



Second Session - Thirty-Fifth Legislature  
of the  
**Legislative Assembly of Manitoba**

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**DEBATES  
and  
PROCEEDINGS  
(HANSARD)**

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40 Elizabeth II

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*Published under the  
authority of  
The Honourable Denis C. Rocan  
Speaker*



**VOL. XL No. 4 - 1:30 p.m., TUESDAY, MARCH 12, 1991**



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

**Members, Constituencies and Political Affiliation**

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

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, March 12, 1991

The House met at 1:30 p.m.

### PRAYERS

#### ROUTINE PROCEEDINGS

#### READING AND RECEIVING PETITIONS

**Mr. Speaker:** I have reviewed the petition and it conforms with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read?

To the Legislature of the Province of Manitoba:

The petition of the undersigned, Mount Carmel Clinic, humbly sheweth:

THAT it is considered to be in the best interest of Mount Carmel Clinic to have Section 9 of the act incorporating it repealed and substituted with the following:

#### Section 9 - Board of Directors

9. The affairs of the corporation shall be managed by a board of directors consisting of 25 persons, elected in such manner and to serve for such term as may be prescribed by by-law, but such by-law shall have no force of effect until approved by the Manitoba Health Services Commission.

THAT Section 10 of the said act be repealed and the subsequent numbering amended accordingly.

WHEREOF your petitioner humbly prays that the Legislature of the Province of Manitoba may be pleased to amend said act as above mentioned.

And as in duty bound your petitioner will ever pray.

#### TABLING OF REPORTS

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, it is my pleasure to table Financial Statements of Boards, Commissions and Government Agencies for the year ended 31st March, 1989.

#### INTRODUCTION OF GUESTS

**Mr. Speaker:** Prior to Oral Questions, may I direct the attention of honourable members to the loge to my left where we have with us this afternoon Mr. Gilles Roch, the former member for Springfield.

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

#### ORAL QUESTION PERIOD

#### MDS Resale Record Confidentiality

**Mr. Gary Doer (Leader of the Opposition):** Mr. Speaker, as the government well knows, we argued for months that they should not sell the Manitoba publicly owned Data Services Corporation that had served Manitobans well, had made a profit or surplus over a number of years. It had all its employees in Manitoba. We had control in this province, both in terms of the billing, in terms of the assets, and we had a situation where confidential health care records and other records of Manitobans would remain in this province. Unfortunately, the two corporate parties, the Liberals and Tories, voted for Bill 99. They voted for the divestiture; in fact, they even showed up together at the press conference with the Minister of Finance.

My question to the Minister of Finance is: Can he tell Manitobans if the press release, if the material released today dealing with the takeover and merger is correct, whether in fact the head office now will be controlled by Westbridge, which is owned and operated out of the province of Saskatchewan, and who will control the confidential health care records and other Manitoba records that were formerly owned by the people of Manitoba before the Tories sold them off?

\* (1335)

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, hopefully you will give me some time to answer all of those questions.

The government of Manitoba was notified yesterday by Mr. Gardiner, Vice-President of ISTM, the parent of STM Manitoba, who purchased Manitoba Data Services, and he indicated to us that it was their intention—and there is nothing more at this point in time than the intention of ISTM, plus IBM, plus SaskTel, the owner of Westbridge, to enter into an arrangement whereby joint resources,

namely Westbridge and Manitoba Data Services in its old form, would be put together in a major, major western Canadian entity.

Mr. Speaker, I want to at this point indicate to the members of the House and to all Manitobans that we have tremendous powers and safeguards under the contract as between the government of Manitoba and STM with respect to the jobs that existed under Manitoba Data Services, the job growth provisions as spelled out in the contract, and particularly the security clauses as named in the contract.

We have tremendous safeguards built into place. Now, rather than wildly speculate as to what could considerably be a tremendous potential for STM Manitoba and attempt to make it appear like head offices are rushing to Saskatchewan, which I can assure members would not be accepted by this government, let me say that I will be meeting with Mr. Gardiner tomorrow at which time a greater explanation will be provided to the government of Manitoba.

### Right of First Refusal Clause

**Mr. Gary Doer (Leader of the Opposition):** Mr. Speaker, again, the minister is always behind. The Minister responsible for SaskTel is already saying in Regina that the head office will now be moved to Regina. The analyst, Mr. Ross, Vice-President of Marketing, has said the head office will remain in Regina. Clearly, the minister is again behind in terms of what is happening in the financial situation.

Mr. Speaker, you do have some powers under the agreement that the minister entered into. I would ask the minister now to express to Manitobans how he is going to utilize those powers? Will he invoke the right of first refusal that was placed in the divestiture agreement that the government reached with this so-called long-term company that was going to remain in Manitoba? Will he implement the right of first refusal in terms of the agreement in Section—

**Mr. Speaker:** Order, please. The question has been asked.

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, the government will not do anything until it meets with Mr. Gardiner tomorrow. There has not been a deal struck. This is a Notice of Intention, which had to be filed yesterday by way of the stock market rules. We found out the same time as indeed STM. The person who we dealt with, one Mr.

Belanger, who works within the company, found out the same time that he did. So what we have here is an intention by STM to work out a new arrangement.

The member talks about a corporate head office. I want to assure him that is one of the first questions that I posed to Mr. Gardiner on the phone yesterday. I asked him specifically that question. He told me and I take it in all honesty that no decision had been made. I told him that we would be asking him that question more directly tomorrow and we will.

Mr. Speaker, I do not care what press releases are coming out of Saskatchewan today. I can only report to the House, and to you, as to exactly what has occurred in the last 24 hours. With respect to, however, the major import of the question, security, job creation and job protection, those are all safeguarded within the contract.

**Mr. Doer:** Mr. Speaker, they have signed a Letter of Intent. It is not just discussions about a merger. They have signed a Letter of Intent, and this is clearly now before the Toronto Stock Exchange. I would suggest the minister read the material.

My question to the minister is -(interjection)- well, the minister and the government made a lot of promises before the election about how it would be protected. Will the government—I asked the minister, will he use our last resort, in terms of protecting our assets and our investment that they sold off last year? Will he look at using Article 9(02) of the agreement for confidential record protection in Manitoba, which the minister himself cited as the safety net for our confidential records—first of all?

Secondly, what protection will we have in Manitoba to protect our Crown corporations and departments for cost on computer data of processing and records given the fact that Manitoba Data Services used to make money and Westbridge, as an analyst said today, is in an abyss of red ink and has lost \$7 million last year and \$4 million this year?

**Mr. Speaker:** Order, please. The question has been put.

\* (1340)

**Mr. Manness:** Mr. Speaker, just as we will not allow our computer services so necessary to government to be jeopardized by a new corporate entity, similarly, at this point in time, we will provide an opportunity for ISTM to come and make representation to us as to exactly what is happening—No. 1.

Number 2—and we are not ideologically hidebound like the NDP on this issue. There may very well, because of this new critical mass, be afforded to Manitoba an incredible opportunity to access to major, major federal government contracts, international contracts.

Mr. Speaker, what you have here is you have a combination of telecommunications expertise plus you have IBM world famous and also with tremendous cash resources being able to put together possibly, and again we do not have the full detail on this, a critical mass that would allow us to be a major force in North America within this whole information technology industry.

Mr. Speaker, until and unless that is ruled out by further discussions by ISTM, I think it is premature for the opposition to want to ask the government to invoke the powers it has under the contract, and I say to them, shame.

### Value

**Mr. Gary Doer (Leader of the Opposition):** Mr. Speaker, with a new question, it is a little troublesome for this side of the House to listen to the rationale from the members opposite that we are going to get all kinds of federal contracts as the reason why we should take our head office out of Manitoba and lose those jobs over to Regina. The fact of the matter is, as the Minister Lane has pointed out in Saskatchewan, it is Saskatchewan telephone system that owns Westbridge. It is Westbridge that is 47 percent owned by the Saskatchewan government, and yes, there may be a critical mass of jobs that will be leaving Manitoba and going to Regina.

My question to the minister is: What information does he have about how much money this new group is paying for the merger that is proposed before the financial markets today?

**Hon. Clayton Manness (Minister of Finance):** I do not have that information; that was not provided to me. I have the same press report that the member has, plus a conversation that I have had with Mr. Gardiner who is going to provide greater detail to the government tomorrow. Mr. Speaker, do not let that member stand in his place and try and scare the employees of Manitoba Data Services by trying to make them believe that they will have to move to Saskatchewan. I can assure the members and the people of this province that will not be allowed, and this government will not allow it.

### Job Security

**Mr. Gary Doer (Leader of the Opposition):** Mr. Speaker, the employees did express their fear when they saw the Tories selling the company to begin with, and the Liberals and Tories voted for Bill 99 a year ago, March 1990, in this Chamber. That is when they were scared and this minister has never listened to the employees because he does not care about the employees.

My question to the minister is: What plan does he have to carry through on the promises that were in his press release, promises ironically that are in the Order Paper today with a private members' resolution from one of your Tory members? What promises can he make to the people of Manitoba that all the promises made by the government before the election for jobs in this province and investment in this province will be kept after the election?

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, nobody was more concerned about those jobs at Manitoba Data Services than this government. If the member wanted to be a little bit honest, if he wanted to be fully honest, he would acknowledge the fact that when the announcement was made to the employees yesterday by one, Mr. Leo Belanger, they provided him, I understand, with over a minute ovation because of the opportunities they see for this possible new entity. He does not have to take my word for it; why does he not find out directly? Why does he not phone directly?

Let me say again, we have entered into an agreement with STM whereby we have guaranteed a floor of \$32 million worth of computer activity. Mr. Speaker, that has grown somewhat. We are guaranteed after five years, or before then if any of the stipulations within the agreement have been broken, namely: guaranteeing of jobs; the guaranteeing of job growth; the guaranteeing of security. If any one of those three are abrogated, I then, and the government, has full recourse under the contract to evoke its golden share, to name one thing, to bring back all of that activity to us. Nowhere in all of the studies of divestiture models that we have studied has government had such guarantee as within this contract.

The member can try and build all of the doom and gloom scenarios that he wishes. The reality is those jobs will stay in Manitoba. The reality is they will grow in number as guaranteed by the contract, and

the reality is if they do not, we have tremendous safeguards within the contract to bring the entity home.

\* (1345)

### **Buy-Back Costs**

**Mr. Gary Doer (Leader of the Opposition):** Can the minister therefore tell us, as he assures Manitobans, what price is guaranteed for the takeback under the golden share rule for Manitobans in terms of returning Manitoba Data Services, its files, its public ownership, and its assets back in our province? What price will the minister and the government have to pay pursuant to their golden share agreement?

**Hon. Clayton Manness (Minister of Finance):** Well, Mr. Speaker, I am almost tempted not to even answer the question, because that would give credence to the picture and the spectre that the member is trying to portray. He is trying to convince Manitobans that MDS in its old form, in its new form STM, is finished and is on its way marching to Saskatchewan, which was totally and completely false. So I am saying to him, I am not going to answer that question in a quantitative way, but I will answer it in a general way and to say that it would be less than we were given in the first instance by STM.

### **Rafferty-Alameda Dam Project Transboundary Water Agreement**

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** Mr. Speaker, my question is to the Minister of Environment.

For almost three years in this Legislature, we have been asking this government to take some interest, just a little interest, in protecting Manitoba in regard to the construction of the Rafferty-Alameda project to ensure that the quality and quantity of water entering Manitoba would not be compromised.

Well, today, Mr. Speaker, we learned that the October 26, 1989, agreement between the Government of Canada and the government of the United States of America for water supply and flood control of the Souris River basin guarantees North Dakota set levels of water even in drought years for 100 years. Saskatchewan's birthright has been sold, but so, too, may have been the birthright of the province of Manitoba.

Mr. Speaker, can the Minister of the Environment (Mr. Cummings) tell this House what negotiations he

will now enter with the Saskatchewan government in order to ensure that the Saskatchewan River and the Qu'Appelle River will not be diverted into this reservoir to supply water to North Dakota and, thereby, drain it from Manitoba?

**Hon. Glen Cummings (Minister of Environment):** Well, Mr. Speaker, the Leader of the third party would like to think that the negotiations have been going on between Manitoba and Saskatchewan and North Dakota. The fact is that the Rawson Academy report that I am sure she is thinking about refers to an agreement between Canada and the United States. In that agreement, in fact, in that instance, -(interjection)- Well, the member forgets that the former member for Wolseley attended with me at the town of Souris to put very clearly the concerns that Manitoba had about this project. What we have seen, today, is the vindication to a large extent of the concerns that we raised at that presentation to put into perspective the very real problems that Saskatchewan is getting itself into without waiting on the environmental assessment to be completed on that project.

As a matter of fact, Mr. Speaker, we would hope that this report has a significant impact on the environmental assessment review that is going on in relationship to those dams, because the quantity and the quality of the water that will come from those dams indeed is what we need to protect for the people of this province.

\* (1350)

### **Manitoba Representation**

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** Mr. Speaker, there is new information available. The new information is that Saskatchewan may have to use water presently in the Saskatchewan River, presently in the Qu'Appelle River, to divert into this reservoir. We must be prepared to participate now in preventing that from happening.

