural schools throughout our province.

Last session, Mr. Deputy Speaker, we also implemented under legislation hydro rate equalization so that rural Manitobans—

An Honourable Member: And northern Manitobans.

Mr. Caldwell:—and northern Manitobans, as my colleague from Flin Flon adds, rural Manitobans, northern Manitobans pay the same rates as urban Manitobans. A Manitoban is a Manitoban wherever he or she lives in this province. Twelve years members opposite had an opportunity to make policy that would benefit rural Manitobans in terms of hydro rates. Hydro rate equalization again took a change in government to provide rural Manitobans with something that they should have been the beneficiaries of since day one.

Mr. Deputy Speaker, my colleague the Minister of Agriculture and Food (Ms. Wowchuk), announced the Bridging Generations program approximately a month ago that would

facilitate farm land transfers between generations to assist family farms in continuing to be a fabric of our rural communities and, indeed, a fabric of our province as a whole.

Two weeks ago, Mr. Deputy Speaker, my colleague the minister of highways and transportation made a \$600-million road renewal announcement. Again, rural Manitoba, western Manitoba stand to be the greatest beneficiary of a program that provides for road development in our province. The highways in this province are long needing government attention and a government initiative of this nature. Again members opposite for 12 years had the opportunity to put forward programs like the road renewal, like hydro rate equalization, like the Bridging Generations farmland transfer program that this Government has undertaken to assist and promote and further develop rural Manitoba in a sustainable, proactive, aggressive, and dynamic way.

* (14:50)

All Manitobans are benefiting from the 10% reduction in the education property tax that the Province administers, the ESL program. This is a first in Manitoba's history, that we are having a government take an initiative to reduce the education property tax level in this province, again our record contrasting to members opposite when they were in government, with a proactive engagement to provide real tax relief to property taxpayers across our province.

That 10% reduction announcement that was made in March is further bolstered in the Budget speech by our commitment to have a five-year elimination, a total elimination, of the property tax collected by the provincial government for our public school system. Again, we have a record that stands in stark contrast to members opposite, who chose through 12 years not to make any tax cuts, not to address the property tax issue, rather to have a 45% explosion in property taxes at the local level as a consequence of inaction on the property tax reduction front and the constant downloading of responsibility from the provincial government to the local property taxpayer, which was a consequence of the underfunding of the public school system that took place in this province throughout the 1990s.

I know that my colleague from Lord Roberts, the Minister of Advanced Education (Ms. McGifford), will be talking some more on the good news about public and post-secondary education that stems from this Government's actions, not only in this budget year, but in the two years previous.

Mr. Deputy Speaker, yesterday I had the honour of making my third schools capital announcement. I was pleased to announce a \$45-million capital budget this year for the public schools in our province. That follows on last year's \$45-million capital announcement and the year previous, our first year in office, \$51 million to schools capital support, the largest level of support in the province's history.

At these unprecedented levels of investment, it will still take us years to begin to address the damage done by the absence of support for the public school system by members opposite when they were in office; on capital in our public school system, historic levels of investment contrasted with historic levels of withdrawal and retreat from the public school system by members opposite; on operating, guarantees that we will provide funding support at the level of economic growth, at least the level of economic growth, as opposed to members' opposite record of constantly reducing levels of operating support, minus 2, minus 2.3, minus 1, year after year after year reductions in support for operating; our record, their record, most telling of all perhaps the record on tax relief.

We have a government that is actively engaged in tax relief, relief for property taxes, increases to the property tax credit year after year, in stark contrast to members opposite who talk a lot about tax relief, but in 12 years of office did nothing to relieve taxation levels for the people of the province of Manitoba.

This Government is addressing tax relief for Manitobans; income tax relief, small business tax relief, property tax relief, increases in the property tax credit. Our record is very clear and stands in stark contrast to the members opposite and the record that members opposite had when they were in office of no tax relief. A good talk but no action. No levels of support for operating to the public school system that were anywhere

near adequate. In fact, an act of retreat from operating support. Certainly, the quarter billion dollar infrastructure deficit in our public school system speaks volumes about the records of the members opposite.

So, Mr. Deputy Speaker, Budget 2002 from the perspective of Brandon, from the perspective of western Manitoba, is a tremendous success. It is a budget that addresses the very real needs of rural Manitobans. It addresses the very real needs of Brandonites, and it addresses the very real needs of Manitobans wherever they reside in this great province of ours. We are now a government that has a record of meaningful tax relief, meaningful investment in our public education system, meaningful investment in our health care system, meaningful investment in housing in our province, meaningful investment for children in our province, meaningful investment for seniors, and meaningful tax relief, something that was sorely lacking in this province for 12 long years.

Mr. Edward Helwer (Gimli): I certainly appreciate the opportunity that I will have a few minutes to say a few words about this Budget. Before I do that I want to welcome our newest member to our caucus, the Member for Lac du Bonnet (Mr. Hawranik). I am really pleased that he defeated the NDP in that by-election, and we have an excellent member here from Lac du Bonnet.

Just a few things also that I am pleased with and that is one that finally this Government is going to carry through with a promise that the former Minister of Health, the Honourable Eric Stefanson, and I made back in the beginning of 1999 to renew and rebuild the Gimli Hospital. I am pleased that this Government is going to carry through on that because it is a very much needed project. The people of Gimli have already raised their portion of the project, and I am really pleased that this one will finally go ahead.

Something that the Member for Interlake (Mr. Nevakshonoff) the other day in his speech and also he passed about that there would be big crocodile tears rolling down my cheeks because they are finally going to build this hospital and also the school at Gimli. We are getting a new

school that the Public Schools Finance Board actually approved prior to 1999. Finally, we are getting that school built this year.

An Honourable Member: It is amazing what happens when you put money into the Budget, is it not?

Mr. Helwer: That is right. That is the early and the middle years school at Gimli, and I am really pleased to see that. Also, last year we opened a new school at Winnipeg Beach that was built under the Filmon government, and we are glad to see that finally open. Also, there is a new addition that is going to be built at Winnipeg Beach. That is also to replace an aging building there, which is a great project. I am really pleased that these things are going to go ahead.

Sure, I like these things in the Budget, but the rest of the Budget is setting this province back at least 10 years, Mr. Deputy Speaker, at least 10 years, because of their extra charges that they are passing on to people in Manitoba such as the Pharmacare fees, the increase in the motor carrier licences, motor carrier fees, Pharmacare deductible, increase in the provincial sales tax on building materials and building plumbing materials.

Also, they are doing away completely with the long-standing CareerStart. They are decimating that program, and that was an excellent program that really worked well in rural Manitoba, because this gives communities an opportunity to hire some of the university students and the high school students and give them summer jobs. That was a program that really worked very well. Unfortunately, the NDP think it is no good, and they are going to scrap the process.

What else are they doing? There was not anything said about agriculture in this Budget. Not one word did he mention about agriculture, nothing. Last year, because of the heavy rains, end of July, early August, some of our farmers went through the most difficult times and had the poorest crop in the Interlake that we have ever experienced for years. Crop insurance did not pay for anything. Farmers were flooded out. What do we get? Nothing. What does this Government do? They want to spend \$880,000

fighting mosquitoes. When it is minus five at night, they want to larvicide for mosquitoes. That is a waste of money, a perfect waste of money. It is not going to work at all. *[interjection]* No, I do not like the Budget. The Budget is no good. *[interjection]* That is right. *[interjection]* The Member for Elmwood (Mr. Maloway) wants the floor. If he wants to speak, he will get his turn probably or maybe he did already. *[interjection]* He had his turn. Okay. I do not have too much time, so I want to mention a few other things that really this Government has to do for us in the Interlake area, for us in the Gimli constituency, and one of them is the damage that they are doing to us with the flooding, with the expansion of the floodway.

Now the Red River is silted in so bad and needs dredging so bad that the fish cannot even get up the Red River in order to spawn, never mind the shipping. We need that Red River dredged so bad because the shipping from Selkirk has to carry on. *[interjection]* That is right. This Minister of Conservation (Mr. Lathlin) said last year he is going to work on behalf of Manitobans to get the federal government to try to dredge this river, continue to dredge it, nothing happened. Another year has gone by, nothing has happened.

How are we going to ship freight out to Lake Winnipeg? How are we going to get from the river, from the shipping docks of Selkirk into the lake? Dredging is one of the most important things for flood protection and also for the shipping in the Lake Winnipeg area.

* (15:00)

Another problem that causes the flooding and will have to be looked at is managing the ice again. There again, back when we were the Government, when we drilled those holes in the ice to get it to break up, we think that worked very well. It provided a little employment for some of the fishermen, even drilling the holes in the ice, and it worked fine. It did the job, so I think it is very important that our Department of Conservation look at all these things to be able to manage the ice so that we can limit the flooding that takes place along the Red River every year because of the ice jams.

Something else that has to be done is manage the locks, the gates to the Floodway and not open them until such time as the ice has cleared out of the Red River so that we do not have the flooding.

This Government talked about their lack of revenue and the fact that the federal government has not given them money for health. Well, that is probably right. The federal government has a responsibility to fund health in a better matter. But this Government has received over the last three years over a billion dollars in extra taxes and extra payments from the federal government. This year alone the federal transfers are going to have an increase of 11.9 percent. And what are they doing with that money? Squandering it. They are not helping farmers, they are not putting it into the health care system, and they are not helping education.

That is another matter. They say they are going to put \$10 million in the ESL. Well, this does not help much, because the school divisions have increased the special levy. The assessment has gone up 8 to 10 percent in each area. So that is going to increase the taxes again for those people in rural areas and also in Winnipeg. So even by putting an extra \$10 million into the ESL, that it is not going to stop property taxes and school taxes from increasing. So we have to do more to be able to help the property owners with the school taxes and also with their property taxes.

This Government also talked about their lack of enough money. Well, what has happened to the corporate tax? Why are corporations not making money? First of all, we are not competitive. They have increased the minimum wage. They have increased all the costs to businesses, that cost businesses to do business. How can they make enough money in order to pay the salaries and still expand and still pay income tax? The companies in Manitoba have not been able to make any money because of the extra costs that they have had to have been absorbed by this Government. That is really a two-edged sword. It has caused a problem and it has restricted employment. Companies that if they cannot make any money, cannot expand and grow, they cannot employ more people. So it works both ways.

I just want to mention on thing about the harness racing. That is the fact that by eliminating the subsidy to harness racing, they are eliminating 500 jobs in rural Manitoba, just taking 500 jobs away from rural Manitoba. That is a crime. Here was the harness racing trying to promote Manitoba, increase tourism, help tourism, help some of the local people with horses. And what happens? This Government pulls the rug right from underneath them, just pulled the rug right out, and there they go.

I realize that my time is limited, but I just want to mention one thing. That is Manitoba Hydro and what they are doing to Manitobans by taking the Manitoba Hydro money and putting it and balancing their last year's Budget. That is what they are doing. They are taking the money and balancing last year's Budget and also want to balance this year's Budget on the backs of the customers of Manitoba Hydro.

What is going to happen to the big users like Simplot, the Manitoba Rolling Mills in Selkirk, the old Seagram plant in Gimli that is called now called the Guinness plant? These plants expanded and were to grow in Manitoba because the hydro rates were going to be either held, or frozen, or lowered, because they were going to be able to lower the debt on Hydro and, therefore, rates should go down. Well, what has happened now? This Government is going to take the profits of Manitoba Hydro and squander it, squander it to balance their Budget.

How are companies such as Simplot, Manitoba Rolling Mills, Guinness, the big users in Manitoba, how are they going to exist and grow? One of the reasons these people came to Manitoba originally was because of the competitive rates that we have in Manitoba Hydro and the potential for reduced rates. So those are just some examples that I have of the damage that this Budget is going to do to Manitobans.

With that, Mr. Deputy Speaker, I will close off my remarks and hopefully some of my other colleagues will have time to make a few remarks on the Budget. Thank you.

Hon. Jean Friesen (Minister of Inter-governmental Affairs): Mr. Deputy Speaker, I

am very pleased to have a few moments to speak on the Budget. It is a budget that I am very pleased to support. I think it is one that offers fairness, balance and progress to many parts of Manitoba and to all walks of life in Manitoba. I think it is one that our Minister of Finance (Mr. Selinger) and Government are to be congratulated on.

Before I start, I would like to welcome the new Member for Lac du Bonnet (Mr. Hawranik). I would like to welcome also the pages back after the winter break, and of course also to thank on our behalf the Speaker, the staff of the building and the table officers of this Legislature who will be part of our lives for the next few months.

Mr. Deputy Speaker, this is a budget which comes I think on the heels of other budgets of this Government, and I think it follows in very much the same vein. It is one that takes a fair and balanced approach toward the economy of this province and to the social issues of this province that are facing us after 12 years of Tory government.

I think the legacy of that government is one that will be felt for a long time. It is not just in the breaking of promises in the sale of the Manitoba Telephone System that is made reference to so frequently in this House, although that is a significant point. It is also I think that they were at the tail end, and they were part of an international approach to government held by right-wing governments around the world. They were governments which were not really interested in governing. They were governments which did not see government as a form of ensuring equality amongst citizens. They were governments, it seems to me—and MTS is a very good example of that—which did not keep their promises and which appeared in fact to hide from citizens their very intentions.