Can the Minister of the Environment tell us why we are not there, why we were not there when Saskatchewan was there, when the U.S. Army Corps of Engineers were there, when—

**Mr. Speaker:** Order, please. The honourable member's question has been put.

**Hon. Glen Cummings (Minister of Environment):** Bill 24 seems to me was passed six weeks, maybe two months ago, and all of a sudden the member

responsible for the third party thinks that has something to do with negotiations two years ago.

All of this discussion about Rafferty-Alameda may be news to her today, what was revealed in the Rawson Academy study, but in fact these are the types of concerns that Manitoba has had with this project from the start. This is why we put forward—

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

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

**Mr. Cummings:** The fact is, Mr. Speaker, that the federal government has been called upon by this government from the start to exercise their responsibility in relation to this project and that is still the needed responsibility to provide operating regimes for these dams or to make sure that they have litigation opportunities within them. Manitoba will continue to need to rely on getting its supply of water from North Dakota and North Dakota, through the American government and the Canadian government, are party to the decision on the transboundary agreement. The fact is that Manitoba's water supply will be in some respects better protected given the distribution of water that will come forward.

The fact is that the quality of water is what needs to be addressed in the environmental report.

### Transboundary Water Agreement

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** He never learns. He never learns he cannot trust the federal government to look after our interests. He cannot trust the Saskatchewan government to look after our interests. He has to depend on Manitoba to protect Manitoba's interest. Mr. Speaker, the Rawson Academy of Aquatic Sciences call for now a public examination of the full implication or the tearing up of the deal, one or the other. Will this government approach the federal government and insist that that public examination take place in order to protect Manitoba, because up to this point, this government has not protected one ounce of Manitoba water?

**Hon. Glen Cummings (Minister of Environment):** There has long been discussion in this House about water quality standard agreement pursuant to the Souris basin water management to provide the quality—

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

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

**Mr. Cummings:** Mr. Speaker, the fact is that there are ongoing confrontations, if you will. The word "negotiation" certainly would not be acceptable to people in this Chamber, but the fact is there are a great many discussions and decisions being made about water quality in the Souris River. Those meetings have taken place over the last year, and in fact there were meetings very recently to establish water quality standards that will be maintained under the Canada-U.S. agreement. That is not in any way to say that we accept that the dams should be continuing under the circumstances that they are.

\* (1355)

My primary responsibility, however, has been to assure that we get the quality and the quantity of water that we need and that we are entitled to, and we will continue to expect that. -(interjection)- We have got it.

### Rafferty-Alameda Dam Project Independent Review

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

Upon the release in October 1988 of the Manitoba government's technical report for the Rafferty-Alameda dam project, the Premier was quick to point out that the dam project would have substantial net benefits for Manitoba. Today, as we have already heard, the government's technical report has been repudiated by the independent Rawson Academy of Aquatic Sciences report, and it raises serious questions about the project, which includes selling water to the United States for the next 100 years, with no consideration of the impact of this on Manitoba.

My question to the minister is: Will he now change his strategy on this project and commit his government to having the project stopped until we can ensure that Manitoba's water quality and quantity will be protected through an independent review of the project?

**Hon. Glen Cummings (Minister of Environment):** First of all, Mr. Speaker, it has always been our position that construction should not proceed until the environmental assessment is complete on these dams. The fact is that conditions prior to any thought of the Rafferty-Alameda project have always allowed Saskatchewan freedom for interbasin transfers.

There is at least a little bit of restriction under this transboundary agreement that we see before us today. Prior to that there were no restrictions. -(interjection)- Well, the NDP likes to chortle. I wonder what they thought; it was transferring water from the two northern rivers for the power projects, Limestone. If that is not a transfer between basins, I would like to know what it is.

### **Transboundary Water Agreement**

**Ms. Marianne Cerilli (Radisson):** My first supplementary is for the same minister.

Will the minister clarify to the House what position the government took in this deal to give water to the U.S., or were they not aware that there was a deal?

**Hon. Glen Cummings (Minister of Environment):** Manitoba has always been at the table to talk about water quality and water quantity. Mr. Speaker, in this transboundary agreement, as I indicated a moment ago, there are some additional restrictions that are placed on the Province of Saskatchewan that were not there before. The fact is that we know we have to accept our water from North Dakota. We do not accept water through the Souris system directly from Saskatchewan.

Manitoba's present entitlement of 20 cfs is an interim guideline which we can, if we choose—and we have always maintained that we have a right to go back to the IJC to seek further supplies of water from the Souris. The IJC, in 1958, when it reported, said very clearly that beyond those flows which were being allocated, they would be ready to go back and allocate further flows when the Province of Manitoba could demonstrate need.

### **Independent Review**

**Ms. Marianne Cerilli (Radisson):** I find it interesting that the minister has brought up the issue of the International Joint Commission. We have called on the government to provide representation on the panel before, and they refused. I want to ask the minister, in view of the fact that he is willing to take no action, will he at least now ask the federal assessment panel to review the deal and also recommend the International Joint Commission review the project before it is completed?

\* (1400)

**Hon. Glen Cummings (Minister of Environment):** Mr. Speaker, in the discussions between Canada and the United States in the structuring of this

transboundary agreement, the decision of the two senior levels of government was that this agreement would be struck without bringing in the IJC.

Manitoba has always said that it will retain the right to go to the IJC to further expand on the interim guidelines. This Rawson Academy report I fully expect to be considered and considered seriously by the present panel that is examining these dams and the concerns that are raised there. That panel should be able to provide the advice that the federal government will be expected to act upon.

### **Northern Studies Centre Grant Renewal**

**Mr. Elijah Harper (Rupert's Land):** Mr. Speaker, my question is for the Minister of Education.

I know the government had said that education is a priority in this government, and also education is a greater need in the north. I would question the minister why he has not renewed the grant to the Northern Studies Centre in Churchill, as he is aware that with this grant of less than \$200,000, this money brings in about \$2 million into the province of Manitoba. Why has he not found money to grant this to the Churchill Northern Studies Centre?

**Hon. Leonard Derkach (Minister of Education and Training):** Mr. Speaker, I wish that the member would certainly get his facts straight first before he decides to ask the question. When he does have his facts in order, then I will be able to respond to that question.

### **Churchill, Manitoba Government Office Space**

**Mr. Elijah Harper (Rupert's Land):** Mr. Speaker, my second question is to the Minister of Government Services.

Why is his department taking rooms from the Churchill High School to use for government offices when there are several other government offices empty and available in Churchill for such offices?

**Hon. Gerald Ducharme (Minister of Government Services):** Thank you, Mr. Speaker, for the question from the member for Churchill. There has been an ongoing situation discussing with the school board and the municipality of Churchill in regard to all the issues in regard to space. There has been no final decision made.

**Mr. Harper:** I am the member for Rupert's Land, not the member for Churchill.



My question is to the Minister of Government Services. Will the minister put on hold planned alterations to the high school in Churchill to accommodate the proposed move of the government offices, since his colleague is planning to close one of those offices?

**Mr. Ducharme:** Mr. Speaker, just to elaborate on the question—and I am sorry I mentioned the member for Churchill for Rupertsland.

Mr. Speaker, as advised, there is an ongoing relationship and discussions with school boards and the municipality. As usual this government will continue to correspond with those people to make sure the best decision for the people of Churchill is available.

### Child and Family Services Service Delivery

**Mr. Reg Alcock (Osborne):** Mr. Speaker, I should say that I was pleased to note that the government prioritized Family Services in the Speech from the Throne, but on the same day that they announced that they also sent a letter to all of the agencies who receive funding under the department, saying that they have received no mandate from the government to negotiate with their own staff and prohibiting them from leading those discussions with their staff.

Three days later they issued a second letter, which I am prepared to table today, cutting off the agencies' ability to enter into major financial decisions. Now the minister has repeatedly said that the boards of these agencies are free to set what priorities they like in regard to delivery of services. How can they set any priorities—is my question to the minister—when he controls all of the important decisions?

**Hon. Harold Gillehammer (Minister of Family Services):** Mr. Speaker, I know the member has a long history with the social service agencies that continues to today. I know he is very interested in this. I would remind him that we are virtually a 100 percent funder of those agencies, and the fact that we are concerned with accountability and dollars spent should not be a surprise to him.

Government is concerned about the cost overrun in the past, where the cost for these agencies has doubled in the last five years, and we are very concerned about the contracts that may be signed

and that 80 percent of the funding we give them goes to salaries.

**Mr. Alcock:** Mr. Speaker, I can assure the minister that every member of those boards is equally concerned about two things, about the cost of delivering services and on our ability to deliver services to children who need protection. That is what they are there for.

This minister appoints people to those boards. Why is he choosing to rob them of any decision making relative to the delivery of services? They cannot make decisions on expenditure. They cannot even negotiate with the staff for whom they are responsible.

Will he rescind this order?

**Mr. Gillehammer:** Mr. Speaker, the short answer to that is no. The board has a lot of decisions that they make in terms of delivery of service, and at this point in time we are not going to rescind that. We are going to be involved with the agencies. We are concerned about the expenditures of these agencies, not only in the past but in the future.

**Mr. Alcock:** Mr. Speaker, in November I asked this minister several times what services the agencies were going to have to discontinue offering in order to meet his restrictions. He said it was their choice, their priorities at that time.

He now controls all those decisions, so I would ask him again. What services do they have to discontinue offering to meet your controls?

**Mr. Gillehammer:** The answer that I gave in Estimates still stands today, that is their choice. Those boards do make decisions, and they will make the decisions on priorities that those agencies will be dealing with.

### Decentralization Postponements

**Ms. Rosann Wowchuk (Swan River):** Mr. Speaker, the central part of this government's rural development program was the decentralization program. It led people to believe that they could stimulate the rural economy by moving jobs, and the small towns would get increased revenue, increased taxes and increased spin-off jobs. Now the people of rural Manitoba are left in a lurch. Decentralization is not in the throne speech, and this government is refusing to go ahead with their commitment to rural Manitoba.

Will the minister admit that his plan is a complete disaster and the Manitoba people have been betrayed by this promise?

**Hon. James Downey (Minister of Rural Development):** Mr. Speaker, unlike the previous administration who were No. 1, irresponsible in the handling of the taxpayers' money in running up a \$600 million annual interest bill on the people of Manitoba; unlike the current government, her and her government and her Leader were opposed to the decentralization of anything, and it was expressed by her Leader in the decentralization of the Water Services Board some 10 years ago; unlike their criticism of a year and a half ago when we entered into this program, we are, and we have delivered jobs to rural Manitoba.

We will continue to deliver jobs under decentralization, and we will do it in a responsible manner as we have the capability of doing it within the taxpayers' capability of doing it.

**Ms. Wowchuk:** Mr. Speaker, we did not criticize. We just said that this particular plan would not work, and it has proven so. The minister has said that there are 250 jobs, but will the minister admit that the real net gain of jobs right now is zero, because in communities such as Swan River there are jobs moving out, two jobs, Flin Flon four jobs, Brandon 15 jobs—

**Mr. Speaker:** Order, please. The question has been put.

**Mr. Downey:** Mr. Speaker, I will not agree with the member that that is the case. In fact, I would say that one looks in more detail at some of the benefits that have been accomplished through the decentralization program, and I can go through several of them. I will not take the time of the House to do it, but I am prepared to do so in Estimates at the appropriate time. I will make those informations available to the members. So the member gets excited about this, and I am surprised that she is not taking a more positive attitude on behalf of her constituency.

### Regional Employment Services Continuation

**Ms. Rosann Wowchuk (Swan River):** Mr. Speaker, I would like to table a document from the Department of Family Services proposing that regional employment services centres be cut from Steinbach, Winkler, Teulon, Killarney, Brandon,

Dauphin, The Pas, Thompson, Churchill and Limestone.

Will the minister give assurance to this House that these jobs will not be cut and these communities will have these services?

**Hon. James Downey (Minister of Rural Development):** Mr. Speaker, the member does not know this, and her members who sit around her who were part of a cabinet process probably are not aware, but you have to go through departmental Estimates looking at alternatives and options. We are in that process at this particular time. Decisions are being made, and those decisions will be transmitted to the public in a responsible manner as we have done in the past. Remember, we have a responsibility to the taxpayers of this province and have to make sure that we do not irresponsibly handle their funds and their affairs as was done by the previous administration.

\* (1410)

### Manitoba Nurses' Agreement Pension Plan Legislation

**Ms. Judy Wasylycia-Lels (St. Johns):** Mr. Speaker, I would like to ask the Premier some questions pertaining to the Speech from the Throne. It is a question around something that is missing on the legislative front. There is legislation in here for his developer friends at City Hall; there is legislation for his corporate friends at Centra Gas, not a mention of legislation required for the nurses of Manitoba to bring their new contract in line with the wishes of their membership for joint trusteeship.