They would talk about referendums on the one hand but the very largest referendum of all which is an election, this was a government, the former government, the Filmon government, which certainly hid its intentions from the electorate. Yet, on the other side of their mouth, they want to talk about referendums and public participation. So there was a kind of deceit, I

believe, and it was one which I think has given politicians and government—and they are not, of course, the only practitioners of that type of dissimulation—but it has given governments and politicians a very poor reputation.

I do not suppose any of us like coming to work and seeing headlines about polls and the distrust for politicians, but I think there is a large measure of blame to bear on politicians and governments who have hidden their true intent from citizens and who have governed with particular interests in mind and who have governed I think on the basis that government, in itself, is a bad thing and that in fact public services are always and inevitably and inherently inferior to the private sector. I think there are clear differences of intent and practice between the previous government and ourselves on all of those issues.

* (15:10)

I think our pride in public services, our recognition that the public service, whether it is in health care or in education, is one of the major issues by which government has to bring equality to citizens, whether it is in regions, or whether it is across social classes. That is an important area of distinction between us and every other right-wing government such as was represented by the previous administration.

We also believe that government matters, that it is a powerful instrument for good, and that is, again, another area, I think, that sets us apart from the previous government. They did not believe in government, and they governed in that manner.

We are also a government which has set very great store by the keeping of our promises, and we made a very limited number of promises during the election, because I think one of the challenges for all governments in this era that has succeeded the Thatcher and the Reagan and the Filmon governments of the last decade, one of the challenges for all governments is to retain the confidence of citizens in politics, in matters of state, in government and good government, and in political trustworthiness. So we made very few promises, and we are, step by step, Mr. Deputy Speaker, keeping those promises.

Mr. Deputy Speaker, I have spoken in this House before about such matters, and they are ones that I hold very dear. I come from a political and a family tradition where government does matter, where government has made a huge impact and has had enormous implications for housing, for health and education, for millions of people, not just for my family, but my own family has certainly had a very different kind of life because of the actions of government in extending school-leaving age, in enabling education for people, in fact, both of my parents, from very poor families, who would not otherwise have had an opportunity except for the very specific actions of government, nor would they have had the kind of housing or indeed the kind of nutrition that was enjoyed by the majority if it had not been for the actions of government.

I was struck by the response that I saw on the other side of the House to the Minister of Family Services' (Mr. Sale) announcement about milk and about the provision of milk and about the provision of long-lasting milk for more remote communities and the efforts, in fact, very successful efforts, that he has to bring forward a program of that. It was met, I might say, with a little bit of derision on the other side. They were decrying his efforts in that area.

In fact, Mr. Deputy Speaker, it did speak very clearly to a very different kind of approach that the previous government had had. It was the Government, I believe, which did take away the mother's allowance for milk, that when they went into the welfare rates and started cutting them, they actually focussed on that, taking away the milk allowances. So what could be a more direct contrast than that in the use of government and the ability of government to make a difference?

Of course, it put me in mind historically, not just of my own situation, but of the kind of policies that are represented by governments such as we saw in the previous decade. I always like to say that I grew up on national health, milk and orange juice, and everybody of my generation did. If you were born in the 1940s, that is what happened, and milk was delivered to schools so that the kind of nutritional situation of the general population that we had seen in the

1930s and '40s in Britain was changed. It was changed during a very difficult period of war-time and in the period of rationing that followed that.

Every child, because there was a Labour government which made this decision, received a pint of milk a day. It made a huge difference to everybody's nutrition. We also received free orange juice. Children who had never seen an orange, and I actually remember the first orange I ever saw. I was about six or seven years old before I saw an orange, but, before that, we had several years of orange juice that was made especially for children that was delivered to parents. Children drank it, and it was the best and most, I think, perhaps, healthiest generation that there has been.

Nutrition does matter, and that is exactly what our Healthy Child policy is saying. That is exactly what the Minister of Family Services is saying, and government does matter because it can make things more equal in that sense.

So I would like to draw a contrast between Margaret Thatcher, for example, who took away that milk. Margaret Thatcher, when she was minister of education, made a particular effort to withdraw that milk supply for children, just as the previous government here made a particular effort to look at the withdrawal of a milk allowance for mothers who were in the deepest of poverty.

I suppose one of the pleasures of being in the Legislature is the ability to meet so many people, not just from Manitoba but from elsewhere as well. I remember in opposition meeting with the High Commissioner for Barbados. The High Commissioner had been the minister of education at one point, and one of the questions that I put to him was: Well, what did you do as minister of education? Can you point to any two or three elements that made a difference for Barbados?

The one thing he talked about was not curriculum, it was not school funding. It was about nutrition. He said: If I had to single out one thing which made the biggest impact on the people of Barbados, it was the nutrition program that we put in in the late '40s and early '50s. We

created a new generation of Barbadian children, healthy and well nourished. That made all the difference, not just for the kind of economy that Barbados is able to have today, a very well-educated population and one that has certainly benefited by those, and one which had much greater access equally to those kinds of benefits.

So, Mr. Deputy Speaker, for a number of reasons I do not share obviously the cynicism about government, nor indeed the cynicism about politicians, and in that I include my colleagues on the other side of this House. I do think many of those polls often do not carry through to the individual MLA. They are ones where I think all of our people in this Legislature are generally respected by their constituents, but there has been for a variety of reasons that I have suggested an attempt to limit the role of government, to limit the confidence that citizens have in their governments.

So, Mr. Deputy Speaker, to speak to this Budget in particular, I have already indicated that I think some of the priorities that we have established in health care and in family life are ones that I think are shared by many Manitobans. We have established priorities in health care and education, in tax cuts and in debt reduction, water treatment, economic development, mineral exploration, all of those which I think have been well received across Manitoba.

I have had the opportunity to speak to people in my constituency. I have had the opportunity to speak to many people at Rural Forum in the last few days, as I am sure many members of the Legislature did, as well as to speak to people outside of my constituency in the city. What I am hearing is a general sense that you are on the right path, that this is the way to go.

There is, I think, a sense across Manitoba of a much calmer public debate. We are not seeing, day after day, demonstrations inside and outside this Legislature. We are not seeing the very great disruptions that there have been in education and in other areas that we saw in the decade of the previous government. Now clearly I am comparing a longer time period to a shorter time period and I recognize that. But, nevertheless, there is a sense of a different kind of public

debate and that there is a mood in Manitoba which has changed.

* (15:20)

Mr. Speaker in the Chair

I would like to suggest, Mr. Speaker, that it is, I think, many of the policies, and I do not want to attribute it all to government. There are other things which I think are changing. I think September 11 had something to do with it. I think there are always, as in Manitoba, issues of the weather that affect people's moods, but I do believe that people are saying that this is a good Budget, that the way in which we have dealt with the public interest that Hydro represents is appropriate, and that we have our priorities and our principles in the right place.

Well, in fact, I was out in Arthur-Virden a couple of weeks ago. Certainly, somebody there was talking about the settlement with the nurses, they were talking about the way in which we have reintroduced new nursing programs, and they were looking forward to the benefits of that for rural Manitoba. So I think in parts of Manitoba where you would not necessarily expect support for the New Democratic government, they are seeing that there is a difference. I was able to talk to them about the way in which we are also looking to the future for the provision of rural doctors, the increased number of spaces that we have created at the University of Manitoba for rural doctors. We looked also at the number of rural ambulances that we have established, I think which certainly exceeded by a great many the changes and the improvements in the rural ambulance service that the previous government was able to make.

A previous speaker on our side has spoken about the Brandon Hospital and on the accomplishments that we have been able to put in place there. So I think just in the health field alone that we have a number of ways in which we have made improvements.

It is important I think to look at the way in which we are fulfilling the promises that we have made, because I think that these are the ways in which politicians are judged. As I said, we have been very careful to ensure that we

made promises that we felt could be kept. Whether it is in health care, whether it is in education, whether it is in tax cuts, whether it is in the dealing with public corporations such as Manitoba Hydro, Mr. Speaker, I believe that the five promises, the five commitments that we made during the election, we are keeping those, and people see us as keeping them. That, I think, is equally important.

We are governing, I believe, as though government matters, that the kind of provisions that government can make for equality, whether it is for ambulance services, whether it is for the provision of nursing care across the province or whether it is for the education funds which we promised that we would fund at the rate of growth in the provincial economy and which we have continued to do budget after budget after budget, we are seen as keeping our promises. I submit, Mr. Speaker, that that is good for all politicians in this Legislature. That is a very important approach to take to ensure that the confidence of citizens in government is rebuilt.

I would suggest that one area in which there is a striking difference between this Government and this Budget and the previous government is in the area of post-secondary education. This is one fundamental area I think that any modern economy, any modern society must look at, must come to grips with if they are to be seen as progressive and if they are seen to be able to enter into the new global economy and if they are seen to be offering equal and improving opportunities to their young people. Each of those is important to this Government and this province.

What we have done in education is in stark contrast to the record of the previous government. Under the previous government, fees increased at universities and colleges by 169 percent. At the same time, and there is some link, I will not say it is the only link, but there is some link, the number of students declined. One or two of the institutions, they declined considerably. No province, no community or society of a million people can enter into a global economy with a declining enrolment in post-secondary education. It made no sense. In fact, it I think created great astonishment when the previous government could talk out of one

side of their mouth about the Celtic tiger and about the Asian tiger and argue that the kinds of changes that they were making in Manitoba would lead to the kinds of opportunities that were being opened for young people in Ireland or in India.

The two simply did not match. You cannot have increasing enrolment fees, you cannot have declining enrolment and assume that you are going to have an economy that will match those that you so want to emulate in Ireland or in India. Mr. Speaker, what the previous government had was a low-skill and a low-wage economy and all of their programs, whether it was in post-secondary education or whether it was in their WORKFORCE 2000, seemed to me to, in fact, sustain that vision of a low-wage, low-skill economy.

We have taken a very different approach, and we have followed it through, whether it is in the growth of the capital programs for the University of Manitoba, for the University of Winnipeg, for St. Boniface College which will be, I believe, having expansions in its student building for the very first time, something which I believe they had knocked on the door of the previous government for every year and found no response. The \$50 million that we have put forward for the rebuilding of the University of Manitoba to be matched by the private sector is a program which has exceeded all expectations. What people needed was encouragement. They needed incentive. They needed a government which believed in post-secondary education, and the previous government clearly did not see it as a priority.

So, whether it is in capital, whether it is in fees, whether it is in the expansion of the number of places, which with our expansion of Red River College and the expansion at Assiniboine College and at Brandon University, we are on the way to achieving some very significant targets. So I believe, Mr. Speaker, there is a clear contrast between the previous government and this Budget and this Government, and it is one, I think, which offers hope and bodes well for young Manitobans.

I think anyone who looks at the labour legislation which was introduced today will also

be very aware of the differences between the previous government and this Government. I do know that the requests that were made by firefighters and others of the previous government were listened to, but no action was taken. Why was that, year after year? Twelve years, was it? Twelve years of listening to those requests and ignoring them.

Mr. Speaker, it seems to me that in health and safety issues, whether it is the firefighters or whether it is young workers, that there will be a difference between the previous government and this Government. It is a difference which will count not just in the lives of families but in the lives of communities, particularly as we look at the difficulties that have been faced in a number of our northern communities in that area.

In my own portfolio, I would like the opportunity to speak for a little bit about Neighbourhoods Alive! and about the way in which we have set about a priority of rebuilding the inner city and the downtown area of Winnipeg. The deterioration of Winnipeg did not take place overnight. It did not take place even between 1990 and '95. But somewhere in the last decade, in the last 12 years, that deterioration did take place.

An Honourable Member: Not true.

Ms. Friesen: Well, the former Minister of Agriculture wants to say not true. [*interjection*] I do not know how the former Minister of Agriculture can explain the presence of a thousand boarded-up houses, a thousand boarded-up houses in a city the scale of Winnipeg when we came into government. I do not know how he can explain that. I do not know how he can explain the deterioration that we see and saw on every street in the inner city of Winnipeg. Whether it was housing, whether it was in the infrastructure, they turned a blind eye, Mr. Speaker. They put their blinkers on as they drove down Portage Avenue. They did not want to see.

I used to get up in this House week after week and ask about the inner city and ask about the Misericordia Hospital and ask about the education programs that they were cutting in the inner city, and they simply put their blinders on.

That is what we faced when we came into government. We faced very, very serious issues in the inner city. If the previous government wants to think that it only affects urban people, that is not the case.

One of my responsibilities as Minister of Intergovernmental Affairs is in fact to say, not only does rural Manitoba and the number of people it takes to get food on your plate, not only does that have to be said, but also it has to be said that the state of the inner city of Winnipeg, whether it is the communities or whether it is the commercial areas of downtown Winnipeg, those have to be healthy for Manitoba to thrive. That is the case that I make right across Manitoba, just as I do when I am in the city of Winnipeg and say over and over again: Remember how significant it is to you, the trade and the connections between rural Manitoba and the city of Winnipeg. We did not hear that for 12 years, Mr. Speaker.

What we heard was a very divisive message, a message about perimeteritis, a message which in fact pitted rural Manitoba against the city of Winnipeg, and that is not our message. Our message is one that brings hope to young people and which, in fact, wants to ensure that the benefits, whether it is in education, whether it is in hydro rates, whether it is in the proposals for ethanol, that those, in fact, are beneficial to all Manitobans. There is one million of us. We are a very small community in a global economy, and we must bring together all the strengths that we have to ensure that Manitoba becomes a successful community in this new economic world.