I want to know from the Premier of Manitoba, will this government finally show some good faith with the nurses of Manitoba? Where is the legislation that is required? Where are the—

**Mr. Speaker:** Order, please. The question has been put.

**Hon. Gary Filmon (Premier):** Mr. Speaker, I regret very much that the member for St. Johns is always wanting to foment and stir conflict between people such as the nurses' profession and the government of Manitoba and their employers. It is obviously in her nature to raise these kinds of issues and stir and foment negatively.

Mr. Speaker, it is a terrible commentary about her political outlook, and I regret it very much because we want to have a good relationship with the nurses of Manitoba. We negotiated in good faith. We had a

difficult time because of the fact that obviously expectations were created as a result of many years of neglect, many years of poor support and funding from the NDP government.

We were left with a dreadful set of circumstances. Despite that, Mr. Speaker, we did our best and the nurses are getting more than double the increase that other public sector people are getting because we recognize that they ought to be considered better than they were under the NDP years. We will continue to work with them to resolve issues that are troubling them.

**Mr. Speaker:** The honourable member for St. Johns has time for one very short question.

**Ms. Wasylycia-Lels:** I simply want to ask the Premier how this government intends to address the fact, the agreement reached between the nurses of Manitoba and the Province of Manitoba after a long and difficult 31-days strike which calls for joint trusteeship of pension plans pending passage of provincial—

**Mr. Speaker:** Order, please. The question has been put.

**Mr. Filmon:** Mr. Speaker, quite evidently not all of the things that we intend to do during the forthcoming year are contained within the throne speech. There are many initiatives that we will undertake as any good government will and should, because it is part of our obligation. That is an understood obligation that we have that flows out of the negotiations with the nurses, and we will abide by all of the agreed upon, negotiated aspects of that agreement.

**Mr. Speaker:** Time for Oral Questions has expired.

## ORDERS OF THE DAY

### THRONE SPEECH DEBATE

**Mr. Speaker:** On the proposed motion of the honourable member for St. Vital (Mrs. Render) for an address to His Honour the Lieutenant-Governor in answer to his speech at the opening of the session, and the proposed motion of the honourable Leader of the Opposition (Mr. Doer) in amendment thereto, and the proposed motion of the honourable member for River Heights (Mrs. Carstairs) and further amendment thereto as follows, standing in the name of the honourable member for Flin Flon (Mr. Storie).

**Mr. Leonard Evans (Brandon East):** Mr. Speaker, with leave of the House, I would like to participate in the Throne Speech Debate at this time and to have it stand in the member for Flin Flon's name, to continue to stand in his name.

**Mr. Speaker:** Is there leave that this matter remain standing in the name of the honourable member for Flin Flon?

**Some Honourable Members:** Leave.

**Mr. Speaker:** Leave, agreed.

**Mr. Edward Connery (Portage la Prairie):** Mr. Speaker, it is a pleasure to rise on the Throne Speech Debate again. I am glad to see you in the Chair, and I hope that you have a good session. I am sure you and I will have our usually amicable session that we have had in the past, and that will continue. I do want to wish all members of the Legislature, and I say this sincerely, a good and constructive session in here, because all of us are working on behalf of the welfare of all Manitobans, and so I hope the debate will be of a somewhat constructive nature.

Mr. Speaker, I want to congratulate and welcome into cabinet the new Minister responsible for Co-operative, Consumer and Corporate Affairs (Mrs. McIntosh) and the new Minister of I, T and T (Mr. Stefanson). They are two people whom I have got to know in a very short period of time, but two people whom I sincerely respect. I know that we will be very pleased with the efforts, and they have added to our cabinet. I would say, though, that the new Minister of I, T and T has some obligation to rural Manitoba. First of all, he comes from the Interlake, and secondly, his wife comes from Portage la Prairie. So I would see great things for Portage la Prairie on the horizon.

Mr. Speaker, I do also want to congratulate the mover and the seconder of the throne speech. I think when you see the throne speeches, the moving and the seconding of throne speeches that we have seen in this Legislature, we see the talent that we have in the upper bench of this party. I think it augurs well if people like myself slip, there is no problem in bringing in other good talent here to equally or better carry on the job that is here.

I also do want to congratulate and make comment of the excellent cabinet that this government and this province is fortunate to have. I do not think you can look back in the history of Manitoba and see a better cabinet. With their abilities, we will work

through the recession, and Manitobans can look forward to greater things in the future.

Mr. Speaker, I do want to thank my former cabinet colleagues for the support they have given me and the support that we have had in bringing legislation forward. I do also want to congratulate the pages and wish them well. I guess it is quite an experience for pages to come into here and see how the Legislature does function. This learning experience, I hope, is a positive one that they can see with some hope for the future.

I would also like to congratulate and welcome our new Sergeant-at-Arms. I hope he is not too tough, but I do wish him well in his new duties here, and I know he will do well for us here.

Mr. Speaker, I want to first of all thank the staff in my former department that I had. I want to congratulate and thank Don, my deputy Don, my secretaries Alison and Gisele and little Sue, who filled in for us when Brenda was away adding to her family, and to Brenda. Those were an excellent staff that I had the opportunity to work with. They gave me everything they had. They would work overtime, and the relationship was nothing but positive.

I also want to thank the staff over at the Workers Compensation Board. You know, there are over 300 people in that operation that has worked diligently to turn the Workers Compensation Board around to being a board that is working for injured workers rather than a board that was politically motivated and politically run by the previous government.

I want to give my appreciation to Judge Kopstein, Chairman of the Board, and all of the board members, those from the public at large, those from labour and those from management. Every one of them are excellent people and are doing their best to make Workers Compensation function well in the interests of injured workers.

I also want to make mention of the general manager, or CEO, Graham Lane. Graham has worked tirelessly for the Workers Compensation Board and for the people of Manitoba. Graham is in hospital. He has had a minor operation, and he will be soon back at work. I want to wish him well while he is in there.

Mr. Speaker, when we took over government we inherited an absolute mess that was inadequate to meet the needs of injured workers, was costly to the employers, and made Manitoba businesses noncompetitive and cost employees many, many

jobs. Under the NDP it was rife with political interference. It has come a long, long ways, thanks to the effort of a very, very competent staff and the board of directors. I can look around at members opposite who were there who were in the cabinet when that was going on. I can look at the member for Concordia, the Leader of the New Democratic Party (Mr. Doer); the member for St. Johns (Ms. Wasylycia-Leis); the member for Flin Flon (Mr. Storie), who seems to have motor-mouth disease. But those were the people who did absolutely nothing to do the things that were necessary to look after injured workers, Mr. Speaker, absolutely nothing.

This speech is probably one of the more difficult speeches that I have had to make, and we take a look at the change that has taken place in the last while. I guess, to say that I am angry, disillusioned and feel betrayed would be accurate. I ran in the three elections that I have been in to represent the constituency of Portage la Prairie and Manitobans in their very best interests. This I did to the best of my ability.

\* (1420)

I was elected because people of Portage la Prairie voted not for me but for the constituency of Portage la Prairie and a voice in cabinet, and to say that they are angry and bitter would be to put it very mildly. I think the Premier has experienced some of that disappointment.

Portage did support the Premier extensively in Portage whenever he came, treated him royally, went on functions that were well attended, and gave him the support that he needed, but I also have to say that the Premier also stood behind Portage when we had the base closure. He came out to Portage and supported us in rallies. He went to Ottawa with the group from Portage and he also welcomed into his office people from Portage who came there to work on behalf of them.

There are also two very important people that I would like to acknowledge and that is my E.A. and S.A., Doris Maxwell and Jody Fletcher, who worked very well for me.

Mr. Speaker, I want to mention briefly the member for Emerson (Mr. Penner). I have known the member for Emerson for a while when he was president of the Keystone Agricultural Producers—a very hard-working person. He spoke openly and honestly in cabinet. He has got the confidence of the

farm community. He represented Manitoba well, and he will be missed in cabinet. He put people before philosophy and popularity, and I would support and wish him well in his duties representing his constituency.

I have no quarrel with the adding of more people from Winnipeg into cabinet. It was absolutely necessary; it had to be done. My preference, and I have said this before, was that it should be increased to 21. It would have allowed for two women from Winnipeg and a man from Winnipeg to enter into the cabinet. I know there would have been a political hit from members opposite, but I know that a large cabinet functions better for the people of Manitoba than a small one.

My first year's experience with the portfolio I had made me understand the importance of not having ministers overloaded. I gave it everything I had in that year, or 11 months, and many a day I was in this Legislature at five in the morning and never left until 10 or 11 at night.

Small cabinets do not function well in the interests of Manitobans. Civil servants make far too many decisions. Spending is not kept under control because the ministers do not have the time to get deeply into departments.

Mr. Speaker, when I had that portfolio, I recommended to the Premier, within about three months I think after I was in, that it should be split, that no member could adequately do the job that was required with all of the important portfolios that were in there. In fact, I suggested that Gerrie Hammond would be the member for Labour.

I also wanted to keep Environment. I was not so blessed. I asked the Premier, why? He said, both papers had asked for my resignation. So I guess that was a good reason.

That brings me to the news media, Mr. Speaker. I think I want to say a few sincere words to the news media. They look for freedom of the press, but what about honesty and objectivity? When I say these things, I do not say it in a blanket sense; I say it in the sense that there are some excellent newsmen. There are some who are not so good. There are some who are objective and some who are not.

I look at CJOB, and I look at Roger Matas from that radio station as being an example. I only single out one person. There are also very many other great news reporters.

They have the power to do many things. They have the power to ruin politician's careers. I take a look at Joe Clark, and I take a look at what the Ottawa news media did to Joe Clark—maybe the news media across Canada. You know, they said he had no chin; therefore, he could not be good. They talked about him losing his luggage. Who lost his luggage? Joe Clark, did he put it on the airplane? No, it was some goofball in the airlines who lost it, but he was blamed for it and, therefore, he was incompetent.

In fact, I was sitting at a banquet one night when one of the Ottawa news journalists admitted that they had killed Joe Clark, politically. I say to the news media, you have tremendous power, use it wisely and use it honestly. Please do your research and consult others before using false accusations or saying something is fact. Talk about the positive side once in a while. I think it helps. You can influence people's attitudes. You can create economic distortions in sectors, or you can deepen recessions.

Those recessions can cost people their lives, their livelihoods. You can cause irreparable damage to social services. Your ramblings have not only been directed to me or the Progressive Conservative Party but you did it to the NDP. You built up the Leader of the Liberal Party in 1988 and distorted the election. In reverse, you crucified her in the '90, and you again reversed the maybe logical trend that people would have done in the election.

I can remember after coming back from my holidays and meeting one reporter who expressed some sympathy for me not being in cabinet. I said, well, you said I was incompetent and you asked for my resignation. She said, well, do not take it personally. Can you believe, do not take it personally?

Mr. Speaker, we do take those things personally. We have families. I have a mother who reads the paper, a wife and children. We think about those things.

Many times in the paper I have seen articles that were absolutely false and erroneous. One of them was: Minister forces workers down mine. That had to do with the fire at Leaf Rapids. I had an agreement with the union leader, an agreement that protected the workers from going down, and from those who did not want to go down into that mine that they could go down there or they could refuse with no

retribution from the company. I had that agreement with the company.

Once that agreement was with the union leader and he said, it is okay with me, I am satisfied, we took the stop work order off it. The headlines the next day were: Minister forces workers down mine.

The union leader, unfortunately—or I guess you could take a look at it—was the campaign chairman for Jay Cowan. So you saw the politics that were involved in those decisions and those comments. The press took them for being verbatim, for being the truth. They did not do any checking.

I can remember one of the comments, and it has been reiterated recently, on the member not worried about CFCs and the ozone layer. I asked that reporter where in Hansard he got that. He said he read it in the Free Press. Can you imagine a Sun reporter reading the Free Press for his facts? So I say to the members of the press, be a little more cautious next time you make some statement, some comment, about what you are doing.

I want to speak about the member for Rossmere (Mr. Neufeld) for a minute. He has been crucified by the press, called incompetent, no good, should resign, turf him up. I will tell you, he is one of the best cabinet ministers we have in this province. I guess if we were in the trading of politicians, as they do in sports, I would not trade him for all of the members opposite.

Mr. Speaker, so much for a little sermonizing. I want to talk a little bit about the throne speech. The throne speech tells it the way it is in Manitoba today. As a business person, in my experience with debt I understand what happens when you do not control spending. We have seen cities in the United States go bankrupt. We have seen them virtually go bankrupt. If it was not for their federal treasury, they would not have been able to provide the services, fix the roads, have the transportation, do all the things that cities need, and provinces can experience the very same thing.

\* (1430)

We know that the federal treasury in Ottawa is not that great. I know some members or most members opposite cannot be expected to understand. They have never been in business, nor do they understand job creation. Yes, I know the member for Interlake (Mr. Clif Evans) furrows his brow. He is in business. He is in the hotel business, but there is

very little expertise on that side of the House to look at business and understand it.

I guess maybe I should be somewhat gentle, because unless you are in business and you have experienced difficulties, you do not understand what it is all about, so there is not much there. It took the NDP six and a half years to almost destroy Manitoba, and it will take a long time to rebuild it. You can tear down and destroy very quickly, but to rebuild takes a long, long time.

In the business that I am in, it took 20 years for us to take it and change the industry and to build it to one of the—now the vegetable industry is recognized, not just my farm, but the farms in Manitoba, as the best in Canada and some of the leading ones in North America. It is much easier to tear down than it is to build up.

Mr. Speaker, the throne speech recognizes the need for new business, the need for more jobs and the importance of a skilled workforce. It is only through business and jobs will we have the money to provide the social services, the education and all of the other things that are required.

The member for Concordia, the Leader of the Opposition (Mr. Doer), was very critical of the \$7 million that we were prepared to give to businesses out of the payroll fund for skills training. He has quoted. I quote from an article in the paper. He says: They should be honest enough to say we gave \$7 million to corporations, so we do not have any money for special needs or inner city kids. The \$7 million rebate to corporations for training programs which comes in the form of a payroll tax break should be rescinded immediately, Doer said.

The NDP Leader (Mr. Doer) was unwilling to say if he would go further and put thousands of small businesses back on the payroll tax. Training for people who are working but need more skills to maintain that job, to increase the profitability of that business so they can expand and create more jobs, and he is critical. I say the hypocrisy of the New Democratic Party is so deep, I do not think they can even see through it. I do not think they have a hope.

You know, I think sometimes over there that members opposite should give their head a shake and try to sort out the cobwebs and get some reality going into them. He says, all we need is an all-party committee to look at these issues. In opposition, you do not have access to all the numbers. Well, I know the support that I got in opposition from the NDP. I

will tell you, what was not public, you did not get. To listen to the rhetoric that they have, I do not believe much in them.

Mr. Speaker, some members here maybe do not know, but I can remember in '86, in December one morning, I was sitting in my office. It was right close to the stairs on the first floor. I heard a lot of noise going on, and I went out and asked what was happening. They said it is Christmas at the Legislature. I said, well, I do not know anything about Christmas at the Legislature. Oh, yes. This is Christmas at the Legislature. I said, well, why were we not notified? Oh, this is the NDP party at the Legislature. The NDP were even prepared to take Christ out of Christmas for their own political benefit, and I say shame.

Today, what do you see with a Conservative government in power? You see the Premier (Mr. Filmon) speaking. You see the Leader of the NDP (Mr. Doer) speaking, and you see the Leader of the Liberal Party (Mrs. Carstairs) speaking. This Legislature belongs to all million-plus people of Manitoba, not to the NDP, and I say to them, shame for that insincerity and that hypocrisy that we hear from them all the time. I felt so bad after that, within a month, I went in and had open-heart surgery to get it going again.

Mr. Speaker, a little bit of understanding, you know, the payroll on our farm, to give you an idea that we have some idea of what is going on, probably equals all other members of this Legislature. I know entrepreneurship, and I know risk taking, gambling on that. I understand import replacement, and I understand exports. That expertise, unfortunately, has been lost to cabinet, but it has not been lost to this government. I will be here to help whatever I can in giving that expertise, because, you see, the throne speech recognizes the need to diversify agriculture. A task force will be put in place to study and recommend to government, and I hope that task force responds very, very quickly, because we do not have a long time. We really need action quickly on diversifying agriculture in Manitoba.

Not taking anything away from the Minister of Agriculture (Mr. Findlay), because I have all the utmost respect for him, but I want to say that the member for Emerson (Mr. Penner) is not in cabinet and what we have lost is his vast experience on CAP. He has the respect of the agricultural community, and he has the understanding in many,

many facets because, as a member of CAP, he was faced with all of those things that he had to deal with. He knows and understands every aspect. We have lost that rural advantage that we had in cabinet. That is why I say we should have had a larger cabinet rather than some changes.

I wonder if any of those dream merchants on the other side of this Legislature in the New Democratic Party could ever be taught how to create jobs and to start new businesses. Do they have the energy? Do they care? I wonder if they would take their snout out of the public trough long enough to try. Forget about me, forget about I in your sense. Forget about the I-me syndrome and start putting your efforts forward to rebuilding Manitoba.

Mr. Speaker, I want to read a verse that I found in a newspaper the other day, and I thought it was a very significant one. Does the member for Elmwood (Mr. Maloway) want to speak? I thought he spoke yesterday. -(interjection)- It looks like we have twin motor mouths on that side of the House.

Something to remember, the verse starts: Something to remember. You cannot bring prosperity by discouraging thrift. You cannot strengthen the weak by weakening the strong. You cannot help little men by tearing down big men. You cannot help the wage earner by pulling down the wage payer. You cannot further brotherhood of man by encouraging class hatred. You cannot help the poor by destroying the rich. You cannot establish—and I hope the NDP would listen—sound security on borrowed money. You cannot keep out of trouble by spending more than you earn. You cannot build character and encourage by taking away man's initiative and independence, and finally, you cannot help men permanently by doing for them what they could and should do for themselves. Mr. Speaker, that is Abraham Lincoln.

Mr. Speaker, there are a few things in the throne speech that are not there, and I do not expect everything to be in the throne speech because you cannot do it, you would be reading for an hour and a half or two hours to read everything into a throne speech.

There are some things that I would hope that this Legislature would consider, keep in mind, and work hard on in the next year, two years. Decentralization was brought up earlier in Question Period. I am a strong advocate of decentralization, and I will be working with the government and watching the

government to see that decentralization stays on track. I can accept a year's extension on some of the moves where it makes sense, but we will be watching to see what happens.

\* (1440)

I will be watching very carefully with the Minister of Labour (Mr. Praznik) on the WCB legislation, workers compensation legislation, legislation that is needed to modernize and bring in line The Workers Compensation Act. We did some changes last year in Bill 56, one that was deeply appreciated by the labour movement and appreciated by the business community, and we did a lot of consulting. I guess I say to the new Minister responsible for Workers Compensation that you have a pretty good group out there to consult with, and I found them fairly reasonable, and you listen to them, and you will often find that both are on the same track together.

We also, I think, need some revision of the labour legislation. When I was Minister of Labour, we went over a labour bill and spent some 10, 12 hours one day reviewing it. Unfortunately, in a minority government, it is not wise to bring in some legislation, because knowing the NDP they would have tried to amend it for political gain and not in the sense of what is required. I think now that we are in majority we have to take a look at that legislation package. I have spoken to the Minister of Labour (Mr. Praznik) about it, and I look forward to his comments and to see what happens.

There is one group in society that I think we need to lend a greater helping hand to—and I would look for support from all members of the Legislature—and that is for the handicapped, whether it be physically, mentally, whatever. The Leader of the NDP (Mr. Doer) nods his head, and I hope he means that sincerely and not in a political way and not use these words in a political bent but to work constructively with us to try to extend to those people as much help as we can.

I want to refer to the federal budget that came down. They had a special clause in there for handicapped where they would have certain write-offs for businesses employing handicapped people. You know, but for the grace of God, there go you and I, so I would hope that we will receive some support and in the right vein.

I would like to raise, Mr. Speaker, an item that is on my volition only and nothing to do with government. It is not a government initiative. It is not

a back-bench or caucus initiative, but I think we need to take a look at user fees in medicare. I have had many people say to me that they will never control medicare until we bring in a user fee. The medical system in Canada and Manitoba is one of the finest there is and we have to preserve it, so I think we have to put aside all political jargon and ridicule and take a look at what we do. Maybe user fees is a means of doing it.

I remember the Leader of the Liberal Party (Mrs. Carstairs), in '86, mentioned user fees for health care. The press were kind. They did not crucify her with it because at that time, as it is today, it is a very sensitive issue to discuss, but I think it is one that we cannot ignore, that we have to face, and if that is something—I am saying "if." I am saying look at it. If it would be a help, then let us take a look at it.

I was always a strong advocate of free trade with the United States. I still believe that. I think it is in the best interests of Manitoba and Canada, and I think it is working and only after a period of time will we understand, but it is a window of opportunity in business. We hear the snide remarks of the members of the Legislature. I can understand that because they are not in business so they do not need window, but Manitoba businesses need the window, because it can create jobs and it will give us the economic activity to maintain our social infrastructure.

Mr. Speaker, I am, though, concerned about a free trade agreement with Mexico. In our industry, we see the low cost production that is there and I have seen the amount of industry that has moved out of the southern states into Mexico because it was cheaper, and so I think before anything is done we want to review that one very, very carefully because we might do some damage to our infrastructure here in Canada. I know the Americans are interested and they are close. They are a long ways from us, but nevertheless they could have a very negative impact on Manitoba.

Another piece of legislation, Mr. Speaker, that I would hope we can bring forward in the near future is deposit taker legislation. They are a lot of people out there who are taking money—no controls—and the danger of people being ripped off by unscrupulous people, while they are only in a very, very small minority, these unscrupulous people, if one senior citizen loses her or his or their life savings, then, of course, to that one time is one time too many. It is one that I was working on and the



-(interjection)- The member for Elmwood (Mr. Maloway) has an awful lot to say, but when they were in government did sweet goose all about any legislation. I brought in more legislation in the last year and a half than the history of this Legislature and you did nothing, nothing.

Mr. Speaker, I think franchise legislation is one that I have -(interjection)- Could you? -(interjection)- Oh, okay. Franchise legislation is another one that I think we need to take a look at.

Another one that I am very involved in, I have been for and very sympathetic to, is automobile safety legislation. We are bringing in a lot of cars from the United States and each year they become one year younger. I think it is four-year-old cars can come in now duty free, next year it will be three, then two and one. I support safety legislation very strongly. I think we need to have something to do with Autopac write-offs where they are identified and people do not get hung with an Autopac write-off because it is pretty bad.

Mr. Speaker, now I look to the members of the NDP for their support. I do not think I will get it, but I will bring up the subject of MLA salaries. Oh, shudder, eh! Could you just see that the benches were just shaking? I believe that we lead by example. We are saying to the civil servants out there that this year they should be taking zero percent. We lead by example, and we say we will take zero percent this year along with those people.

I would like to have an indication from—oh, they have their heads down now. They are not even looking. How many—two, four, there are several members of the New Democratic Party here and their Leader. Will you support legislation that says this year MLAs will take zero? Are you prepared to do that? Are you prepared to do it? I do not see one taker in the NDP ranks saying that they want to—I see a member of the Liberals saying, yeah. I have talked to him in private, and I respect that because we are setting the example, but we do not see—

**An Honourable Member:** Zero in one year and 20 in the next.

**Mr. Connery:** It is amazing that the member for Concordia (Mr. Doer) would say that, zero one year and then 20 percent the next. I remember when his now wife got a job in this Legislature and she was earning \$22,000 a year. When she left out of the Premier's Office, she was making \$66,000 a year.

Now you want to talk about ripping off the public; that is ripping off the public.

**An Honourable Member:** Cheap shots!

**Mr. Connery:** Cheap shots! Is the member for Brandon East (Mr. Leonard Evans) saying that is not true? Is the member saying that is not true? Stand up and put on the record that it is not true. -(interjection)- He is not prepared. Let the record show the member for Brandon East is not prepared to stand up and say that it is not true, because it is. Mr. Speaker—

### Point of Order

**Mr. Speaker:** Order, please. The honourable member for Brandon East, on a point of order.

**Mr. Leonard Evans:** On a point of order, Mr. Speaker, I think it is totally unforgivable for a member of this Legislature to attack a citizen of this country or to attack a civil servant or a former civil servant. It is totally unbecoming to honourable members.

**Mr. Speaker:** Order, please; order, please. The honourable member does not have a point of order. It is a dispute over the facts. -(interjection)- Order, please; order, please.

\* \* \*

**Mr. Connery:** Mr. Speaker, I was intending to say some words of kindness for some members of the NDP caucus, and I still think there are a couple that I can say. I look to the member for Transcona (Mr. Reid), I look to the member for Point Douglas (Mr. Hickes), the member for Interlake (Mr. Clif Evans); I think they are people who maybe represent something a little bit different from the NDP caucus.

I was also going to make mention of the member for Wellington (Ms. Barrett) until I heard her speech yesterday. Well, I will tell you, if that is NDP philosophy, opposed to the coalition going in and freeing Kuwait of an aggressor—what did he do to Kuwait? They went in and they pillaged the country, they burnt the buildings, they tortured and killed people, they raped women, they took babies out of incubators and threw them on the cement floor, and the member for Wellington supports that.

\* (1450)

Mr. Speaker, I think that is the crassness, absolutely. Is there and I listened to her, and I was never more offended for a long time for myself in this

Legislature. I will say I do not support any Canadian money going to rebuild Iraq—I disagree with Joe Clark very sincerely—any money. We have more needs in Canada to do the infrastructure, our social infrastructure, our hospitals, medicare and educational system than we need to be sending money to Iraq, to an aggressor who is very rich and probably has billions stored all around.

It was interesting to know the other day how bad off the New Democratic Party really is, because one member of the back bench—I am not sure if it was the member for Flin Flon (Mr. Storie) or the member for Elmwood (Mr. Maloway) who sent me this little piece of paper across. It is called the brainwave synchronizer, the inner quest brainwave synchronizer. It is supposed to—it says for them to reach their ultimate potential. I guess this is NDP material that they get for all of them to go in. It is amazing.