So, Mr. Speaker, we did come to government with over 800 houses boarded up. We have begun to make inroads on some of those through a variety of housing programs, whether they are support for training programs, whether it is support for some of the non-profit and private-sector housing programs, whether it is working with Aboriginal organizations and, most particularly, working with and developing community planning.

In the five areas that we have developed in the city of Winnipeg plus Brandon plus Thompson, we, I think, are beginning to make,

block by block, some very significant changes in parts of the inner city. Again, the deterioration in some parts has been so significant that this is not going to be accomplished overnight, but it will not be accomplished if we do not begin. So that is what we have done, Mr. Speaker, in this Government. The Budget supports that. We have maintained the support for a number of organizations, and they are varied organizations.

I want to take this moment to pay tribute to the people at the community level who are working in Art City, who are working in just housing, who are putting together the houses through R. B. Russell or through Gordon Bell High School and doing the training programs with JobWORKS in the Spence and neighbourhood area. The people of Spence, at their community meetings, are pulling together housing plans and are doing a number of very significant things both in housing and in community planning, and they join both the North End Community Renewal Corporation and the West Broadway Development Corporation who have been very active in this area for a number of years.

* (15:30)

So we have areas like Art City, where we have places and groups such as Art City. We have housing programs. We have a number of things that are beginning in the Point Douglas area, Mr. Speaker, and I think this is something which is beginning to offer hope, energy and is enabling people at the community level who have ideas, who have proposals and who had the opportunity to work together to create very different kinds of neighbourhoods, and who are doing that. It supports them not in enormous ways. I think many of the ways we are supporting them are quite modest, but I think there is a sense that the feeling of despair that had been there before is beginning to dissipate and that Neighbourhoods Alive! is beginning to make a difference. Over the next 10 to 15 years, I hope that we will be able to rebuild the kind of devastation that we saw in some neighbourhoods of the inner city.

Mr. Speaker, I think also it is important to recognize that not only are we dealing with the inner city through Neighbourhoods Alive! but

that we are in partnership with the City of Winnipeg. We have a number of partnerships with the City. The one that is called Building Communities is also addressing the issue of the shoulder neighbourhoods. Whether it is in the Minto area or in St. Boniface or in Luxton, these are the areas which support the inner city communities. Maintaining good, solid community facilities in those areas and community infrastructure is a very important part of maintaining a strong city and a strong Manitoba. So that very much fits with the kind of overall community economic development strategy that this Government is supporting in Budget 2002.

In addition, Mr. Speaker, we have made particular efforts to ensure, insofar as government can, that there is a revitalization of the commercial areas of downtown Winnipeg, whether it is in our support for the public library in Winnipeg, very much overdue. I think everybody recognizes that the Winnipeg Public Library has to go through a renewal process. Together with the federal government and the City of Winnipeg, we have begun that process.

Waterfront Drive is another area in joint partnership with the federal government and the city government. We are going to I think improve access to the river. We are going to create new downtown opportunities for Manitobans. I think that will be welcomed by everyone, just as the Forks North Portage Partnership has been an important part of changing the image of downtown and also the opportunities for recreation, for river access, and for general recreation and entertainment purposes in Winnipeg and Manitoba.

We are, Mr. Speaker, anticipating that there will be commercial changes in downtown Winnipeg, whether it is with the private sector led entertainment centre which governments, federal, city, and province, are also supporting. It is engendering, it is leading to new interest in downtown Winnipeg, particularly from the Mountain Equipment Co-op as well as from our own investment in the Exchange District, which I think will make a major, significant change to the number of people who are downtown.

Mr. Speaker, 2000 students every day coming into a restored historic building, I think,

will make a very important difference to the kind of market that is available for retailers in the downtown. Mountain Equipment Co-op has already seen the significance of that. Those are things which are underway, that we are supporting in this Budget, and which will build much more balanced opportunities for the city of Winnipeg.

In rural Manitoba I think that, as I said at Rural Forum, I received a number of congratulations on the Budget and the way in which we were working on issues of not only the equalization of hydro rates, but I think people are very interested in moving along with an ethanol initiative. I think people also are very much aware. We had a number of government booths at the forum this year that looked at government policies in a number of areas but, obviously, in agriculture, the Minister of Agriculture's (Ms. Wowchuk) new initiatives in bridging generations and in diversification are ones which I think have attracted a great deal of interest.

The equalization of hydro rates, I think, has been important in western Manitoba. We are seeing interest and, in fact, establishment of new industries as a result of that, and the principle of ensuring that the public resources of Hydro and the public resources of northern Manitoba are made more equally accessible is one I think which fits with the principles of this Government and one that is widely welcomed across the province.

The announcement that the Minister of Transportation (Mr. Ashton) made at the Rural Forum for the plan for roads, the \$600 million that he is planning for roads in Manitoba, I think, is one that was very much welcomed and received a great deal of attention.

I have already spoken of post-secondary education but the increased grants to Brandon University, the expansion of places at Assiniboine Community College, increased support for ACCESS students, not a topic the previous government ever wanted to discuss, but increased support for ACCESS students coming from areas like Cranberry Portage as well as from other areas of northern Manitoba. I probably will not have a great deal of

opportunity to speak about the North at this point, but I do want to make the point about the expansion of support for Aboriginal students at Brandon University, rural students who also will benefit from the reduction in fees and who do, of course, obviously, also have much greater difficulty in ensuring access to post-secondary education. But the expansion of distance education both at the K-to-12 level and at the post-secondary level that we are continuing with is something which I think is equally significant to them.

We have talked about housing in Brandon. I have talked about Neighbourhoods Alive! in Brandon, and I think the expansion of the housing programs in Brandon are ones that have been very, very successful. I want to congratulate both my colleagues from Brandon as well as the Minister of Family Services (Mr. Sale) who has worked very hard to expand affordable housing and affordable opportunities across Manitoba, but particularly in Winnipeg and Brandon and Thompson.

Mr. Speaker, this has been a difficult Budget for Manitoba. It is one that obviously is fraught with the difficulties of the federal accounting errors. It is one that also comes at changed economic circumstances across North America, in part as a result of September 11. But what we have done is I think to make a number of commitments. We have made commitments in rural Manitoba, in the city of Winnipeg and in northern Manitoba. The regional balance that we are proposing I think is one that is recognized by all.

We are keeping our promises, something which should be important to all members of this Legislature. We are working hard to improve access and equity and equality across the province, something which is I think recognized by young people in particular. We are building on the successes of previous years of healthy children, of sound nutrition, of early childhood education and essentially putting in place now the kinds of supports for all families, that had they been in place 12 years ago would have made a real difference in this province.

So, Mr. Speaker, with those, based on principle, based upon practices and based upon

this particular Budget, I am very pleased to be able to support it wholeheartedly. Thank you.

Mr. Peter Dyck (Pembina): Mr. Speaker, I want to be consistent with my other colleagues at the outset of the address and welcome our newest Member for Lac du Bonnet (Mr. Hawranik) into our caucus and, of course, into the Opposition here. Certainly, we appreciate his contribution.

* (15:40)

But before I go into addressing part of the Budget here and some of the concerns that I have with it, I want to congratulate my communities that I represent, specifically Morden and Winkler, in the growth that they have had in the last few years. Morden had a growth of 8 percent, and Winkler has had a growth of 9.7 percent, certainly some of the highest growth areas within the province of Manitoba. I would say that is in spite of some of the things that have taken place with the present government that we have here, in spite of the fact that the labour laws have been changed dramatically. I believe very strongly that there need to be labour laws but, I believe, that there needs to be a balance, and, certainly, that is something that has changed within the last while. So those are concerns that have been expressed to me from the business leaders in our area and, indeed, also from the employees.

It is interesting how, as the unions come in and want to organize—I do not have a problem with unions, but I believe that there needs to be a balance with that as well. So they are trying to erode the associations that are presently in place within the businesses that I represent, and they just feel that there is an upper hand that is moving in. Of course, that is realistic, and that is specific to this type of government that we have.

The previous speaker was talking about deceit. My goodness, I was a little shocked when she used that word, and then she was trying to portray this of the previous government when, in fact, here is a government who—and I will refer to a headline line here. This is not something that I have written, but this is something that has come out within the community newspapers: Doer and company robbing Hydro. Well, my

goodness, you want to talk about deceit. This is the height of deceit. You want to talk about keeping promises, which the previous speaker was talking about, the promise was to fix hallway medicine with \$15 million. Well, I mean, you want to talk about deceit, that is there. You want to talk about deceit, talk about Autopac, trying to take \$30 million from Autopac. My goodness, somehow they had to quickly take their hand out of the cookie jar because they got caught. I think that they need to be a little careful when they start putting the blame game on other people for some of the things that have taken place.

Mr. Speaker, again, before I address some of the other areas of concern that I have with this Budget, I think this is a government that does not understand that you have to have wealth generation, that dollars have to be created in order that you have dollars available in order to be able to have the programs that we have: the health care, the education, family services. Are these important and vital to our province, to our communities? Absolutely, but where do you get the money from? There has to be something, a community, there has to be an organization that creates the dollars in order to be able to fund all these important things.

Now the Minister of Education (Mr. Caldwell) was out touting all the things that they had done. They could not have done that if that regime had not been put in place by the previous government. I am immensely proud of the fact that there is the projection out there that our economy is going to grow within the next year, but again, in my opinion, it shows the short-sightedness of this Government who thinks that now, within two short years, that they are the ones who have created this. A business is not created and does not start to generate the kind of funds that we are looking at in order to keep these programs going within this province. It does not do that in two short years. In fact, if you look at it, if you get involved in any business project, and I guess that again is something that the government of the day lacks, but it is the ability to be able to understand how that process works.

So you have to have a business out there that can generate the dollars, in order to be able to do

something and have the expenditures that we presently see within this province. So, I think, that they need to be careful how hard they pat themselves on the back about some of the things that are taking place.

Mr. Speaker, I do want to speak more specifically to the Budget itself. As I had indicated here, just a highlight that was in one of the local newspapers, and it continues to say that the provincial government can crow all it wants about being fiscally responsible, but its big cash grab from Manitoba Hydro tells the true story. Premier Doer and Finance Minister Selinger picked the utility's pocket last week and came up with nearly \$300 million to help it pay for running the province.

Now, Mr. Speaker, that is a concern to me, of needing to go to a utility in order to balance the books. I am not advocating this in any way. Let us assume that Manitoba Hydro did not owe any money, but let us set the record straight on this. Manitoba Hydro owes \$6.2 billion. You know, the Government can crow all they want about being fiscally prudent, but, I am sorry, this is not a good move.

The other point of it is that the province of Manitoba owes \$6.9 billion. Now, when you start adding those two numbers together, our children are straddled with a big, big debt. Again, when you look at it from a business perspective, that is difficult. It is going to be difficult to pay for this if in fact we want to see the province grow and continue to grow.

He goes on to say that would be entirely another matter if Manitoba Hydro was free and clear of debt and sitting on top of a burgeoning surplus. That is not the case. Manitoba Hydro has a debt load that rivals the entire provincial Budget, and any money it does make should be going to pay down that debt.

So here we also have a government who is talking about doing megaprojects. They want to go out there. They want to build some more hydro dams. Well, my goodness, we have to find the money somewhere in order to be able to do these kinds of projects.

Mr. Speaker, I must move on. Another concern that I have and certainly something that

has come out, and you want to talk about the seat which the previous speaker was talking about, but how about the Workers Compensation Board? I mean, they are into another board. They are taking dollars out of there, and I have a few questions there. Why is the WCB hiking its premium rate on July 1 by 5 percent? I mean, this is something that employers are paying into. It is a cost, and we need to be able to remain competitive, but when you add too many little costs, as we are seeing time and time again from this Government, to the cost of the products that we are producing, we cannot be competitive. It may be a shock to many of the Government's side, but we are a global economy. The products that I produce on my farm back home are consumed throughout the world, and so we need to be able to be competitive.

Moving on, why does the WCB for the first time withdraw \$4 million from the rainy day fund? Why are they taking? These dollars are supposed to be here to in fact reduce the premiums rather than to increase them, and now we are going back and increasing the premiums.

Another question I have is: What other business ventures is the WCB planning on investing premiums in? So where are they starting? Where are they stopping?

Another one that I would like to bring to the attention of the House here is the whole part of the tax relief, and do not make me laugh. If they are talking about tax relief, we are losing our competitive edge. It is through the labour laws that we have. It is through our tax structure concern that we have in rural Manitoba. Of course, the harness industry has been out there. Every little industry that is out there is contributing to this economy, and rurally we see that there is an erosion of the emphasis, of the priority that is being placed on rural Manitoba.

* (15:50)

So, of course, I believe that this Government demonstrated that fairly clearly by removing and by transferring the whole Department of Rural Development. So it is a concern that we continue to see within rural Manitoba, and I would trust and hope that this Government would not abandon rural Manitoba.

Yet, I must move on. Another headline that is out there and was in one of our local papers: "NDP cash grab fiscally irresponsible." The previous minister, I come back to again, was speaking about being deceitful to Manitobans. I clearly believe that this was deceitful in the way they are trying to balance their books from last year by taking money out of Manitoba Hydro to do it this year. That \$150-million withdrawal for that one year in order to balance the books I believe is wrong. I believe that accounting-wise it is wrong, and I firmly believe that it should not have been done.

I believe that they need to be forthright with Manitobans and indicate to them clearly that, you know, we could not balance the books; we had a spending problem. I know that they have certainly indicated ongoing that the blame goes to September 11 or, supposedly, the payment that they need to get back to Ottawa, which they are using as a crutch.

Mr. Speaker, I must move on and with that I will indicate very clearly that I will have to vote against the Budget as has been proposed by the Government. I cannot support it. I believe, fiscally, it is just not prudent. It is not a responsible Budget, and I also believe it is not being honest with Manitobans in clearly showing how, in fact, they have gotten their revenues and how, in fact, their expenses have been brought out.

So, with that, Mr. Speaker, I want to thank you for the opportunity to put a few comments on the record, and I wish everyone well. Thank you.

Hon. Gary Doer (Premier): Mr. Speaker, it is indeed an honour to speak on a third in a row of excellent budgets for the people of Manitoba. In fact, there was a budget that we once voted for, so it would be three-and-a-half budgets that I think we are dealing with in a positive way.

I want to congratulate the members of our Treasury Board and the Minister of Finance (Mr. Selinger) on the excellent job he has done in preparing this Budget for the people of Manitoba. I think it is important to note coming into this Budget period—and members opposite dealt with an economic slowdown in the early

1990s, and the Auditor then commented that the deficit in the province was \$862 million.

It is interesting in this budget situation, Mr. Speaker, that there were three definite challenges that were posed to the government of the day. One was the economic slowdown that was going on pre-September 11 with the decline in the international markets. You have situations right across Asia and Europe and indeed into the United States where even the great mentors of members opposite, the Republican Party, are now running a deficit, a major deficit in the United States with the economic slowdown that is taking place. It was projected in the year 2001 that 45 out of 50 states in the United States will have serious economic challenges ahead of them.

Secondly, there were the events post September 11 which further dampened some parts of our industries and some parts of our economy and have certainly had a challenging impact on all of our communities and many industries.

Thirdly, Mr. Speaker, was the so-called federal error. Members opposite talk about retroactive treatment. This is the retroactive treatment in the sky, if you will, the whole issue of back to 1993. To hear, for example, that \$408 million was allegedly overpaid from 1993 to 1999 to previous governments and then the go-forward impact of that being close to \$100-125 million a year, this is a huge problem.

Now, Mr. Speaker, when we were confronted with this problem, we delayed our Budget. We were originally scheduled to come in in early March and regrettably this information came to us the last day of January. We were faced with a huge problem. The Leader of the Opposition (Mr. Murray) at the time said, oh, they are just using this, they are just using this to delay a budget. Now they are asking us questions why we did not have more certainty in our numbers. I mean, this flip-flop, flip-flop Tory culture right now is something to behold, but we felt that those three challenges meant that the ministry of Finance and the Finance Minister had to act in the most prudent way possible with the Budget.

This Budget, in my view, bridges the economic slowdown and the federal error uncertainty into the strong economic performance we are experiencing now in Manitoba and what is projected to happen into the future, Mr. Speaker, 2002, 2003, 2004.

We think this Budget does provide the balance on the priorities of quality health care, new educational opportunities, stronger families and safer communities, economic development and jobs, keeping the books balanced, keeping Manitoba affordable. I will speak to this balance in a few moments again, because talk is cheap when it comes to balance, but certainly this Budget is an act of balance, not an act of misplaced priorities.

The major criticism of members opposite has been the whole issue of utilizing the export revenue from the United States for an economic bridge into the stronger economic times. Mr. Speaker, this is an idea that was proposed by the business council in a document we received in December 2001. I was talking to a member of the business council today, and he said: Why do you not point out—and this was at the Victoria Hospital announcement, the major capital announcement—why do you not point out that this was our idea? It is a very good idea, it is an excellent idea. It is a sound business principle. When you have one division of your company making money and another division pressed with economic challenges that you take from your strength and bridge into the future in a positive way. You do not amputate, you do not sell off the assets as members opposite have done. For them now to feign indignation after they sold the Manitoba Telephone System, and their kissing cousins in Ontario are looking at selling Hydro, I say shame to Tories and their hypocrisy on this treatment.

Now, Mr. Speaker, the member opposite says the original, the Hydro act 40 years ago did not contemplate this. We did pass a new act in 1987 which members opposite were able to delete, and their deletion of the Manitoba act, The Energy Act, that provided for a heritage based on export sales was an act of pessimism. The act of the building of this new dam called Limestone which they had mothballed in the

Lyon years was an act of negative pessimism again in Manitoba.

We are a party of optimists. We are optimists, Mr. Speaker, and we have a vision based on optimism, not on the pessimism of the members opposite.

I have had fun quoting from members opposite, what they said when we built Limestone in 1986. What did the Member for Lakeside (Mr. Enns) say in Hansard, for the record? This will go down with his predictions – it is trice and once the head cock crowed here, Mr. Speaker. We have got the raspberry jam. We got the Simplot plant. We got hog growth, and now we have the predictions of the member opposite on Limestone. Thank goodness he is not a fortuneteller because he would not have the longevity that he is experiencing now, with great honour to him for that political longevity. But predicting the future I daresay, sir, is not your strong suit. I hope you did not buy Nortel stocks before July of 2001, but I digress.

Let us listen to what the Member for Lakeside said in 1986. He said that we would not make more than 3 cents a kilowatt an hour. He said: It is a mythical profit. I guess we are dealing with mythical profits, right? It is preposterous to talk about any profits flowing at any time as a result of our generation of hydro. Jim Downey said: It is a mythical dream. Clayton Manness said: We do not believe there will be any profits associated with a Northern State Power agreement. Gary Filmon, the former Premier said: It is an elusive dream—in 1986—an elusive dream, Mr. Speaker.

* (16:00)

We will put these predictions right on the new Simplot potato processing plant in Portage la Prairie with the quotes from members opposite that said: That plant—you know, he always lowers his voice—will never be built. We will put that alongside those great other projections and predictions from the members opposite. You know, after Mr. Filmon made the prediction that it was an elusive dream in 1986, he went along with the Leader of the Opposition (Mr. Murray) when he was the communication Pooh-Bah for the Conservative party in the 1999 election, he went to northern Manitoba and

promised to have a utility that would increase its export sales and profits, would generate more revenue which could be used for the benefit of all Manitobans. Who said this, Mr. Speaker? Gary Filmon. What date was it, Mr. Speaker? September 5, 1999. Well, I think the members doth protest too much when it comes down to this whole issue of their predictions.

Let us look at the record. The Liberals called Limestone lemonstone. Let us look at the lemonstone legacy from members across the way. That is why they did so poorly. They did so well in some parts of the province in 1988 and did so poorly in the North because they went around calling it lemonstone.

The predicted profits for Hydro under this so-called lemonstone or Limestone proposal that would make no money was \$48 million in '97; \$48 million in '98; \$51 million in '99; \$96 million in 2000; \$116 million in 2001. The actual profits have been 101, 111, 100, 152 and 270. The predicted profits were \$362 million. The actual profits are \$734 million. The profit before a dividend is \$371 million more than projected.

Does it not make sense for Manitobans to use that to bridge the challenges of the federal government's economic error retroactive to '93 and the economic slowdown in 2001? Yes, it does, and people are saying yes to this Budget, and members opposite should say yes to this Budget.

Mr. Speaker, this Budget is a balanced approach, and it is a sensible approach. Well, members opposite, you know, if the Leader of the Opposition (Mr. Murray) wants to go back to his words on his little motor scooter, let us go back to the motor scooter predictions, the motor scooter summit of the Leader of the Opposition, that great photo opportunity. Let not the Leader of the Opposition ever come into this House again talking about photo opportunities. I do not know who your press advisers are, but whoever told you to get on that little, pathetic motor scooter and make those predictions should not be working for you. Or was it your own judgment? I have never seen a motor scooter like that before in my life in a photo-op.

You know, he was waving around this little designer wallet, this little Gucci wallet around in the photo-op. It was not even one of those great, big farm wallets that I have, Mr. Speaker. It was one of those little Gucci wallets, you know, a little designer wallet with little symbols all over it and everything else. Look at the Gucci wallet scooter predictions that were made on that little summit of his. Gas taxes would go up. Have gas taxes gone up? No. Income taxes will go up. Have income taxes gone up? No. Home care user fees would be introduced. Have home care user fees been introduced? No. Hospitals would close in rural Manitoba. Have there been any hospitals closed in rural Manitoba? No. Have there been any predictions that have been right from the Leader of the Opposition on his scooter summit? No, Mr. Speaker.

So I want to thank the Leader of the Opposition for all those great and wonderful predictions, those scooter predictions that he made on this Budget. He was so interested in creating news and creating false predictions about the Budget that he was just flabbergasted when the Budget was produced. He has been walking around in a state of confusion ever since all his predictions did not come true, an utter state of confusion when he is now criticizing former Premier Filmon for taking money from the sale of the Manitoba Telephone System and putting it into the rainy day fund and using it as an ongoing revenue item. He is now so confused that his predecessor he is now criticizing implicitly with his comments about this Budget.

The major difference is, Mr. Speaker, that we believe Crown corporations should be used for the benefit of all our citizens on an ongoing basis, using the Crown corporations to give us an economic advantage, an affordable advantage. When we created the Public Insurance Corporation, the real advantage was not only low rates, but keeping \$1.2 billion invested in Manitoba schools, hospitals, and other resources. We believe Crown corporations should be used for the benefit of all our citizens. That is what we are doing in this Budget. Members opposite have demonstrated that they believe Crown corporations can be sold off only for the benefit of the brokers and the privileged few. How dare people stand up on a point of privilege when they only act for the people that are privileged in

Manitoba, unlike this Government. That is a real point of privilege here in this province.

Mr. Speaker, we are bringing in, as I say, a very balanced approach, spending lower in the first three years in office under our Government than the last three years under your government, the draw from the rainy day fund lower than it was when we took office three years previous. We have not taken anything out of it yet, a budgeted amount this year, but nothing has so far been taken out of the rainy day fund, another prediction that was wrong from the Leader of the Opposition (Mr. Murray).

We have lowered taxes. Members opposite talk about taxes. Some of our tax rates and tables in the year 2000, which were the tables that we were bequeathed from members opposite, when we washed away the flat tax and the surtax and put those in those tables, some of those tax rates were the highest in Canada. We had the highest corporate tax in Canada.

I talked to a former Tory old friend the other day, and he said it is actually shameful that the Tories were in for 11 years, had the highest corporate tax rates in Canada, had the highest middle-income tax rates in Canada, and then would walk around trying to campaign on tax cuts.

Now, we do not suggest that overnight we have been able to undo this legacy, but we believe Manitobans want health care, want early childhood development, want educational advantages. They do not want to get killed through the backdoor on education taxes. They also want sustainable, modest, achievable tax reductions every year. That is why there is balance in this Budget.

Mr. Speaker, we have a seven-point plan on health care. You know, it is a plan that is innovative, that is going to be effective, but also talks about basic budgeting practices. Members opposite used to tell the health authorities what their budgets were months after they actually started their fiscal year. You know, these so-called big-business people, thank goodness they were fortunate enough to obtain businesses along the way. I have got to be careful of my words. You know, these self-proclaimed

businesspeople, they used to give the whole health care authority their budgets three months after the fiscal year. Members opposite will know this. Three, four, five, six months after the fiscal year started, they used to get a budget. Do you know what? If they ran a deficit, there was no penalty; if they ran a surplus, the money was grabbed back by the Government. They wonder why they did not have any fiscal discipline in health care. They wonder why they did not have any quality results.

We have actually done some things that make common sense. We have actually given people a budget ahead of time. We give them a budget ahead of time; we expect them to live within it. If they do live within it, they get to see the benefits of that in terms of reinvestment in the patient—not a bad idea. That is why the health care deficits have gone from \$75 million under the Tories, under the former government. It is now tracking down to \$20 million and less than \$20 million.

* (16:10)

The only area that now is really a major concern for us in health care spending is the health care agreement, the negotiated agreement from members opposite with doctors. The members opposite negotiated an agreement in 1998 and '99 that has seen doctors salaries go from \$300 million to \$519 million. You know what, Mr. Speaker, you did not even have the intestinal fortitude to put the negotiated settlement in the provincial Budget of 1999, \$200 million false statements in your so-called 50-50 plan. You did not deal with \$185 million taken away from the rainy day fund, and you did not deal with \$200 million from the doctors' settlement.

You people are Tories in name only, Mr. Speaker, when it comes to dealing with money, because you could not even budget a doctors' salary settlement of \$200 million for the benefit of the people of Manitoba. I say shame on you. I can guarantee you the nurses' collective agreement will be in our Budget and is in our Budget, and sustained by all those wonderful smokers in Manitoba, as a priority. I am sorry. *[interjection]* I do not think there are many left. I have to be very careful.

An Honourable Member: One or two.

Mr. Doer: One or two. Sorry, Mr. Speaker. I apologize. I digress. Look, our health care plan, you could talk about all seven points in our health care plan, but we have a settlement now with nurses. That is a testimony to our Government. It is in the Budget, novel idea, I know, for members opposite. You know, just make up the numbers, put them in there. Do not worry about it; we will worry about that after the election campaign.