Some of the hypocrisy that we have seen from the New Democratic Party—I was listening to comments made by the Leader of the NDP where he said the wages for the nurses should be made in the context of North America, that their salaries had to be high enough that we could keep them in Canada and not have them going to the United States. He also thought—and every sword is two-sided. Is he saying that we should roll back those salaries in Canada that are too high, that make businesses noncompetitive? Are we talking in the context of that?

Mr. Speaker, we look at how the Leader of the NDP and the Liberal and the NDP caucus supported the nurses. I was on the nurses' line listening to them. He tried to make an issue out of that because as a cabinet minister I would stop and talk to nurses on the picket line, to listen to them. You were shouting across this Legislature, and he says, does the Premier (Mr. Filmon) know you were on the picket line? You were sitting in the chair you are now, and that is exactly what you said. I was listening to the people so that I could represent those people properly in cabinet, but you do not look at it that way.

Is it not ironic that, when Sterling Lyon came in, I think the figure was 40 percent catch-up for the nurses? Is that the right figure? Forty-two percent, because the previous NDP government had not adequately funded them. Then came two three-year terms under the NDP when the Leader of the New Democratic Party was in power, and they signed two

three-year contracts totalling 10 percent over the three years each. The member for Concordia, the Leader of the Opposition (Mr. Doer), shouted across this Legislature to the Minister of Health, let us see if you can keep it down as low as we did. That is what the Leader of the NDP said. They made those cheap offers when the provincial government had tremendous increases in revenues. We offered double, 20 percent over three years, when our income revenue increase is zero. -(interjection)-

Oh, now he says we do not know how to negotiate. We offered 20 percent, and we are losers because we did not keep it as low as he did. He says we did not know how to negotiate. Well, that shows you the hypocrisy.

We had a strike. We offered him double what the NDP offered, and yet we had a strike, but is it not interesting to know there was also a large donation from the nurses' union to the New Democratic Party very recently, a donation to the New Democratic Party when nurses were going without salary on the picket line. I say that is shame. -(interjection)- Well, you better go back and check.

Mr. Speaker, I have several pages more I would like to say about the NDP. How many minutes have I got left?

**Mr. Speaker:** Half a minute.

**Mr. Connery:** Half a minute. Mr. Speaker, all I want in summation is to say that I, as a member of this Legislature, am prepared to work as diligently, as hard as I can for the people of Manitoba, especially the constituency that supported me and voted me in and sent me here as their representative. I will do my best to work with the government and with the opposition if they have some concrete ideas to work for the betterment of Manitoba. Thank you.

**Mr. Jerry Storie (Flin Flon):** Mr. Speaker, the member for Portage la Prairie (Mr. Connery) has probably given what was most likely his most difficult speech in his tenure in this Legislature. I would have thought it would have been a humbling exercise. It does not appear from the member's demeanour, from his language, that it was in any way humbling. In fact, it is apparent that the member for Portage la Prairie has not learned anything from his experiences. The member continues to believe that his view of the world is absolute. Anybody that does not agree with him is worthy of condemnation, not only worthy of condemnation, but must receive it and particularly from him.

It was quite interesting to hear the member for Portage la Prairie's opening remarks. I can recall sitting in this Chamber listening to the member for Portage when he was a critic sitting in the back row, when every second word was incompetent, incompetent, incompetent, every second word. Now he would have us believe that his movement out of cabinet was not his own fault, it was not his own doing, had nothing to do with his own role in the affairs of his department. He wants to blame his colleagues, the media, someone else. It is really quite unfortunate.

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

He also has not learned to tell the truth in all of this. He referred to my colleague, the member for Wellington (Ms. Barrett). He suggested that somehow she and other members of the New Democratic Party were not abhorred, they did not find the actions of the President of Iraq abhorring.

On page 73 of Hansard, I quote: "I am not for one moment suggesting and no one in my party is suggesting that Saddam Hussein did not need to be controlled and things were not bad in Iraq." No one condoned the activities in either Iraq or Kuwait. The member for Portage la Prairie (Mr. Connery) undoubtedly heard those remarks but chose to revise history yet again, and that is indeed unfortunate.

Madam Deputy Speaker, I also heard the Member for Portage (Mr. Connery) remark on the size of cabinet. I can recall when I was in cabinet, and when the size of cabinet was increased to 20. Certainly members of the Progressive Conservative Party were the most vociferous that this was unnecessary wasting of taxpayers' money, and that the size of cabinet should be kept small; that it was simply a political payoff to those MLAs who joined cabinet and so forth and so on.

I actually agree with the member for Portage la Prairie. I agree, and I have said so when I was in cabinet that the role of the cabinet minister is so important to good government that in fact we should not try and I guess pinch pennies when that is inevitably going to cost us money in poor decisions, ill-conceived programs and so forth in the departments.

What is also interesting is the member for Portage (Mr. Connery) will stand up and tell us that an expanded cabinet is a good idea because the larger

groups make better decisions while his Minister of Urban Affairs (Mr. Ernst) is proposing a 15-seat council. What is good for the goose does not appear to be good for the gander in this case.

Madam Deputy Speaker, the inconsistencies in the member for Portage's speech are really quite astounding. In virtually everything he said, he contradicted himself.

The member for Portage la Prairie (Mr. Connery) is a self-acclaimed millionaire. He talks about our role as legislators and our salary as if we were all millionaires. There are many people here who consider this a full-time job, and I include myself in that group -(interjection)- exactly, the Member for Assiniboia (Mrs. McIntosh) says exactly the same thing; that in fact there are members over there who consider it a full-time position and they are not in the same position as the member for Portage la Prairie.

The pain that we are asking to be shared is a philosophy of the current government. They are the ones that are asking everyone to take zero regardless of their circumstances. They are the ones that cannot negotiate. Obviously we have, through our negotiations in LAMC, looked at ways of controlling costs in this Legislature because it is part of our responsibility.

\*(1500)

It is a little ironic that the member for Portage la Prairie (Mr. Connery), who is a millionaire, is the first one to say, yes, I am prepared to give up this small amount. If he wants to be so generous with taxpayers' money, why does he not forgo his salary? Why does he not give up his salary in the interest of the public good? He is a millionaire; he does not need it. I need it to feed my family, so I find a little hypocrisy in that suggestion.

Not only that, we have the member for Portage la Prairie (Mr. Connery) talking about free enterprise when it is the same member who took \$100,000 of taxpayers' money and blew it. Why does he not pay back his \$100,000 of taxpayers' money that he wasted on an enterprise in Portage la Prairie?

Madam Deputy Speaker, I did not originally intend to stand up and speak on the basis of things that were said by the member for Portage, but the member for Portage has learned nothing in his four years in the Legislature and that is indeed unfortunate. He continues to take cheap shots at people who are not here to defend themselves, to distort and misinterpret and then be sanctimonious

enough to stand up and say everything that is going on is somebody else's fault.

Madam Deputy Speaker, that is where I move to the more germane topic. That is the throne speech and the current state of affairs in the province of Manitoba. Just like the member for Portage (Mr. Connery) wants to blame his own problems—his perceived problems on everyone else in this Chamber, the media, the public, those who want to misinterpret his remarks, et cetera—he wants to blame the current circumstances in the province of Manitoba on somebody else. He wants to blame it on somebody else.

He takes no responsibility for the fact that this is the fourth budget—will be the fourth budget, the one that is tabled in April. He wants to take no responsibility for the fact that they have controlled the legislative agenda for the last three years; takes no responsibility for the fact that our debt continues to grow while he talks about how important the debt is to him; takes no responsibility for the fact that the services that are being cut, eroded in the province of Manitoba are occurring under this government. He acts in his private life the same way he acts as a member of government. He takes no responsibility. Madam Deputy Speaker, that is indeed unfortunate.

I think the perhaps more distressing part of this is that the government has the same attitude when it comes to the affairs of the province generally. They are following the Sterling Lyon axiom when it comes to the political process: the "look, Ma, no hands" approach to government. They do not believe that they can control any of the events that are affecting the lives of the people of Manitoba. They do not believe that they somehow can support and in fact create opportunities in Manitoba.

It is quite ironic that this First Minister (Mr. Filmon), in an attempt to gain some sort of credit for the economic bright spots in our economy, would choose two that were the responsibility of the New Democratic Party government.

General Electric is not spending \$10 million because Gary Filmon has a nice smile. GE is spending \$10 million here because we had people in the Manitoba Energy Authority and the minister then responsible for Energy and Mines went down and sat down and negotiated a deal that was going to contribute to our economy. That is why it is here.

Why was the Premier at Western Glove making this rather glib announcement that we were going to spend this money for extra jobs, which will not incidentally come to pass, because Western Glove is here because we took the initiative under Core Area Initiative to get that company into Manitoba?

The Minister of Energy and Mines (Mr. Neufeld) took some pleasure in announcing the Dow Corning plant in Selkirk. The Dow Corning plant is here because we took the initiative and went out and sought these kinds of companies out to come to Manitoba, energy-intensive users. Those are the only bright spots. Everything else this government has touched has been a failure.

Witness this morning's debacle when it comes to the Manitoba Data Services sale, a debacle that was predicted by my colleague, the member for Brandon East (Mr. Leonard Evans), a debacle that was predicted in committee when we assessed this. It was unnecessary.

We sold an asset that had been a profit maker for the province of Manitoba. It was unnecessary, and now we have the prospect of a company flipping Crown corporations for profit, the same kind of mentality that some realtors use to flip property to the benefit of themselves for no additional contribution to our economy and then using the capital gains exemption that they are allowed in order to avoid even paying taxes on that windfall profit. It happens, it happens.

Madam Deputy Speaker, we will wait for further detail on MDS, but the fact of the matter is that this government has bungled virtually every set of negotiations it is involved in. It bungled the negotiations with the doctors; it bungled negotiations with the nurses. Perhaps in time we will know the full extent of the bungling with respect to MDS. Repap has turned out to be a disaster. We have no investment, no jobs that were promised, and the Minister of Finance (Mr. Manness), telling us that he is not prepared to make the company live up to its responsibilities.

How can we have any confidence, even if the MDS sale has some provisions in the contract or the agreement to protect the province, that he is going to be able to enforce them, or that he is going to be willing to enforce them on behalf of the Province of Manitoba?

What other bungling have we seen by this government? Well, I am glad you asked that

question. This government continues to support free trade. We heard the member for Portage la Prairie (Mr. Connery), who was an ardent proponent of the Free Trade Agreement between Canada and United States, finally admit that he has some reservations about free trade, in this case between Canada, the United States and Mexico. Madam Deputy Speaker, the facts speak for themselves. When is this government going to wake up to the fact that we are losing our industrial base as a result of free trade?

The former Minister of Industry, Trade and Tourism produced some statistics in the Legislature attempting to show members that in fact our trade deficit was improving and that the Free Trade Agreement was good for us. Well, that minister had only days before tabled the report from the Manitoba trade statistics data base, which showed that in fact we were losing in every category. Our trade deficit was getting worse by 36 percent in manufactured goods, by 47 percent in total trade. That is after the implementation of the Free Trade Agreement.

What do we find more recently? Well, the Conference Board of Canada, the Conference Board of Canada tells us—and members opposite continue to talk about the diversity of our economy as being our strength. It was mentioned in the throne speech again. Yes, traditionally that has been Manitoba's strength. We have a diversified economy, but we are losing that diversity day by day. In fact, the Conference Board of Canada confirms what we have been telling the people of Manitoba all along, and it says, and I quote, employment and manufacturing in Manitoba declined by 12 percent in 1990. Twelve percent in 1990 alone. It deteriorated by 8 percent in 1989; the Conference Board predicts that it is going to decline by another 2 percent in 1991. We are losing that diversity very quickly.

What is the response of the government? What is the response of the Minister of Industry, Trade and Tourism (Mr. Stefanson)? What is the response of the Minister of Finance (Mr. Manness)? We cannot do anything. We have no imagination. Every other jurisdiction in the country has devised a strategy to make sure that they can attract businesses of this type, have made sure they have devised a strategy to maintain their economic base. We have a government that says we are not prepared to do anything. We do not believe in intervention. We have no strategy.

Madam Deputy Speaker, what is ironic in all of this is that these members and this front bench have access to information that should tell them better. In fact, the countries in the world, in our world economy, that are thriving are those countries that are prepared to develop a long-term plan and implement it, who do not just talk about our regional advantages or our sectoral advantages but actually develop a plan to exploit those advantages.

Madam Deputy Speaker, I recognize that everything the NDP government did was not perfect, but at least we developed the health initiative program. We signed an agreement with the federal government to promote health initiatives in the province of Manitoba. We signed agreements with seven different major computer hardware and software companies to create the communications, the InfoTech centre in Manitoba, and create opportunities in the communications area in Manitoba.

\* (1510)

Those initiatives, thank goodness, are continuing to be supported by the current government, but there are other things that need to be done. There are other opportunities out there to be exploited. This government's approach continues to be, we cannot do anything, or we are not prepared to do anything. That is tragic.