Mr. Speaker, we have a plan that is innovative. We are co-operating now with other western provinces to have some services delivered in Manitoba and some other services delivered in other provinces. We do not need 11 Cadillacs in Canada. We are slowly reducing the highest per capita cost on health care for members opposite to a more sensible, logical way. We could talk all day long about how we are improving health care, but there are symbols of results. The best symbol I could think of in terms of health care in Manitoba and the difference between members opposite and this team is that we may not make as many promises as opposite made. We may not have had as many press releases as members opposite made. We may not have promised as many things as members opposite, but seven times they promised to rebuild the Brandon General Hospital, and seven times they broke their word.

How can they stand up about rural Manitoba? This Government, the tenders have been let. The building is going on. The endangered species called the building crane is back in Manitoba. That is why they should vote for this Budget.

Mr. Speaker, we could talk about fixing the leaky roof at the University of Manitoba, Faculty of Engineering. We could talk about all the investments in post-secondary education, the 12% increase in enrolment. We could talk about the extra spaces and the new high tech Distance Education introduced by the Minister of Advanced Education (Ms. McGifford) yesterday. Good on her and good on us for doing that.

Mr. Speaker, we could talk about the improvement of public education and the

reduction of taxes and the quality, starting to treat teachers and parents with respect, trying to deal with teachers as partners in education not as enemies as members opposite did, but let us look again at another symbol of our educational legacy. Again, you will see that endangered species called the building crane a couple blocks away in central Winnipeg. Out of the ashes of the education policy of the Tories, the new Red River community college campus is rising. It is rising from the ashes of an outdated education policy that was rooted back in the 1930s, an education policy that said education is a cost. We say that education is an investment, and Red River community college will be open for students on September 1, 2002, under this Government.

Our symbol of highways and infrastructure is that we are finally investing in a long-term plan for our roads and our highways and our byways and our water. The Minister of Intergovernmental Affairs (Ms. Friesen) announced the second stage of announcements on water quality, including water quality in northern Manitoba, where it was overlooked for years.

We are starting to treat northern residents with greater priority than ducks now when it comes to highways spending. We are starting to invest in the safety of our highways and putting money back into northern Manitoba. That again is a symbol of a government that sees the North as a future, not as the members opposite that turned their backs on northern Manitoba for 11 or 12 years. They forgot that the Golden Boy faces north. We have returned the Golden Boy to facing north, and this Government faces north for economic opportunity and hope for the future.

We are very concerned about our agricultural economy. I am pleased to see that there is increase in income, but our agricultural economy must continue to improve. We put in excessive moisture insurance for farmers. Was it in before? No. We put on property tax reductions from the former government that raised the assessment to 30 percent. We lowered it to 26 percent. We put in new funding for a Manitoba agricultural credit. We put in emergency assistance of \$92 million for farmers. We put in a rural and farm stress line. We have a rural grain road program

of \$16.4 million. We have announced Simplot, a project that the Member for Lakeside (Mr. Enns) said would never exist, a \$120-million investment. We have a \$121-million safety net program. We are building generation to generation in Project 2000, Mr. Speaker. We have a family farm safety co-ordinator coming in. There is more action for rural Manitoba and less words than any government in the last 15 years.

Members opposite will see the future. Mr. Speaker, the nutraceutical centre at the University of Manitoba, the food centre at Portage la Prairie. That is the future. We are not only building on the past, we are building on the future.

Finally, we believe that Manitoba farmers should be producing grain and oilseeds that will go into the cars of North America. We want to build upon our proud agricultural heritage and reduce emissions. This year alone Mohawk is putting ethanol diesel in buses in Winnipeg. We can reduce emissions, increase cash crops for farmers, and go forward in a positive way. I regret we did not do this 10 years ago, but we will definitely be on the leading edge.

* (16:20)

The member opposite is trying to heckle me from his seat, but it will not deter me from my action. Mr. Speaker, many of the people are saying this is a very prudent Budget, the independent people, the people who are not playing politics, Manitoba's diversified economy holding up surprisingly well. You know, some of the provinces that actually had tax cuts last year, which, first of all, it would be a one-trick pony over there except they never rode the pony. Our tax cuts are greater than their tax cuts. Our tax cuts in three years are greater than their tax cuts. We do not believe that we should be a one-trick—I had better be careful here.

An Honourable Member: A one-trick scooter.

Mr. Doer: A one-trick scooter, for members opposite.

Mr. Speaker, you will find the numbers to back up what we are saying less money from the rainy day fund, more debt repayment and greater

tax reductions and more investment in logical investments in the future of Manitoba. Manitoba did better than most other provinces in Canada, the economic analysis was. Consumer spending remains surprisingly resilient, cushioning a good part of the weakness in exports to the United States with a decline in the export market. Consumer confidence was supported by relatively healthy, full-time job growth—did you hear that?—full-time job growth in the past few years and low, low, low unemployment.

Mr. Speaker, improving farm incomes also helped. The agricultural sectors were affected little by the drought and continue to benefit from its great diversity, particularly in a strong live-stock market. Retail sales increased by 5.7 percent in the year 2001. Housing market bounced back and increased by 15.7 percent, and it goes on and on and gone. Real GDP growth is expected to snap back to 3 percent this year. This will boost Manitoba's merchandise exports to the United States. A continuing gradual strengthening of the farm economy, relatively low unemployment, and another modest reduction in the tax burden should continue to support consumer confidence and spending, especially into the year 2003, where the real GDP growth will go up to 4 percent in Manitoba, Mr. Speaker. So this is truly a bridge.

When we talked about this Budget being balanced, look at the final page. In the first three budgets, we invested \$500 million more or 2.5 percent a year in health, education, children and communities. At the same time, we have reduced taxes by \$244 million with personal income tax and property tax and committed \$288 million to reducing the operating debt in government. Members opposite talk about being balanced; we do it. Thank you very much, Mr. Speaker.

Mr. Jim Penner (Steinbach): Mr. Speaker, if I heard correctly, I think this Premier will be voting favourably for this fourth Budget. I think it is the fourth time. I think, if I am correct, he voted for the last budget of the Progressive Conservative Party, so I congratulate him for that. I appreciate that he would vote for our Budget, so it could not be all that bad.

Mr. Speaker, I would like to give a reply to the Government's 2002-2003 Budget, but first let me also add my congratulations to our newest MLA, the Member for Lac du Bonnet (Mr.

Hawranik). We are very proud that he not only represents the legal profession and has great skills, but he has a long-term reputation for serving his community. He has a servant attitude towards his community. In this House, he represents the Manitoba PC Party. We admire his willingness to serve this province, even at expense to himself.

I am sure the riding he represents will be very pleased with their MLA, and his contributions in the years to come will go down in history as being very positive, very fair and innovative. It is with members like this that we intend to lead this province back into a have province and regain the confidence of the voters and taxpayers of this great province.

Mr. Speaker, I was reading a story the other day which I had picked up while on a visit to the former Soviet Union. I would just like to relate this little anecdotal story, so that we can better understand what is happening in the present Budget. This happened in a foreign country and the gentleman's name was Ivan Stroske of the Communal Manufacturing Company. Every evening he would wheel a wheelbarrow full of straw away from the factory, and the police knew that he was stealing. They knew he was stealing something. They put all their scientists to work, and they were meticulously looking for what was in that straw. They microscopically examined the straw. They asked the highest and most learned scientist in the land to see what was in that straw. Of course, they found nothing. They could not find anything in that straw. So what they finally had to do was make a deal. They said they would not charge him with a crime. They granted him immunity if he would tell them what he was doing. Do you know what he was doing? He was stealing wheelbarrows. I heard this in Russia.

Now, the taxpayers may still be looking at the straw and not seeing the \$288 million that is being taken out of Hydro. They are still seeing the straw. They are not seeing the wheelbarrows.

Mr. Conrad Santos, Deputy Speaker, in the Chair

Mr. Deputy Speaker, there is something that we learned in business that was very important in that we always recognize things when people

do them well. In this case, I, too, as critic for Finance, I want to recognize that this Government has done some things correctly in our opinion. I think sometimes we have to search for the positives, but searching for positive behaviour reinforces positive behaviour, and we would like Manitoba citizens to get the best deal that they can get from this Government.

One of the challenges facing government is the constantly changing social structure. I think the previous government addressed social problems as they arose, and, in some cases, this Government may also be addressing some social problems as they arise. One of the challenges facing government is the constantly changing social structure. Some social programs have been renamed and reannounced, so it is hard to determine what is new and what is just a little bit of rejigging, but we applaud any programs that support child health. Good health in the early years is sure to pay off. As they become teens and adults they will be more productive.

With more breakdowns of the traditional family, we have single moms and dads having to cope with more challenges in ensuring a healthy environment, healthy eating, exercise, et cetera. Even addressing the fetal alcohol syndrome is important. I know this Government has done something towards that. So we care about all Manitobans and we are appreciative of programs that are introduced that are addressing today's problems, just as we addressed the problems that we had in the past.

* (16:30)

I do believe, however, that simply handing out money may not be addressing needs in a practical way. We may actually encourage the growth of problems in some places rather than discourage the use of drugs, alcohol, and tobacco just by handing out cheques willy-nilly. Part of being a responsible government, I believe, is not just throwing money every time a challenge in our society shows up. We need to deal with the management of this money so that we hit the targeted problems and not simply use a shotgun approach of scattering our hard-earned, taxpayers' dollars in every direction and hitting nothing.

I would also like to thank this Government for completing the Bethesda Personal Care Home in Steinbach. We were very concerned at one point that this project would not be completed. Even though it was started under our mandate, it has been completed. The old facility was an embarrassment to the community, and it was disrespectful to the elderly. We need also to address the personal care homes in Grunthal and Rest Haven.

While we are still on some health concerns, I would like to thank citizens and professionals for the expressions of concern for the loss of support to the chiropractors. I know that a large percentage of Manitobans need this health care service. I know that many of those Manitobans are not flush with cash. It seems amazing to me that a government that has verbally endorsed health care for everybody for free—although it is at taxpayers expense they call it free—would in writing require the payment by patients of user fees. Now all of a sudden user fees that were the curse of Ontario, the curse of Alberta, they are endorsing user fees. We have seen a hypocritical stance here that must have many of the NDP's past supporters shaking their heads in disbelief.

Mr. Deputy Speaker, the Government has increased its spending on other forms of health care by 7.1 percent. The chiropractic health care constitutes only 0.5 percent. I think this discontinuing of supporting the chiropractic health care is a somewhat meanspirited, unfortunate political move.

In recent conversations I have had with some doctors, I talked to an oncologist who is also a urologist recently. He says that this province should have 20 urologists, given the population. At the time he was talking to me they had 12. He has left to go teach at Mayo Clinic in the States, and now we have 11. For all the taunting and flaunting of the prostate care facility, what can we do when we do not have doctors? We have let them slip out of our hands. We have let them leave the province. We are not getting the facilities that this province deserves. We are not getting the care that our taxpayers deserve.

Although a great deal of work in government seems to involve tradition and precedent, I

feel one part of the system has remained as more than just precedent. That is the right of each elected body to make choices, choices in their jurisdiction. Mr. Deputy Speaker, that is the theme of my talk today, to govern is to make choices.

Now, this Government can choose to spend in an out-of-control manner, or they may choose to make announcements on an almost daily basis, announcements which have not been thought through or funded or even announcements that they know they cannot fulfil. They may choose to proceed or delay projects as they wish or to reduce the size of the projects. They may plan to leave money in suspense for election-time spending. They may choose to keep middle-income Manitobans among the highest taxed in all of Canada. Yes, middle-income Manitobans are among the highest taxed in all of Canada. I am just wondering where the previous speaker got his figures from, because we know that the tax on a family of four at \$60,000 in British Columbia is \$3,455; Alberta \$3,079; Saskatchewan \$4,815; Ontario \$3,488; and Manitoba \$5,601. Talk about taxes, this is what we are living with in this province. I am embarrassed to be part of this.

Well, governing is about making choices. They may choose to keep middle-income Manitobans among the highest taxed in all of Canada, or they can choose to be competitive even with Saskatchewan. They can choose to keep Manitobans in a competitive tax position, or they can choose to encourage out-migration as we have experienced in this past year.

I was comparing today in Question Period the difference between the tax of \$60,000, four-person family in Saskatchewan and Manitoba, and the difference right now from a year ago, where we were at \$300 ahead, now we are over \$600 behind. The difference in what we are paying from last year to this year is over a thousand dollars. That is a significant amount of money. That is not before tax. That is not peanuts.

This Government can choose tax savings and cause our economy to flourish, and we know that internationally that has worked. It has worked in Ireland. It has worked in New

Zealand. When people are in trouble, tax savings start the economy rolling again, or they can sap the lifeblood from taxpayers who are productive, thus softening and weakening our economy in the province.

Last year, 2000-2001 Budget, I think, indicated a 6% increase in spending. This year it is expected to go up less than 3 percent. However, our revenue stream is not as strong, and revenue is harder to achieve in what is rapidly becoming a have-not province. The previous speaker mentioned that there were three reasons for the slow-down, one of them being the slow-down in the U.S. stock markets, one of them being the September 11 incident and one of them being a federal error which now amounts to about \$700 million.

Mr. Deputy Speaker, I have gone to a great deal of trouble to find out how those things have affected the economy in Manitoba. The CFIB, the Chamber of Commerce, and various other groups have done surveys, and it is not believed that any of those, the slowdown of the world economy and the U.S. was not effectively a factor in Manitoba.

The September 11 incident did not change the Manitoba economy. I know we were scared. I know everybody was sorry, and it was a very emotional incident, but it did not change effectively our economy in Manitoba.

And hiding behind the \$700-million federal error made us wonder: Why were we hiding behind that thing? They were hiding behind this unsettled disagreement because they could not come forward with their Budget. They did not want to come forward with their third-quarter report. If they came forward with their third-quarter report, they would spill the beans about robbing Hydro.

* (16:40)

When we look at what the NDP governments did to Ontario and what they did to B.C. and Manitoba during the Pawley years, we did not need much of a wake-up call to see what is happening to Manitoba now. Long before Manitobans wake up to see what they are doing to themselves, we will be suffering the results of

poor planning. When they see what is happening, even what has happened in the last two and a half years, Manitobans will also have the opportunity to make choices. They may choose to leave the province.

You know, Mr. Deputy Speaker, my parents left Saskatchewan when Tommy Douglas was elected. When Tommy Douglas was elected, that was the former CCF which later became the NDP, a lot of things changed in Saskatchewan. That was just after World War II. You were probably around at that time already. By 1946, the former NDP, CCF government in Saskatchewan had taken over a box factory. They had taken over a brick yard. They took over a boot factory. They took over a fish processing plant. They even grabbed an airline. They even drafted legislation allowing municipalities to own and operate businesses such as bowling alleys, gas stations and bakeries. Yes, I believe there was precedent for this in the Soviet Union under the Communist revolution. They took over and dominated whole industries.

Private investors have a choice to make, and many left Saskatchewan. In fact, the reason I am living in Manitoba is a credit to Tommy Douglas. My father could not stand to see what was happening there, and we packed it in. In fact, they sold their wedding gifts. They sold everything, and we came to Manitoba to start a life in a different environment. We did not expect this. So we came to Manitoba and to Steinbach and bought a small grocery store in the hope that we would have freedom, freedom from political interference, freedom to operate, freedom from a heavy-handed government.

Back in 1946, Mr. Deputy Speaker, the government of the day even passed laws forcing bus passengers to use money-losing government buses. That government owned Potash Corporation in recent years and lost hundreds of millions of taxpayer dollars. Finally they sold it back to the private sector where it thrived. The box factory went broke. The boot factory went broke. The fish plant went broke. The brickyard went broke.

Mind you, they still have their Saskatchewan Telephone System. It is the last remaining state-owned telephone system, but you know

what? They will not be able to sell it because they did not sell it in time. You know what? It is so outdated nobody wants to buy it, so it is just sitting there.

Mr. Deputy Speaker, the reason for governments to try to run business has disappeared with the changes in technology, changes in world trade, changes in global markets and changes in global trade. Now with freedom from politics and parochial methods, many of these privatized firms expand, thrive, generate more jobs and pay taxes in large amounts.

This February, the citizens of Saskatchewan received a special Valentine's Day gift. Their government sold its remaining stake in Cameco. Cameco was a uranium company made up of two Crown corporations. That would have amounted to selling the family silver a few years ago. A few years ago that would be like selling the family jewels. Now it was viewed as an intelligent move, an intelligent public policy and a correct thing to do. So we noticed that Crown corps can only make money under two circumstances. Two circumstances have to exist for Crown corps, and I do not deny that this is necessary for Hydro. I do not think we should sell Hydro, but two circumstances have to exist before a Crown corporation can exist. One of them is that it must have a monopoly. A Crown corporation must have a monopoly.

Number 2 is that a Crown corporation is allowed to fix prices. Price fixing. If I did that as a grocer or if anybody here did that as a car dealer or a gasoline station, if anybody did price fixing, if anybody here in business, if anybody here did a monopoly and price fixing, you know where they would end up? They would end up in jail. They would end up with fines. This is what would happen to people who did price fixing. I know they are embarrassed about the background of their party, but this is just something they have to live with. That is why I am rubbing it into their faces a little bit so that they know their background.

We noticed that Crown corps can only make money under two conditions: price fixing and monopoly. If I did those two things, I would be sitting in jail. However, today some Crown corporations that still exist look better than they

should. Why do some of these Crown corporations look pretty good? Two things. First of all, they do not pay commercial interest rates. They get special rates. Secondly, they do not pay their fair share of taxes. So you can actually look at Crown corps as having opportunities for efficiencies if they were properly managed and in free enterprise.

Many choices must be made in major areas of expense such as health, education and even environmental issues. Highways are a constant topic of conversation, and choices must be made as to what our priorities are. But just being aware of the need to make choices does not bring us to an understanding of this Government's handling of tax dollars. We know that throwing money at a problem does not solve the problem unless there is a vision and unless there is a plan.

In fact, in business we are taught that if you throw money at a problem, you might just grow the problem bigger. We have examples in our management texts and Tom Peters that, if you throw money at a problem, you just grow the problem bigger. You need to address the problem with research. You need to address the problem with management skills. You need to address the problem with vision. We admit that we have health care problems and we admit that not everything that has been tried in the last 20 years did work, but we do know that we need management. We need real management.

I would just like to give an example that has been given to me over the years. Mr. Deputy Speaker, if you took a beautiful big new ship and you started up the engines and you put it in gear and the propeller starts to run, but if you did not have a captain and you did not have a plan, that ship would be wrecked. We saw that in the Pawley years. If you start up this ship with a captain and you have a goal in mind, 999 times out of 1000, you will get there, so we really need to stress the importance of having a vision, having a plan and some management skills and a direction.

When it comes to facing challenges in agriculture, I see on this side of the House numerous examples of success in farming. There are people sitting around me right here who love

the land. They love the family farm. They love the lifestyle of rural living. These are families who look for the opportunity to continue their rural lifestyle, but what are they faced with by way of challenges to stay on the farm?

First of all, farmers are faced with a lot of uncertainties each year. They are not in control of the weather conditions. They must live with world pressures on commodity prices. They face floods, drought, insects, diseases and many other challenges from time to time. It has also been brought to my attention that the accident rate on farms is the highest of any industry. Farmers are also facing school closings. They are facing hospital cutbacks and maybe amalgamations. They are facing a difficulty with getting roads repaired, and they get little understanding, as far as I am hearing, from the present Government.

Agriculture is Manitoba's largest industry. We need MLAs who understand and care about agriculture. In the last two years, I have seen farmers in this building in tears, because they do not feel they are being understood. We really need to understand and care and respond to the biggest industry in Manitoba, the farming industry.

Mr. Deputy Speaker, you know what the farmers have given us? It is a real gift and it should be appreciated more. We have the lowest cost of food in the world. The lowest cost of food. When I say that, it is based on average income. If you take the average income of a Canadian, we spend somewhere between 9, 10 or 11 percent on food. Sometimes the difference in percentage there is restaurant meals. But I want to tell you, we have the lowest cost of food in the world. And you know what? We have good food. We eat well. We have a thriving agricultural economy when circumstances are good.

Now, I have never been an advocate of subsidies, but, you know, if we subsidize farmers and help them in disasters, we do not just help the farmer, we do not just help them to survive a disaster. The food goes to every Canadian. The pressure of prices in one province is equalized with another province. So I do not see anything wrong with supporting our farmers, trying to keep our farmers on the farm, trying to

keep them productive, trying to keep the next generation capable of sustaining the farm. They represent a very important segment of our society. They represent a very important segment of our economy. They do not feel understood. One of the things that farmers have given us is the quality of food, the low-income food, in the face of a lot of challenges.

Mr. Deputy Speaker, I have spent some time as the critic for Industry, Trade and Mines. I have also met with the presidents of the two largest mines in Manitoba. I met with the president and vice-president of the Manitoba Mining Association. Mining is Manitoba's second largest industry after agriculture, and, you know what? Of every million-dollars worth of material extracted from the mines, you know how much stays in the province?—\$800,000 is spent in the province. This is an industry and activity that is very, very important to our province.

* (16:50)

I think that the mining industry feels extremely threatened at this time. They have in the last 10 years become the most accident-free industry in the province. They have reduced their accident rates from something like ten per thousand to one-and-a-half per thousand per year. I have seen the charts. I cannot remember the exact numbers, but, Mr. Deputy Speaker, the mining industry has looked after its need for safety. They feel threatened by workplace, health and safety legislation that is going to put inspectors in the mine and put onerous rules on them. They feel so threatened that they are already experiencing—listen to this—with bringing in raw ore and raw materials to feed their factories, so they do not have to mine in Manitoba.

Mr. Deputy Speaker, this is really challenging. This is not hearsay. This is not something I made up. This is what people in the industry have told me. So I am extremely concerned that the second largest industry in Manitoba is under fire by people who may not understand the industry and people who may not understand the workplace, safety and health legislation that is acceptable.

It is just like Bill 44 allowing the unionization of Granny's Poultry in Blumenort without counting the ballots. The new workplace safety laws will give power to those not responsible for keeping investment in the province. We cannot sustain this mentality and still attract business, jobs and in-migration, which we so badly need if we want to spend all these tax dollars.

We recently heard boasts about this Government saving some manufacturing jobs, at least for the time being, in the bus manufacturing industry. This is something we applaud. At the same time, we are losing jobs in the harness racing industry. We are adding significantly to the cost of homes by taxing wages of electrical and plumbing companies, and we are threatening industries with a good safety record with onerous legislation that will scare them right out of the province.

Mr. Deputy Speaker, I would like to just make reference to a letter I got yesterday from the Manitoba Home Builders' Association. The new laws about taxing wages in plumbing and electrical will probably add \$400 to the value of a home, but there are also those who have estimated that it will add \$700. Now, that is quite a tax on our homes. It is another hidden tax. The construction industry was not invited to be part of a consultation, and we hear that this Government consults, consults, consults. They were not invited to be part of the consultation.

The implementation of this tax by July 1 is totally unrealistic. Many homes are pre-sold. Some of them are only going to be started in November, and contracts have been signed and sealed. This is maybe just the thin edge of the wedge for taxing on other parts of the construction industry, and the construction industry is in a tether over this thing. They do not know what further applications of the PST are going to be made for other components of homes. Apparently, this is a joke for some of the people on the other side, but people in the home-building industry and home buyers in the next few years are not thinking that this is very funny. It is rather unfortunate that taxes are brought up in this way without consultation and adding such a heavy cost to so many fine homes in the future.

I believe this attitude of taxing, the secret taxes, withdrawals, I believe this attitude is not going to bring us into being a have province. The new tax on labour for electrical is going to raise \$7.5 million alone in the next year.

You know, Mr. Deputy Speaker, as a retailer for 36 years, I survived the Schreyer years. I survived the devastating Pawley years, and during that time I was the chairman of the Canadian Federation of Independent Grocers. I had opportunities to speak at conventions and seminars in most major cities in Canada. Do you know what I found? Where there was a repressive regime, a tax-and-spend regime, a socialistic regime that was blind to the need for rural development, that was blind to the need for encouragement with competitive taxes, people in our industry did not want to build. They did not want to expand. They did not want to develop.

Mr. Deputy Speaker, that was really a serious thing, because you know what happens when that happens? If you take away the private sector and you take away the independent retailer, who comes in? The big chains. There is no competition, and you know who pays them, you and I. We have to pay because the competition is gone, because there was not a tax-friendly environment to develop. So often I have heard the politicians in the last two years who represent the Government of Manitoba at this time saying this Government will do this for you or this Government will do that for you and so forth.

Well, Mr. Deputy Speaker, governments have no money, only taxpayers' money. They do not print money. They do not produce money. Any money that we spend is taxpayers' money. In fact, you know, even businessmen do not pay taxes. Did you know that? Businessmen do not pay taxes. All they do is add the taxes to the price of the product, whether it is a car, whether it is groceries, whether it is a suit. We just add the taxes, whether it is property tax, whether it is income tax, whether it is environmental tax. You know, it does not matter what you look at, the taxes are added to the price of the merchandise, so all the taxes, all the hidden taxes are paid for by the consumer. The consumer in Manitoba is the only person who pays taxes. That makes some of the recent moves of our Doer

government a little bit more of a concern. Not only is it easy to sneak the taxes up, but it already has been done in numerous cases.

Here are just some fee increases under this Government. It now requires a \$400 licence for manufacturers of products such as stuffed articles, an increase of 300 percent, \$300; the dealer plate fees have been increased by \$77, for 160 percent; a dealer permit, look at this, a car dealer permit has gone up 167 percent; the notary public appointment has gone up 50 percent; to file a statement of claim has gone up 25 percent; to register a farm truck has gone up 29 percent; registration for cars and trucks has gone up 20 percent, 200 percent, 25 percent; annual fees for a Commissioner of Oaths has gone up 42 percent; to file a statement of defence has gone up 17 percent; a garnishment order has gone up 20 percent; a private vehicle inspection, 67 percent; driver's licence, 15 percent; private vehicle safety inspections, 13 percent, and so on.

We could go on and on, but, certainly, this Government must feel threatened because they are drawing taxes from right, left and centre. Anything they can tax is. Like somebody said in the House, they have never seen a tax they did not like.

This Government's spending has increased by \$1 billion, and what has improved? What I am hearing from the citizens of this province almost daily is that it feels like the waiting lists are longer; it feels like the specialists are harder to find; hallway medicine is alive and well; we are still making sandwiches in Edmonton; we are still serving rethermalized food; nursing shortages have only grown larger by double.