Madam Deputy Speaker, I want to talk about bungling a little further, because unfortunately this government in its three short years has given us a plethora of examples from which to choose. I want also to talk about the bungling that went on with the HBM&S negotiation. This government in 1988 when it assumed office, in May of 1988, had on its desk a proposal from Hudson Bay Mining and Smelting which would have seen investment on the part of the province and the federal government and HBM&S to create new opportunities in the northwestern part of the province, opportunity to stabilize the copper and zinc industry.

Madam Deputy Speaker, the payback to the Province of Manitoba if they would have proceeded with that investment at the time they took office would have been approximately two years. The fact of the matter is that the Hudson Bay Mining and Smelting supports the communities not only of Flin Flon but of Leaf Rapids and Snow Lake. The taxes, the payroll tax, the spin-off benefits, the four jobs they create for every one that is provided by HBM&S

would have paid back to the provincial treasury in those taxes alone in approximately two years.

This company contributes approximately \$20 million a year to Manitoba Hydro. On top of all this, not only do we need the modernization to ensure the survival of HBM&S for the next 50-odd years, we need it to correct some of the environmental problems that plant is creating for the Flin Flon area and the vicinity. The unfortunate part is, not only has this government missed an economic opportunity for itself and its partner HBM&S, but it also left the people in Flin Flon suffering with high levels of pollution, ground pollution, in the Flin Flon area and continuing high levels of sulfur dioxide emissions from that plant.

The Minister responsible for Energy and Mines (Mr. Neufeld) has said on many occasions that all that remains to be done is dot the i's and cross the t's but continues to find reasons why the province cannot or will not invest in this particular venture. Madam Deputy Speaker, another example of having no will, no initiative, no vision of what the province could be with a little bit of support from the government.

Madam Deputy Speaker, I also want to talk about some of the supposed support programs that this government has offered. Most of the programs that this government has announced have yet to come to fruition. In fact, the government held up its own Vision Capital Program for more than a year, because it said the budget was not passed.

Madam Deputy Speaker, even the limited initiatives they have announced have not worked. Either they have not been implemented or they have not been effective in what they have attempted to do. The bottom line is that our economy is in recession, and it is spiralling deeper and deeper into recession.

I ask the government, who is going to be responsible when another thousand people are laid off next month and another thousand or two thousand people leave the province? Do you not realize that you are compounding your own problems? I am not saying that. I am not saying you are compounding your own problems from my perspective.

The Conference Board of Canada says exactly the same thing. It says that the recovery in Manitoba is now going to be slower than anticipated. It says that the Filmon government is going to be last out of

the recession instead of first, because of the continuing deterioration in population support, in retail support, factors which this government appears ready to ignore. This government appears ready to ignore virtually all reality when it comes to the circumstances that the average person in Manitoba finds himself.

How many more thousands of people have to be put onto the unemployment line? How many thousands of more people have to leave? How many thousands of more people have to go bankrupt? How many hundreds of more businesses have to fold before this government takes its responsibility seriously?

Recessions are not new. Recessions have occurred in the past, and they have been dealt with by governments in the past. This government, like the Sterling Lyon method of governing, chooses either not to see reality or, upon seeing it, is so terrified of acting that is inert. That is what this government is—inert.

You only have to read the throne speech to know how inert it is. My colleague mentioned today that the two specific initiatives announced in the throne speech—really two, other than six or seven task forces to study supposed problems—were to support their corporate friends. One of them was to give Centra Gas the right to lock off customers, and the other one was tax breaks. No, what was the other one? I forget now, but there was another specific initiative.

The point is, Madam Deputy Speaker, that the government has within its bureaucracy a better understanding of the problems and what to do about them. If it chooses not to act, if it chooses not to do anything, then it has to take responsibility. Unlike the member for Portage la Prairie (Mr. Connery), you cannot continue to blame the media or somebody else. It has to take responsibility, because other provinces and other jurisdictions have done things to prevent those problems.

Madam Deputy Speaker, I want to talk also about honesty. I want to talk about honesty, because one of the things that gets governments in trouble more often than not is misleading people about expectations, about what is possible, what is achievable. In the election of 1990, in August and early September of that year, was this government honest with the people of Manitoba in its campaign? Was it honest about the circumstances of the

province, the prospects for the province? The answer quite clearly is no. The answer is that the Minister of Finance (Mr. Manness) knew the financial situation the province was in. The front bench certainly knew. I cannot say whether the candidates knew. I cannot say whether all of the back bench knew, but the front bench certainly knew the prospects for the province.

How can the people of Manitoba have any faith in the government which one day says, everything is coming up roses and the next day says, we are in the pits? How can they have any confidence in that kind of government? How can everything be rosy, and the Premier (Mr. Filmon) out promising every group, every sector that we are going to maintain services, there will be no cutbacks, we will continue to spend on health and education, we will certainly be funding at levels at inflation or above. Then only a few weeks later come back to the Legislature and tell people that the cupboards are bare, we were lying, circumstances have changed. They were not honest and that is indeed unfortunate.

Madam Deputy Speaker, the fact of the matter is that the people of Manitoba are also being misled at the present time about the nature of our debt. The Minister of Finance (Mr. Manness) and the First Minister (Mr. Filmon) continue to talk about this tremendous tax burden that this \$10 billion creates for the people of Manitoba. They continue to be told that somehow Manitoba is out of line in terms of its public debt. Well, the fact of the matter is that the public debt in the province of Manitoba is more like \$4.5 billion. The other self-sustaining debt incurred by and for our Crown corporations.

If you want to argue that debt is too high, that may be a reasonable argument. I in fact would be one of the people who would argue that the existing debt, the debt-to-equity ratio in our Crown corporations, is wrong. We have made a series of mistakes starting from the inception of our Crown corporations in the way that we have funded them, the way that we have financed them, and that in fact we should have more acceptable debt-to-equity ratios in our Crown corporations, but the fact is that they are self-sustaining debt, and in fact are a much better credit rating right now than the province of Manitoba. When you start looking at the facts you find out that in fact our debt is certainly within reason when it comes to other provinces.

I have a 1989 Statistics Canada report that says that Manitoba is roughly in the middle. Even with the

indirect debt included, we are roughly in the middle when it comes to public debt per capita. The federal debt is higher than ours. Saskatchewan debt is higher than ours.

\* (1520)

This is for the member for Portage when he talks about the government running uncontrolled debt during the early 1980s. Yes, there were very high debt public deficits in the province of Manitoba in the 1980s, but you have to also compare what was going on in other provinces to this jurisdiction. In comparison to other provinces, we ran an extremely tight ship.

The Province of Saskatchewan, which started with a \$200 million surplus after we assumed office—a \$200 million surplus—ran it to a debt that today exceeds the Province of Manitoba's debt. On the other hand, when we assumed office, from the rather Procrustean, parsimonious government of Sterling Lyon, we inherited a debt of almost \$300 million. When we left government in 1988, this government, the Tory government of the day, was left a surplus, was left a surplus.

Now I recognize that some of that was as a result of factors out of the control of either one of us, but the fact is that the debt had been brought down, a trend that we are not going to see continue when the Minister of Finance (Mr. Manness) tables his budget in the middle of April.

The fact of the matter is, however—

**An Honourable Member:** What were your revenues?

**Mr. Storle:** Well, revenues were increasing. Absolutely. That is why the debt was being brought down.

Madam Deputy Speaker, the point I am making here is that in 1989, and I do not have more recent statistics, at least not from Stats Canada, but in 1989, if you subtract the indirect debt, that is, the debt that has been incurred by our Crown corporations and is self-sustaining debt, our debt then becomes the third lowest in the country, behind only Prince Edward Island and Alberta. B.C. is very close, but a little bit ahead of us.

If you want to be really honest about what the public debt is in Manitoba, and if you do not believe those facts, then I suggest that you turn to the Public Accounts book produced by the Auditor where he shows that if you consider our assets, which are our

Crown corporations, our public debt is approximately \$4.7 billion.

We need a little honesty from that side before you are going to be able to sell to the public of Manitoba that what you are proposing, which is cut, cut, cut, slash, slash, slash, is the only course of action. We on this side have not said that, yes, we want to back up the Brink's truck. We have not said that is a solution. What we have tried to do is show you that there are alternatives. There are alternatives even in terms of your own programs and your own priorities for rethinking, re-establishing priorities.

Yes, we could talk about whether it is necessary to have a corporate tax break of \$7 million for training at a time when our community colleges need the funding. They are a good institution. It becomes a question of whether we need to spend another \$10 million or \$15 million a year for private schools when our public schools need money. It becomes a question of whether we need to hire a political hack like Norm Isler to do a job that could be done within the Department of Education. -(interjection)-

Madam Deputy Speaker, for the member for Assiniboia (Mrs. McIntosh) who says the individual we are talking about is a former superintendent, begs the question of whether we need to spend that \$60,000 when there are people already employed by the province who could do that job with equal qualification. That is the point.

The fact is that this government is sending out glossy, irrelevant material on a land and water strategy, a mineral strategy, an energy strategy which by all accounts from people whom I talk to say, what a pile of garbage, hundreds of thousands of dollars spent on each of them needlessly, a waste of money. If this government is serious about prioritizing, if it is serious about its stated objectives to maintain spending in health, education and so forth, then we better see some evidence of it, because right now there is a seed of doubt in the minds of Manitobans, a doubt about the honesty and the integrity of this government.

They have not been honest with the people of Manitoba in the past, and there is serious doubt about whether there is going to be any honesty when it comes to tabling the next budget, when it comes to forcing Manitobans out of their jobs and putting them on the street, on the welfare lines and the unemployment lines.

If that seed of doubt remains very long, it seals the fate of many of the members on that side, because that is the beginning of the end for this government, and it is time to prepare the third envelope for that people. -(interjection)- Well, there is one of the members from the back bench who is starting to believe his own rhetoric.

There is no \$600 million in interest payments. If you want to look at the Minister of Finance's (Mr. Manness) own document, if you want to look at the Public Accounts, if you want to look at the Minister of Finance's annual report, you will find that the accurate figure is \$475 million. -(interjection)- It is not okay. Exactly. It is not okay, but I remind members opposite that this debt is being enhanced by the activities of the current front bench and the question is, is your policy going to make the problem worse or is it going to make the problem better?

There are many, many people—nobody said spend, spend, spend—who know what the impact of this is going to be. The policies of this government are going to drive us deeper into recession. It is going to take longer for the province to recover, and this government seems oblivious to that fact. It is on the horizon. No one is saying spend your way out. We are saying spend money a little smarter. That is all we are saying. We are saying that some of the policies of this government need to be revised. -(interjection)- Well, the members on the back bench right now who are sitting there—well, there is one member from the Treasury Bench—are saying yes, we agree with you. Well, we have given you a couple of specifics that would put about \$17 million into the hands of groups and individuals that would need it, including our public education system, let us see it happen.

Madam Deputy Speaker, I do not know what it takes to get this government on an agenda. The fact is that we have offered to sit on a legislative task force. Our Leader has also suggested to the First Minister (Mr. Filmon) on many occasions that they get out of this Legislature, that they meet with business and labour, create a forum to examine what problems we face and how to address them and to date we have seen stonewalling. We have seen no willingness on the part of the government to attempt to manage our problems.

This government seems intent on moving into the depth of this recession with not a single policy to deal with the problems that we face and that is a tragedy. What it means is, of course, that the



government that will follow you, and inevitably there will be a government that follows this government, the government that follows will have both hands tied behind its back because they will not have solved the debt problem. They will have made it worse because they have no economic initiative and they will have left the province in an untenable position when it comes to an economic base. We have to act. We seriously have to act, and if you want a recipe for some things that this government must do, then allow me.

The first thing that we need to do is we need to have the Minister of Industry, Trade and Tourism (Mr. Stefanson) establish some kind of panel, a blue-ribbon panel with business experts. I do not care what you want to call it. We need a group of people who will assess in an independent and extensive way the impact of free trade. Why have we lost 22 percent, or will we have lost 22 percent, almost a quarter of our manufacturing base in three years? Why?

Who has any assurance? Who among you can stand and say that will return, that economic base—the Paulins, the Ogilvie Oats, the Campbell Soups, on and on and on? The list is horrendous. Who among you can stand and say those firms will return once this recession is over in a year or two? Who is developing a plan to make sure that happens? Are we totally helpless? Is there nothing we can do?

Certainly, if we look at the government's agenda, it is apparent they are not prepared to do anything. It is not acceptable; it is not right. The unfortunate part is that the casualties will be not the member for Portage (Mr. Connery), not the member for Portage ilk. The tragedy is that the people who are going to suffer as a result of this negligence are the people in northern Manitoba, the people in rural Manitoba, the poor people, the marginally employed people of this province.

How long are members of this government, the members of the members of front bench, going to sit on their hands before they act? I can tell you that other provinces are acting. Even other Conservative provinces are reacting in a much different way than this group of big C, ideologue Conservatives. I do not know who is generating this inertia—that is a sort of a non sequitur, generating inertia—who is helping to maintain this inertia, but the fact is it is being maintained for three solid years, and there is no prospect in the upcoming budget that we are going

to see any new initiatives. It is really quite unfortunate.

\* (1530)

Madam Deputy Speaker, how much time do I have left? -(interjection)- Many others have also commented on another serious mistake, another serious set of bungled negotiations on the part of this government. When this government took office in 1988, there were in place a series of 10 economic regional development agreements, a series of 10. Those 10 agreements have a total value to the province of Manitoba of almost \$500 million. In an unprecedented move, this government in the space of two years has successfully watched, stood idly by while every one of these agreements collapsed, while every one of these agreements expired. A total of \$500 million worth of economic development activity, \$500 million worth of exploration and development of our opportunities.

What does the government of the day say about the prospects for signing new agreements? Well, the throne speech did announce one new initiative. It suggested that we are going to have a new task force established, cabinet task force, called the Cabinet Committee for Federal-Provincial Economic Relation, a new cabinet committee. Well, the irony of this, Madam Deputy Speaker, is that we told this government when they assumed office how important these agreements were. We told them to commence negotiations, to get serious about the agreements. We told them what impact it would have on our regions, on our resource development if these agreements did not go forward, and the government failed to listen. It stood by. It watched as the sands of time ran out on these agreements, and \$500 million worth of opportunity was lost.

Certainly, for the City of Winnipeg, it may not have seemed that important at the time because the agreements that affected the city were probably the Core Area Initiative and the transportation agreement. The fact of the matter is that tourism, forestry and the mineral development agreement, the northern development agreement all have a spin-off benefit for the province as a whole. They did help to create wealth and create opportunity, and created tremendous employment throughout the life of those agreements. So it is another example of a government that has bungled negotiations, careless and thoughtless approach to the affairs of the province.

Madam Deputy Speaker, how are we left? We are left with a government that has no agenda, a throne speech that really only attempts to whine about the past, a government that now is saying that all of the problems it faces are the previous government's fault or the federal government's fault, who incidentally happen to be Conservative colleagues of theirs. That is where the problem lies, but it does not lay out for Manitoba any hope.

My Leader said when he spoke that this was a throne speech of despair when the province needed a throne speech of hope. That is the real tragedy, that despite all of the Conservative thinkers over there, and I use that word with a little trepidation, there is in fact no plan, there is no agenda. That is apparent in this throne speech, and I predict that unless this government develops an agenda, our two colleagues from Portage la Prairie (Mr. Connery) and Rhineland will make this government redundant in less than two years.

The clock is ticking. For the people of Manitoba, I hope the government does develop an agenda. I hope that it comes out of its fog and decides that it can do something and it starts to work with teachers and nurses and university professors and labour leaders and the business community and develops an agenda for Manitoba, because we all know now, after three years of watching this front bench in action, that if it is left to the minds around the cabinet table, we are in serious trouble.

Thank you, Madam Deputy Speaker.

**Mr. Edward Helwer (Gimli):** Madam Deputy Speaker, I am pleased to be able to participate in the Throne Speech Debate today in order to voice some of my own views as well as those of my constituents in Gimli.

Before I begin, however, I would like to welcome all of my colleagues on both sides of the House to this new session. I would also like to offer my congratulations to the Honourable Linda McIntosh (Minister of Co-operative, Consumer and Corporate Affairs) and the Honourable Eric Stefanson (Minister of Industry, Trade and Tourism) as they assume the responsibilities of their new portfolios.

I would also like to acknowledge Ed Connery (Portage la Prairie) and Jack Penner (Emerson) for their valuable service to the government as members of cabinet and also want to welcome their expertise and experience to the caucus.

Our government is facing difficult economic times. Revenues are down while the opportunities to spend seem endless. As a government, we need to set priorities which distinguish between what services we as a government would like to provide and what services we need to provide. I believe the Speech from the Throne makes this reality clear, while at the same time setting an agenda which will help to make Manitoba strong in the face of this financial restraint.

Manitoba taxpayers have been hit by round after round of increased taxes by all levels of government. There is no question that Manitobans are very near the limit of their ability to bear any further tax increases. We are hindered by one of the highest levels of taxation in this country, thanks to our former NDP government. Our government realizes that we cannot raise taxes further if we want to build a strong economy.

Provincial revenues will experience no or very little growth this year. Federal transfer payments are being cut back. These factors are largely out of control; however, our debt is not. We will spend approximately \$600 million just to pay the interest on our debt this year, not the \$400-and-some million that our former speaker was talking about. The reality is that in order to build a stronger Manitoba, we must manage within the basic limits of the money already available to this province.

Our government has laid out a plan in the throne speech which will allow us to live within our means without jeopardizing the services most needed by Manitobans.

The Gimli constituency which I am proud to represent is a large, diverse constituency with agriculture as being one of our main industries. As we all know, agriculture has been the foundation of our economy since the days of the first settlers. The Manitoba government, in realizing the importance of our agriculture community, is committed to helping farmers protect their income in order to sustain this vital industry.

Our last budget recognized the importance of our rural communities by establishing a number of initiatives designed to sustain and strengthen rural communities and rural development. Agriculture commanded a large increase within Economic Development with some \$23 million being spent or going towards the Manitoba Interest Rate Relief Program and a further \$16 million for Crop

Insurance cost sharing to continue full protection for Manitoba farmers in the face of some federal funding cutbacks or withdrawals.

\* (1540)

Despite the current recession and particularly a bad time for farmers, the agricultural industry currently employs some 38,000 people. This figure represents an increase of 2.7 percent from February of last year and proves that Manitoba farmers are doing their part to persevere by maintaining their share of the local market. In spite of the difficult time farmers have gone through, they have continued to increase the number of employees in that particular industry.

Our government realizes that during this current period of financial restraint we as a government need to augment the efforts made by our farmers. Our Agriculture minister, the Honourable Glen Findlay, announced in January that Manitoba would join in the cost-shared Growth Revenue Insurance Plan, GRIP, by providing at least \$40 million in premium contributions for 1991 and '92.

GRIP will allow farmers to obtain operating credit this spring, because they will know before seeding what their guaranteed revenue for each crop will be. Grain price guarantees will be based on a 15-year indexed average price. A producer's target revenue would be established by taking 70 percent of the indexed average price multiplied by his average crop yield. GRIP will be available to farmers as a five-year contract and two separate voluntary programs as crop insurance and also as a revenue protection plan.

While GRIP will help to deal with the more immediate problem of low farm income, our government has plans for a more long-term strategy. As mentioned in the throne speech, our government's strategy for agricultural stability includes continued diversification of crop and livestock production, new ventures into value-added processing, greater emphasis on risk management and aggressive marketing of Manitoba products. In order to sustain the industry's long-term viability, the government will continue to promote the production and processing methods that conserve and enhance the quality of Manitoba soil and water resources. As part of this effort, an agricultural diversification task force will be established.

In the Interlake area, our farmers have been ahead of other areas in Manitoba and western

Canada by already diversifying and developing new markets for hay and alfalfa seed which help, in the diversification, offset some of their income. In light of the importance of agriculture as the foundation of the Manitoba economy, our Government is committed to working with producers and industry to bring greater strength and stability to the agricultural sector.

Strengthening our rural communities, however, means more than simply agricultural policy. Business and industry are often the framework around which many towns and villages are built. Therefore, I am proud to report that, despite the current economic difficulties, the Interlake region, which makes up a good portion of my constituency, is the fastest growing region in Manitoba. Employment growth in 1990 was strongest in the Interlake region where jobs rose by some 2,300. The growth of our rural communities illustrates how our government efforts to building a stronger Manitoba, which provides opportunities to all regions, have been paying off.

Our government is committed to taking an active role working with Manitoba businesses to bring about a recovery from the current recession as quickly as possible. The people of the Gimli constituency, with their strong business sense and hard work ethic, have committed themselves to pulling together through this period of financial restraint. The result of this work ethic is the development and expansion of businesses such as A.E.S. Manufacturing and Northern Goose Processors in Teulon. A.E.S. Manufacturing is a new industry which brought some 30 to 35 jobs to my constituency. Northern Goose Processors have just recently expanded into the food processing industry.

Seagram's distillery in Gimli is also holding up well despite financial restraints. The Gimli distillery will be taking on increased responsibilities as the Seagram's distillery in Ontario will be closing. Seagram's has served our community very well as excellent corporate citizens, and I am sure that they will continue to do so in the future.

The CN training centre in Gimli is one of 11 training centres to remain open in all of Canada. Although the number of instructors has decreased in recent times, the future outlook is promising. They have guaranteed to maintain at least 80 to 85 percent occupancy of their 120-room dormitory over the next few years.

Often the key to the development and expansion of our business and industry lies in the expansion of markets. Faroex, as an example in Gimli, has found the Free Trade Agreement to be extremely helpful in expanding its plastic manufacturing company. Faroex depends heavily on exports to the United States, and free trade has facilitated the expansion of this export market, thereby allowing Faroex to expand its number of employees by over 100 percent.

Faroex has moved from employing some 30 people last year to over 60 people this year. They have also just recently signed a new contract for the manufacture of the filler for the fibre optic cable that is being laid by our Manitoba Telephone System in rural areas to provide everyone with a private line. This is another factor in the development of rural Manitoba whereby all farms and people living in rural areas will have private telephone lines. Certainly this will be an advantage for rural areas.

As outlined in the throne speech, trade will remain an important focus for the Manitoba government. We will work closely with federal negotiators in an effort to salvage a significant outcome in agriculture from the current multilateral trade negotiations. Our government will also closely monitor the current Canada-U.S.-Mexico free trade talks to ensure that Manitoba's interests are advanced.

While measuring the effects of the recession, the number of building permits issued in a certain area can be used as an indicator of prosperity. New buildings generate the creation of jobs and have a great stimulus effect on the local economy. While housing starts are down in most areas of the country, the number of building permits issued for the south Interlake region has increased significantly. The number of permits issued has almost doubled in the last year.

The Village of Teulon, the Rural Municipality of Rockwood have also shown significant increases in the building permits awarded. I am very pleased to report that despite the recession, my constituency is continuing to grow and prosper.

As an example, in Stonewall—

**An Honourable Member:** It is well represented. That is why it has grown.

**Mr. Helwer:** That is right. Thank you.

—in 1990, 32 new homes were built compared to 23 in 1989. Commercial building permits are up to over a million dollars compared to about \$300,000

the year before, 1989. The Town of Stonewall alone increased their building permits from 1989 to '90 from \$2.3 million to over \$3.7 million.

Even the village of Teulon, which is a small community, had six new houses built, compared to five the year before and their commercial section has also increased. They increased their building permits from \$660,000 to \$958,000 which is over a 50 percent increase in building permits which is significant in rural areas.

In the Rural Municipality of Rockwood, in spite of the difficult times farmers are facing, 29 new homes built, compared to 30. They were down one from the year before, although total building permits in the rural municipality were still up by over \$150,000 to over \$4 million so this is significant for a rural municipality. The whole south Interlake area has continued to lead the country in growth and building permits.

\* (1550)

Stonewall will also be faring very well with the location of the new Ducks Unlimited conservation centre, an office facility at Oak Hammock Marsh. Our government will be contributing some \$250,000 towards the construction of the interpretative centre and will assume responsibility for all operating costs after the first five years of the agreement. Ducks Unlimited will fully fund this corporate office which will house some 100 staff to provide technical, administrative and financial support for the interpretative centre, so agreements such as this one offer rural communities an alternative to the farming industry while providing a stimulus for the local economy.

(Mr. Speaker in the Chair)

Also the environmental issues and environmental safeguards have been built into the environmental licence governing Ducks Unlimited. The proposed development at Oak Hammock Marsh has been amended following appeals to the Environment minister (Mr. Cummings). The appeals suggested a number of changes that will help improve the original licence and by incorporating some six changes we can strengthen the environmental safeguards.

Under the amended licence, Ducks Unlimited will have to implement a plan to mitigate the adverse effects on water quality, flora and fauna before construction begins. An inventory of plants and animals will be required as part of the details of a

mitigation plan which must be approved by the environmental department.

The other new and amended clauses will require Ducks Unlimited to develop a rehabilitation plan if they cease operating at the site, to develop and implement the contingency plan in the event of a chemical accident, to submit an annual inventory of chemicals used at the site as well as a chemical handling protocol and restrict discharges from the lagoon during the spring when waterfowl are nesting and rearing their young.

The Manitoba Environment will work closely with the Citizens Advisory Committee, which was created in the original licence to ensure that Ducks Unlimited meets the requirements of the licence. Manitobans have clearly demonstrated that they want to be involved in this project. They have had that opportunity during the environmental review process. They have also been heard with their appeals. The Citizens Advisory Committee will give them an ongoing opportunity to remain involved.

Our rural communities will survive the current economic slowdown, thanks to the Manitoba government's positive policies. Policies which give incentives to business and industry to locate in Manitoba, and policies which allow them to expand and to create an environment in which communities can prosper.

Our government also realizes that a safety net is necessary for these hard times in order to sustain our vital industries and services. Our agricultural policy has proven this. Our safety net also comes into play when unforeseeable circumstances take place. Such was the case in April of last year, 1990, when the Petersfield Curling Club was severely damaged by fire or burned right to the ground. Our provincial government, through the Community Places Program, helped to build a new four-sheet curling club with a grant of \$75,000. Again and again our government shows that it cares for Manitobans. Community pride is alive and well in Petersfield, where they pulled together to build this new facility that will serve that community for many years to come.