* (17:00)

The most disheartening thing about Manitoba's health care is that we do not know of any plan or vision to improve it. The Health Minister said we should just expect less, but we are living in the year 2002. So, I have to put forward that we will not vote for this Budget. Our party will not vote for this Budget. We are going to vote against this Budget, and we are going to vote in support of our amendment because we feel this Budget is inadequate.

Mr. Deputy Speaker, this Budget lacks the vision Manitobans had come to expect from the previous government. We know that Manitobans realize the failure of the Government to offer Manitobans any vision for innovative, creative solutions for a successful and sustainable future. By artificially trying to balance the Budget and by retroactively raiding Manitoba Hydro funds, they claim they have balanced the Budget. This is not a balanced Budget.

I want to read a transcript to you, and this is a quote. This is a transcript from CBC on April 24: "Manitoba's auditor is disputing the Government's claim the Budget is balanced: he says the province is operating in a deficit.

"By law, Finance Minister . . . must balance the . . . books. When he released the new budget on Monday, he announced he'd done just that.

"However," listen to this, Mr. Deputy Speaker, "Manitoba auditor Jon Singleton says that's not entirely true."

Here is what he said—this is a quote: "If you look in the budget papers, it shows a deficit of \$123 million," says Singleton."

Mr. Deputy Speaker, with that deficit, I just ask that we get rid of this Budget, and I expect that we will have to vote in favour of our amendments and vote against this Budget.

Thank you, Mr. Deputy Speaker.

Hon. Greg Selinger (Minister of Finance): Mr. Deputy Speaker, before I start, I would like to thank the members of Treasury Board and the staff at Treasury Board, once again, for all the work they did on this Budget. When you see the amount of weekends and evenings they put in to bring all the material together and crunch the numbers, work through all the policy analysis required, I am sure the member from Minnedosa will agree with me that the copious amounts of work they do are not often recognized, the quality of service that many of our public servants give to make a budget come together. It is an intense process at the best of times. Many complexities are dealt with. Many issues are resolved and gone over. They have to pull it all together into a coherent budget with a set of

numbers that add up to a balanced budget. Once again, the members of Treasury Board and the staff have done a terrific job.

Mr. Deputy Speaker, on April 22, I had the honour of introducing our third Budget to the Legislature and to Manitobans. We are proud to acknowledge that this Budget was published in both French and English, as was the case, for the first time, last year. This year we presented the *Manitoba Advantage* in both languages as well.

C'était la première année qu'on a publié *Les avantages du Manitoba* dans les deux langues officielles de la province, et c'est la deuxième année qu'on a fait le Budget dans les deux langues officielles du Manitoba.

Translation

It was the first year that we published the Manitoba Advantage in the province's two official languages, and it was the second year that we presented the Budget in both official languages of Manitoba.

English

I would like to congratulate all the members for a lively, spirited debate throughout this Budget. Certainly, there was some new ground broken here. People have views on that. No doubt about it, it was a tough year. We had many factors that came together to make it a challenging year. We predicted in the last Budget that economic growth would be 2.4 percent, and with the events of September 11, that 2.4% real growth took an additional downturn and actually came in around about 1.6% real growth for the year. Some prognosticators say 1.4 percent. In addition to that, we had the surprising record of incompetence of the federal revenue collection agency come to light towards the end of January, and we have tagged that as the federal accounting error, an error that still, although the principles are clear on how to resolve it, has not been finally resolved in terms of the details by the federal government.

All of those three factors made for, probably, more uncertainty in this Budget than we have seen in many years. We have had several strong years of growth and positive

impacts on our economy. This year that slowdown primarily led by events in the United States, both economic and political, dealt a body blow to many economies across North America, indeed, across the world. Manitoba was not entirely immune. Nonetheless, the Manitoba economy remained more resilient than most. It actually did quite well. It moved into the top three economies across the country, and we can be thankful for that, even though we saw some dramatic decreases in revenues, particularly on the corporate tax side.

It was a time for difficult choices. We tried to make those choices in a spirit of fairness, always bearing in mind that whatever decisions we make should lay a strong foundation for the future in Manitoba, and that is why we choose the theme for this year's Budget of Meeting Today's Challenges While Building for the Future.

In this Budget we continue, unlike most other provincial governments, to make significant progress in reducing the debt and debt cost. Our net general purpose debt is down to \$6.3 billion, which is about 17.6 percent of GDP, down from about 20.7 percent of GDP in 1999-2000. This is the lowest net general purpose debt since 1983-84 in the province. The debt servicing costs are \$368 million this year, or 5.3 percent of revenue, which is down from \$520 million in '99-2000 when it was 7.3 percent of revenue. These are the lowest general purpose debt servicing costs since 1981-82.

The provincial U.S. dollar exposure on our general purpose debt is now down to 6 percent. It was 19 percent when we came into office. We have reduced it by more than two thirds. That 6 percent is the lowest we have seen in many, many years. Our favourable borrowing costs, among the best in the country, are buoyed by our credit rating which is AA for both Standard & Poors and Moody's.

For the last two years, we have not drawn on the Fiscal Stabilization Fund. Instead, we have actually built it up, very close to the target that is suggested in the balanced budget legislation. This year we are budgeting \$93 million to draw from the Fiscal Stabilization Fund, which is actually less than the payment we are planning

to make on the general purpose debt and the pension liability.

North America's economy is coming off one of the weakest years in over a decade. This is one of the major justifications for having a draw on the Fiscal Stabilization Fund of \$93 million, which is still only 50 percent of the draw in the election year when the economy was growing at least double what it is growing now. So it just goes to show you, we are acting more prudently in the way we use that resource.

The previous government drew \$471 million from the Fiscal Stabilization Fund over their last three years, significantly more than the proceeds of the sale of the Manitoba Telephone System, which had been deposited into the fund of \$264 million. Back in the 1987 Manitoba Budget Address, Manitoba's telephone rates were 10 percent lower than those in the next lowest province. Also, we were one half as expensive as the most expensive province. It is telling now that, after the Conservative government's privatization of Manitoba Telephone System, when you look at the Manitoba advantage of cost-of-living comparisons, Manitoba's residential telephone costs are the second highest among the 10 provinces in Canada. Only British Columbia has higher telephone rates than Manitoba, and that is what the members opposite would call a successful privatization.

* (17:10)

We are seeing this all across the country, that the privatizations entered into by Conservative governments wind up costing consumers more. That is why we brought in legislation that would require a referendum before any attempt to privatize Hydro went ahead.

I have heard that some members have criticized our initiatives to put Hydro profits to work for Manitobans. Let me just set the record straight. It was the Pawley government, the Pawley NDP government, that initiated the construction of the Limestone generating facility. All we have heard from the members opposite is that doom and gloom. They called the profitability of Limestone a myth. They criticized these forward-looking investments and ridiculed those who saw the great potential of

northern hydro development. They said Hydro would never turn a profit from the Limestone investment. Well, with the hindsight of history, we can now say that they were dead wrong on that account, and today we stand in a position to benefit from those far-sighted decisions that were made by that former government.

These assets are now producing significant surplus. They say we are raiding Hydro, that this is unprecedented. That is about as accurate as their prognostication that Limestone would never generate a profit. Manitoba Hydro has been and continues to be very profitable. It is a well-run, forward-looking company. It has earned profits of almost a half a billion dollars over the last two years and expects to earn further significant profits over the future years. All the while Manitoba Hydro's profits have considerably improved its balance sheets.

Mr. Speaker in the Chair

The members opposite suggest that Manitoba's receipt of a portion of Hydro surplus is unusual. That is hardly the case. Several Crown utilities provide dividends to their governments, including SaskPower, BC Hydro, Québec hydro, Newfoundland and Labrador and even the hydro resource in the Northwest Territories provides a dividend to their government. Winnipeg Hydro has for many years provided a dividend to the city of Winnipeg in the order of \$15 million to \$20 million a year. Members opposite have never complained about that. Indeed, they have benefited by that through lower property taxes for those members that live and represent the people of Winnipeg. Do Manitobans not ultimately deserve to have the same advantages from their Crowns as Winnipeggers have had from Winnipeg Hydro? Do Manitobans not at least enjoy to have the same benefits from their Crowns as citizens in other provinces of the country?

The head of the Business Council of Manitoba, Jim Carr, said on Budget Day: We approve of treating Crown corporations as private business so there could be transfers to government in lieu of taxes and you can pay dividends to shareholders. The shareholders of Manitoba Hydro are all the citizens of Manitoba. They deserve to get a dividend equally as much

as if they were a shareholder of the Manitoba Telephone System. We now know that over 80 percent of the shareholders of Manitoba Telephone live outside of Manitoba. All the benefits of this transfer will go exclusively to Manitobans.

As to the issue of retroactivity. In 1989, in that Budget, the members opposite including the Member for Lakeside (Mr. Enns), the Member for Minnedosa (Mr. Gillehammer), the Member for Ste. Rose (Mr. Cummings), the Member for Russell (Mr. Derkach), the Member for Emerson (Mr. Jack Penner) and the Member for River East (Mrs. Mitchelson) decided to allocate \$200 million of provincial revenue from the '88-89 Budget to the Fiscal Stabilization Fund, thereby deliberately and retroactively turning a surplus into a deficit for the previous year. They did that through legislation. They did it nine months after the fact. That is the kind of behaviour we saw in the previous government. Again, this was done on June 5, 1989, in respect to the previous fiscal year and only received Royal Assent for that decision in December. That was nine months after the fact.

It was also worth noting that the legislation was written to come into effect on March 31, 1989, more than two months after the Budget was introduced and eight months after it received Royal Assent.

Let me also be clear that the decision to put Hydro's export profits to work for Manitobans is not an issue for the Public Utilities Board. The PUB has an important task to fulfil in evaluating rate proposals and related matters. However the issue of using the dividends of a utility owned by Manitobans to bridge the gap in provincial revenues is a policy decision that should be evaluated and debated in front of the people's representatives. That is right here in the Legislature. That is something we said we would do. We affirmed that two days after the Budget. We affirm it again.

Mr. Speaker, we will make a policy decision. The appropriate legislation will be brought forward as in many other areas of the Budget, fully debated in the Legislature with full opportunity for citizens to comment on it and then ultimately passed into law in order to

ensure that Manitobans gain the benefits of the far-sighted decisions that were made with respect to Manitoba Hydro and decisions that we are making across many other fields.

The focus should be on the future and the commitment to preserve and promote Manitoba Hydro with First Nations as partners and beneficiaries of northern development. Right now comprehensive discussions are underway with the Nisichawayasihk Cree Nation to come to a partnership arrangement on the Wuskwatim hydro development. Hydro is also discussing with Tataskweyak, York Landing, War Lake and Fox Lake Cree Nations the possibilities for development of the Gull hydro site.

We are proud that the 2002 Budget both preserves and extends services to Manitobans. At the same time, we have adopted a new, more cost-effective way to manage our resources. We believe we have struck the right balance in Budget 2002, a balance of fairness, a balance with an eye to the future and a balance on fundamentals of managing our debt and paying it down as well as balancing the Budget.

Health care remains the most significant priority of Canadians, and, of course, it is a priority of Manitobans. Significant capital investments are being followed through on for the Health Sciences Centre, the largest capital investment in health facilities in the history of Manitoba. Recently, the Minister of Health (Mr. Chomiak) made a significant announcement with respect to redeveloping the Gimli Hospital. There will be a half-million dollar investment in The Pas obstetrical unit which will provide services to newborns and their parents right in the North of Manitoba. The Victoria Hospital emergency, critical care, day surgery and cancer care, a total of an \$11-million expansion was announced just days ago by the member—

An Honourable Member: No, it was today.

Mr. Selinger: Was it today? Today. What can I say?

Of course, the Minister of Health has managed to position Manitoba as a leader of excellence with respect to neurosurgery in western Canada with the announcement of a

gamma knife project. That will provide first quality work for the neurosurgeons that we have brought back to Manitoba. They will be able to pursue their professional objectives here in Manitoba with high quality work which will provide Manitobans, indeed citizens all across western Canada, with top of the line services on neurosurgery.

We have new ultrasound services outside of hospitals. We are addressing the nursing shortage by doubling the number of graduates. We will see that dip in the number of graduates that we saw just before the last election start to be a curve that goes up as we graduate new nurses in Manitoba, and they will have very competitive salaries as they take jobs in Manitoba. Many, the vast majority of them, have expressed their intention to remain and work in Manitoba.

* (17:20)

We have Telehealth sites, 18 sites bringing the skills of specialists to Manitobans across the province. One of our major health initiatives was like B.C., Alberta and Saskatchewan, to increase taxes on tobacco and tobacco products. We now have roughly the same taxes across the west. We expect the province of Ontario and other provinces to the east to follow suit. Higher taxes on these products discourage smoking. This ultimately cuts down on the costs faced by Manitoba taxpayers for health care services. This is particularly important for young people. Studies have found that a 10% increase in the price of tobacco results in a 6% reduction in consumption among 18- to 24-year-olds.

The best way to quit smoking is not to start, and this Budget goes a long way to discouraging our youth from taking up this deadly and addictive habit in the first place. That measure will generate new revenues, which will help pay for the health care services that we need.

The Leader of the Liberal Party in this Assembly said that we must pay more to our health care professionals. He is now arguing that we should be reducing our spending. I hope he is not taking up the lead of the British Columbia Liberal Party who are shutting hospitals, laying off health care workers, and closing acute-care beds.

Yes, we do need to deliver health care services more efficiently in Manitoba, but if we are going to make an argument for more spending one week and then less, more efficient spending the next week, I think it is incumbent upon critics to show how that could be done with a detailed plan of their own, not just criticism, but constructive suggestions. We will welcome those constructive suggestions, and where they make sense, we will implement them.

I look forward to the member who has expertise in the health care field giving us constructive suggestions on how we improve health care. That same member, when he was a Liberal of the federal government, was part of a government that reduced health care funding by 39 percent. The conversion of the EPF, the Established Programs Financing, and the Canada Assistance Program financing to the odious CHST, the Canadian Health and Social Transfer, was one of the most mean-spirited decisions ever made by a federal government in the history of this country. It has left every province struggling to meet the demands on health care.

The original medicare bargain was 50-50 between the federal government and the provinces. That bargain has been reduced to a 14-cent cash contribution from the federal government. It is totally inadequate. The federal government has lost its leadership role in health care in this country, and the announcements they have made have only brought it back to 14 percent. It is destined to slip back to 13 percent. The provinces are simply suggesting that health care funding should accelerate to 18 percent cash dollars, still a long way from the vision of Lester Pearson, John Diefenbaker, and Tommy Douglas when they brought that program in for this country.

With respect to education, our education has been over a billion dollars for the first time in this Budget. Tuition fees have remained 10% lower than they were in 1999. The former government more than doubled tuition fees. Between '99 and 2001, average university tuition fees in Canada have risen 6.2 percent. In Ontario, university tuition has jumped 6.2 percent, while Alberta has gone up 8.3 percent. In Manitoba, it went down 10 percent.

In contrast, the British Columbia government has seen tuition fee increases deregulated. At the University of British Columbia, tuition fees are going to go up 23 percent. In some colleges, fees for college education are going up 70 percent. How is that going to serve the young people in those provinces? I think with our tuition fee reduction, we will increasingly see young people look at Manitoba as an alternative for education.

Post-secondary enrolments in Manitoba have increased by 12 percent. This Budget provides even more college spaces through the College Expansion Initiative. We are providing a record level of \$16 million in bursaries, scholarships, and study grants, in addition to the federal \$11 million. We have more support for students in Manitoba than in the history of this province. The former government cut the bursary program in 1993. We are glad to say that we brought it back at \$6 million a year for each of the last three years.

Other changes that we made to post-secondary education included the ending of the learning tax credit. Students and educators told us they want the improvements up front. They want to see the bursaries up front, they want to see the tuition reductions up front, and we have done that.

With respect to strengthening families, we have phased out the clawback of the National Child Benefit for children up to 12 and their families. We have greater support for the Aboriginal Child Welfare Initiative. We are piloting a new Healthy Schools program which brings nursing supports right into the schools. We have more support for fetal alcohol syndrome and fetal alcohol effect on children and their families. On Monday, the Minister of Family Services (Mr. Sale) announced a new and historic five-year Plan for Child Care in our province. This five-year plan builds on the 32% increase or \$16-million increase we put into the Budget over the last three, or in the last two years.

This Budget for day care is now almost \$70 million. The percentage of funded spaces will have increased by 20 percent over the last three years. That is a 20% increase in spaces so that

families can earn an income to support themselves. It is an investment, not only in families and children, it is an investment in the economy. Mr. Speaker, we have the highest participation rate in the labour force of virtually any province in the country.

With respect to agriculture, we have done significant improvements over the last couple of years. We have reduced the portioning rate on taxes. We have done more in three years than you did in 30 years in the Legislature. The member opposite thinks he can smoke cigarettes and drive out to the country and call himself a farmer. Well, I will tell you what. This Government has done more in three years to improve agriculture, and this Minister of Agriculture (Ms. Wowchuk) has gained widespread credibility in the agricultural community. Some of the key investments that she has made: \$25-million state-of-the-art nutraceutical centre to be built at the University of Manitoba, and an \$11-million investment improving the Food Development Centre in Portage la Prairie.

Water projects, we have 40 water projects that are improving the quality of water for rural Manitobans. We cannot forget the unheralded Agrometeorological weather station system that the Minister of Agriculture installed in our first Budget. We continue to support the Red River Floodway with a \$40-million commitment in this Budget. We did and we followed through on it again this year. Now, if the member from River Heights would get the federal government moving, we could start that project and build on the legacy of Duff Roblin. *[interjection]* All I can say to the member from St. Norbert is that we continue to build bridges to the future everywhere in the province.

Another historic move we made in our first Budget is that for the first time in 40 years, we addressed the pension liability for civil servants and teachers. The members opposite wanted that plan to explode so that public servants would be left poverty stricken when they retired after service to this province. We have ensured that that pension liability will now be paid down instead of it growing to over \$8 billion. In our first Budget, we ensured that it would be paid off in the year 2036. With the measures we have taken in this Budget, that pension liability will

be paid off in the year 2029. I can tell you, the bond-rating agencies were calling on us to do this for years and the previous government ignored that. We have followed through on that and we will follow through in the future.

With respect to personal income tax reductions, in the first three budgets we have reduced the personal income tax for Manitobans by 11.5 percent. I ask you to compare that to the record of the Government over 12 years. They never even made half of that in their personal income tax reductions. We removed 5400 Manitobans from the tax rolls and we reduced the top marginal tax rate to 17.4 percent. As a matter of fact, our top marginal tax rate in Manitoba is lower than the middle bracket in 1997, when it was 19.1 percent. Our top rate is lower than the middle rate in 1997, and our top marginal tax rate is the fourth lowest in Canada.

* (17:30)

Property taxes have been reduced for three consecutive years. Two years of property tax credits and one year reducing it by 10 percent or \$10 million on the education support levy. What did the members opposite do? They increased the property tax burden by 7 percent when they cut the property tax credit by \$75 in '92-93 dollars. That was probably the largest property tax increase ever levied on Manitobans by any government.

Mr. Speaker, our cost-of-living advantage versus Manitoba and Alberta has improved in each and every one of the six family categories that we measure. Business costs have gone down, as well. Our small business tax deduction has now reached 37.5 percent this January. The band of income covered has increased by 50 percent and will go up to 100 percent more included in that reduced rate. Our corporate tax reductions have been the first since the Second World War. The end result is that the cost in taxes for Manitobans continued to decline, and Manitoba remains one of the most competitive places in Canada to do business.

Over the last 24 months, Mr. Speaker, employment has increased by 16 000 jobs or almost 3 percent, and our unemployment rate for adults is the second lowest in the country. Our

unemployment rate for young people is the second lowest in the country. Not only that, our Minister of Labour and Immigration (Ms. Barrett) has ramped up the Provincial Nominee Program.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. The hour being 5:30 p.m., in accordance with Sub-rule 30(5), I am interrupting the proceedings to put the questions necessary to dispose of the proposed motion of the honourable Minister of Finance (Mr. Selinger), that this House approve in general the budgetary policy of the Government and all amendments to that motion.

The question before the House now is the proposed amendment moved by the Leader of the Official Opposition (Mr. Murray) to the proposed motion of the honourable Minister of Finance (Mr. Selinger), that this House approve in general the budgetary policy of the Government. Do members wish to have the motion read?

Some Honourable Members: Yes.

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

Therefore regrets this Budget ignores the present and future needs of Manitobans by:

(a) failing to offer Manitobans any vision for an innovative, successful and sustainable future;

(b) failing to provide a long-term personal income tax reduction strategy that addresses the fact that middle-income Manitobans are the highest taxed west of Québec;

(c) failing to provide a sustainable provincial spending plan;

(d) failing to provide Manitobans with timely disclosure of the \$150-million retro-active tax imposed on Manitoba Hydro in order to avoid a deficit in the 2001-02 budget year;

(e) failing to provide an economic development plan to provide sustainable economic growth for Manitoba;

(f) failing to provide any incentive for young people to remain in Manitoba despite recent information showing that Manitoba suffered a net interprovincial migration loss of 4549 people in 2001, up 47 percent from the previous year; and

(g) failing to provide adequate supports to Manitoba's agricultural sector.

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

Some Honourable Members: Hear, hear.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Honourable Members: Agreed.

Some Honourable Members: No.

Voice Vote

Mr. Speaker: All those in favour of the motion, say yea.

Some Honourable Members: Yea.

Mr. Speaker: All those opposed, say nay.

Some Honourable Members: Nay.

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

Formal Vote

Mr. Marcel Laurendeau (Official Opposition House Leader): Recorded vote, Mr. Speaker.

Mr. Speaker: A recorded vote has been requested. Call in the members.

The question before the House now is the proposed amendment moved by the Leader of the Official Opposition (Mr. Murray) to the proposed motion of the honourable Minister of Finance (Mr. Selinger) that this House approves, in general, the budgetary policy of the Government.

Do members wish to have the motion read?

Some Honourable Members: No.

Mr. Speaker: No.

The vote on that proposed amendment, moved by the Leader of the Official Opposition.

Division

A RECORDED VOTE was taken, the result being as follows:

Yeas

Cummings, Dacquay, Driedger, Dyck, Enns, Faurshou, Gerrard, Gilleshammer, Hawranik, Helwer, Laurendeau, Loewen, Maguire, Mitchelson, Murray, Penner (Emerson), Penner (Steinbach), Pitura, Reimer, Rocan, Schuler, Smith (Fort Garry), Stefanson, Tweed.

Nays

Aglugub, Allan, Ashton, Asper, Barrett, Caldwell, Cerilli, Chomiak, Dewar, Doer, Friesen, Jennissen, Korzeniowski, Lathlin, Lemieux, Mackintosh, Maloway, Martindale, McGifford, Mihychuk, Nevakshonoff, Reid, Robinson, Rondeau, Sale, Santos, Schellenberg, Selinger, Smith (Brandon West), Struthers, Wowchuk.

Madam Clerk (Patricia Chaychuk): Yeas 24, Nays 31.

* (17:40)

Mr. Speaker: I declare the motion lost.

We will vote now on the main motion.

The question before the House is the proposed motion of the honourable Minister of Finance (Mr. Selinger): That this House approves, in general, the budgetary policy of the Government.

Is it the pleasure of the House to adopt the motion?

Some Honourable Members: Yes.

Some Honourable Members: No.

Voice Vote

Mr. Speaker: All those in favour of the motion, say yea.

Some Honourable Members: Yea.

Mr. Speaker: All those opposed to the motion, say nay.

Some Honourable Members: Nay.

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

Formal Vote

Mr. Laurendeau: Yeas and Nays, Mr. Speaker.

Mr. Speaker: A recorded vote having been asked for, call in the members.

The question before the House is the proposed motion of the honourable Minister of Finance: That this House approves, in general, the budgetary policy of the Government.

Division

A RECORDED VOTE was taken, the result being as follows:

Yeas

Aglugub, Allan, Ashton, Asper, Barrett, Caldwell, Cerilli, Chomiak, Dewar, Doer, Friesen, Jennissen, Korzeniowski, Lathlin, Lemieux, Mackintosh, Maloway, Martindale, McGifford, Mihychuk, Nevakshonoff, Reid, Robinson, Rondeau, Sale, Santos, Schellenberg, Selinger, Smith (Brandon West), Struthers, Wowchuk.

Nays

Cummings, Dacquay, Driedger, Dyck, Enns, Faurshou, Gerrard, Gilleshammer, Hawranik, Helwer, Laurendeau, Loewen, Maguire, Mitchelson, Murray, Penner (Emerson), Penner (Steinbach), Pitura, Reimer, Rocan, Schuler, Smith (Fort Garry), Stefanson, Tweed.

Madam Clerk: Yeas 31, Nays 24.

Mr. Speaker: I declare the motion carried.

* * *

Hon. Gord Mackintosh (Government House Leader): I move, seconded by the Minister of Finance (Mr. Selinger), that the House do now adjourn.

Motion agreed to.

Mr. Speaker: As agreed to, the House is now adjourned and stands adjourned until 10 a.m. tomorrow (Thursday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 1, 2002

CONTENTS

ROUTINE PROCEEDINGS			
Tabling of Reports		Taxes—Propane Gas Schuler; Selinger	948
Supplementary Information for Legislative Review 2002-2003—Departmental Expenditure Estimates—Conservation Lathlin	941	Winnipeg Casinos Gerrard; McGifford	948
Introduction of Bills		Regional Health Authorities Cummings; Chomiak	949
Bill 5—The Workers Compensation Amendment Act Barrett	941	Winnipeg Regional Health Authority Driedger; Chomiak	949
Ministerial Statements		Members' Statements	
U.S. Agriculture Support Wowchuk	941	International Labour Day Schuler	950
Jack Penner	942	École Christine-Lespérance Asper	950
Gerrard	942	Victoria General Hospital Foundation J. Smith	951
Oral Questions		School Capital Funding Program Rondeau	951
Budget 2001 Murray; Doer	943	Winnipeg Art Gallery Gerrard	952
Budget 2002 Murray; Doer	944		
Balanced Budget Legislation Murray; Doer	944	ORDERS OF THE DAY	
Budget Jim Penner; Selinger	945	GOVERNMENT BUSINESS	
Schuler; Selinger	947	Adjourned Debate (Eighth Day of debate)	
Manitoba Hydro Loewen; Selinger	946	Faurschou	952
Fort Garry School Division J. Smith; Caldwell	947	Caldwell	953
J. Smith; Doer	947	Helwer	956
		Friesen	958
		Dyck	965
		Doer	967
		Jim Penner	973
		Selinger	980