In response to increasing public concern about the extent of drug and alcohol abuse in Manitoba, we established a task force on the war on drugs to talk to Manitobans while solving this very serious problem. I had the opportunity to sit in on the task force when I travelled to Gimli, and I am proud to say

that there was a good showing, and some very useful discussions took place. The hearings throughout the province went extremely well, and I look forward to hearing the task force's recommendations.

Another initiative which I am proud to report on is the photo driver's licence. This initiative is aimed at making Manitoba's roads a safer place to drive. Through the use of a state of the art camera system, the use of false IDs by suspended drivers should be virtually eliminated. The combination of photo licensing and the toughest drinking and driving laws in the country will help to keep suspended drivers off the road. This new procedure is another example of how the Manitoba government is continually looking for ways to make Manitoba a better place to live.

Technological changes, such as the development of the camera system used for the photo IDs, can open up many opportunities and provide us with new and improved ways of doing things. The camera system, for example, allows us to keep suspended drivers off the road through a sophisticated computer process.

These technological changes, however, happened very quickly. The first fax machine, as an example, was developed in 1985. Now it seems everyone has one at their disposal. In order to be competitive, we must keep up with these changes; otherwise, we will be left behind. Our government realizes this fact and therefore will be launching a new development strategy to capture emerging opportunities in the telecommunications and information industry in partnership with the private sector, university and telecommunications and government agencies.

Our government believes that Manitoba has what it takes to keep up with these changes and be competitive. Our government has shown that it is committed to making Manitoba strong and ready to take on whatever comes in the future. I believe that the leadership of the Filmon government will continue to build upon the enormous potential that we as Manitobans possess to create an increasingly stronger Manitoba.

In conclusion, the people of Manitoba have regained their confidence after the war in the Persian Gulf. Markets are beginning to respond to that confidence, including the weak oilseed markets

which are important to the future of Manitoba. Thank you.

**Mr. Leonard Evans:** I first would wish you well, Sir, in your continuing capacity as Speaker of this House. I know it is always a challenge, and maybe this session it will be even a greater challenge than ever before given the fact that I believe we are on the verge of some very bad news that is going to come down to us once the spending Estimates and the budget are presented to this House.

I yielded the floor to the member for Portage la Prairie (Mr. Connery) earlier, even though you, Sir, had recognized me, in order to be fair, because we do want to go from one side to another. I did not realize that someone on our side had spoken last, but I do sincerely regret the innuendo and the cheap shots that the member for Portage la Prairie took, in fact, some of the false information that he laid before this Legislature. I want to correct the record right now. He made some allegations of the nurses' union making a contribution to the New Democratic Party. This was news to me. We have checked it out. Our provincial office has stated categorically, no money has been received from the nurses' union.

We have also checked with the nurses' union, and we have been advised that they have paid no money whatsoever to the New Democratic Party. So I want to get that factual information on the record.

Mr. Speaker, I want to go on and not talk about individuals here taking cheap shots about—

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

### Point of Order

**Mr. Connery:** Mr. Speaker, on a point of order. If I was erroneous in that comment and I was told that was the case, if it is not the facts, I will check it also; but if I was wrong, then I apologize to the Legislature.

**Mr. Speaker:** I would like to thank the honourable member for Portage la Prairie, but he did not have a point of order.

\* \* \*

\*(1600)

**Mr. Leonard Evans:** I appreciate that from the member for Portage la Prairie, and I would like to go on and talk about the issues rather than miscellaneous matters and concerns.

We have some very broad issues that are facing the people of Manitoba, that are facing this Legislature. Probably one of the biggest issues is the fact that we have an economy that is not performing as well as we would all like it to.

The fact is, Mr. Speaker, we have serious economic decline in our midst. I note that the throne speech is concerned about it because right on page 2 the throne speech states, and I am quoting: "We need a stable and competitive economic climate to attract investment to this province and to generate jobs and economic growth."

Mr. Speaker, we can certainly agree with that, but what does this rhetoric mean? It is really meaningless unless there are some firm, positive, concrete, workable policies that are put on the table that are implemented by the government to make it happen. Otherwise, it is just rhetoric.

Frankly, I am afraid that our economy is so stable at this point that it is virtually stagnant. We have no growth occurring on the horizon. The Conference Board of Canada has issued a statement on this, and indeed it is confirmed by a lot of other forecasting agencies that Manitoba's economic growth rate will be less than the national average. Frankly, what we have is a lot of rhetoric and a lot of wishful thinking about the market more or less resolving our economic dilemmas. It is a pure laissez-faire approach that is being taken. It is a market approach that—let us just sit back and allow market forces to go their way; we as a Manitoba government will take no action to offset the recession.

Indeed, it has been stated time and time again in the House by both the Premier (Mr. Filmon) and the Minister of Finance (Mr. Manness) that there are no specific policies being prepared; no policies will be put in place to offset a decline in our economic situation. In fact, what we are going to get is a squeezing, a cutback, and even if there are some increases in certain departments in areas of 1, 2 or 3 percent, that is still less than inflation, which is still running over 4 percent, and therefore in real dollars this means that there are cutbacks. Those cutbacks occurring across government departments, across throughout the nonprofit sector of our economy that depends on provincial government financing, will translate into, with a multiplier effect, weakening our current economic situation even worse. It has to deepen the recession that we have. It is going to

exacerbate a situation that is getting worse by the day and by the week.

What we need, Mr. Speaker, is instead just a totally opposite approach. We have to take initiative, working with the private sector, working with labour, working with the farm sector and everyone in Manitoba who is prepared to put his or her shoulder to the wheel to come up with programs that are going to stimulate our economy.

I would like to put, just by way of an example of one set of policies that the government could go for, and I am not saying they are going to agree with me, but that is a program to stimulate public works construction in this province. I am thinking not only of provincial public works, but I am also thinking of municipal public works. I go back right to the Schreyer era, where we had some very important programs that provided an incentive to the municipalities of this province who wanted to carry on and put in place certain worthwhile public works but did not have as much money as they would like at the moment and therefore were attracted by an incentive from the provincial government, whatever the incentive might be, 50 percent, two-thirds, 70 percent, 30 percent, whatever.

The fact was that an incentive was given to the municipalities of Manitoba and, together with the province, we accelerated construction on needed public works. That is not a waste of money. That is tiny spending on important construction projects that will be of long-lasting value to the community. Therefore, Mr. Speaker, yes, it takes money, but that is the kind of spending that will give us assets, that will be valuable to us and, at the same time, provide some stimulus that is badly needed in the economy. Given the multiplier effect, the dollars spent in that type of construction will have subsequent benefits on our economy.

There are other suggestions one could come up with as well. Another area is housing, nonprofit housing or public housing. You could have a stepped-up program. Governments, including this government, have spent money in this area. This is another suggestion which would create jobs, which would stimulate the economy and would put in place assets that would last for a period of time, so there are things that can be done, Mr. Speaker, to help the private sector to step up the level of activity to create the jobs that are badly lacking. That essentially is the problem that this province's economy is facing. It is not on the cost side or the

supply side where we talk often about corporation tax cuts, how important corporation tax cuts are to get investment here.

Mr. Speaker, I beg to differ on that. Yes, corporation tax cuts do not hurt. They can help, but that set of policies has been tried in other jurisdictions, including many areas in the United States, and from what I have read, those policies do not lead to immediate response. They may have some long-term effect, long-term benefit in stimulating some investment in the private sector, but certainly, to get out of recession or a depression, they have no impact whatsoever. The problem that we are facing is a lack of demand for the output of our industries. We have some great industries. We have good managers; we have good factory workers; we have good office workers. We have a competent, capable work force. We have the other resources in this province. We have natural resources, we have factories in place and so on, but the problem is to be able to sell the output. That is where we are falling down.

There is insufficient demand for the industrial potential of this province. Therefore, we are not seeing the job creation that we should. In fact, we are seeing the reverse. We are seeing elimination of jobs. We are seeing a decline in our employed work force. Therefore, Mr. Speaker, I say that it is important to take a hard look at this in an intelligent way, in a systematic way, in a very rational way to see what the provincial government can do, hopefully in co-operation with other provincial governments, to somehow or other stimulate the economy in a proper way that we can get more people working, that we can get more factories working, that we can get more farms operating, more mines operating and so on, so that we should recognize that we are all the losers by having factories that are underutilized.

We are all losers by having people underutilized—far better for people to be at work than to sit at home collecting unemployment insurance or welfare. Those people, good people, wanting to work but cannot work, frustrated and have absolutely nothing to do in order to make a living and relying on our social security system. I know for sure that the average person would rather work, if he or she were capable of working, if they were able-bodied man or woman, than to sit back at home and draw some type of social security. What I am suggesting, Mr. Speaker, is that there is a

legitimate difference between the approach of this Minister of Finance (Mr. Manness) and this Premier (Mr. Filmon) and this government and the New Democratic Party opposition.

The government believes in a market approach of minimizing the impact of government sitting back and letting the business cycle carry on, a laissez-faire approach versus our particular approach which says that government programs can be used positively to provide the necessary stimulus to the economy to provide the jobs that our people want, but we are not getting the results from this market approach of this particular government. I mentioned just yesterday in the Question Period in my questioning of the Minister of Finance (Mr. Manness) that indeed private capital investment in this province was declining.

\* (1610)

I remind you, sir, this has been the big pitch of the Minister of Finance. We have a set of policies that will attract the private sector, that we want more private investment, and this Conservative government will indeed do that because of its fiscal policy.

Mr. Speaker, the facts certainly belie this particular assertion, because the facts that we have from Statistics Canada indicate that for three years in a row private capital investment has declined in Manitoba. In 1989, private capital investment declined by 2.7 percent, in 1990, it declined a further 1.3 percent and by 1991, it is forecast by Statistics Canada, the decline, minus 2.8. I might add, for those who think that it is just the business cycle and that therefore this is not unnatural, the fact is that there is a decline in Canada, but it is only a small decline. It is less than 1 percent; it is minus 0.9. We are witnessing a decline of private investment in this province much greater than on the national scene.

I want to remind people, and I should not have to do this, but I want to remind everyone that investment is the basis of economic growth. If you want economic growth, you have to have investment. Without investment, you do not get the growth. It is disturbing, therefore, to see that in 1991, according to the forecasts of Statistics Canada, the level of private capital spending on investment in this province will be lower than it was in 1987, before this government took office, so where is the attraction of this set of policies of this Minister of Finance (Mr. Manness), of this Premier (Mr. Filmon), of this government? The facts are that we are not

getting the private capital investment that we should be getting, and without that we will not have the growth that everyone seems to want and the attending jobs.

Looking at unemployment, Mr. Speaker, again it is a sorry state that is described by the unemployment figures. The latest figures were just out the other day from Statistics Canada, and it shows a number of people working in this province—these are actual figures according to Statistics Canada—February 1991, of 483,000 at work in the month of February. Well, Mr. Speaker, I look back at 1987, before this government took office, and there were 492,000 people at work, so we have approximately 10,000 fewer people working in Manitoba today than were working before this government took office.

Where is the economic progress? What is happening? Looking in the short run, we see the unemployment figures actual for this last month are 9.5 percent compared to 7.9 percent for the same period last year, so there is no question that the unemployment is getting worse. As a matter of fact, if you look at the city of Winnipeg alone, you see that it is in excess of 10 percent. Winnipeg ranks eighth out of a dozen or so cities in order. It has the eighth worst situation; 10.1 percent of the work force is unemployed in the city of Winnipeg.

Again, comparing what was happening to our labour force now compared to 1987, we find that in 1987 indeed we had some unemployment, but now we have even more so. The unemployed ranks have now swollen to 51,000 people; 51,000 men and women are unemployed in Manitoba compared to 39,000 in 1987.

Again, we have on the one hand fewer people employed, and on the other hand we have more people on the unemployment rolls. That is just not good enough, demonstrating again that the policies of the government are not working.

The member for Gimli (Mr. Helwer) referred to building permits in his area. I am glad to hear there are a few more houses being constructed in his constituency. That is fine, but if you look at the entire province, again, from Statistics Canada—this is just out a couple of days ago—the value of building permits has declined by 12.6 percent in 1990 over 1989, and 1989 was a decline over 1988.

This is very serious news, because what it indicates, it corroborates the information we are



getting on private investment, because what it is telling you is that there is just not the construction going to take place in Manitoba this year compared to last year or indeed the year before. -(interjection)-

Well, Mr. Speaker, I do not have all the figures back, but I am telling you that on balance it was far better between 1981 and 1988. In fact, I do have the figures in my office, and we were in a positive position. Since we have had the Filmon government in place, we have had a negative situation, and I can show you that with graphs. I happened to do a little research on it.

Then if you talk about what the people of Manitoba think of the economy, here we find, according to a survey—this is a survey done every second month I believe by Prairie Research Associates Incorporated which tries to gauge the feelings of the people of Manitoba about their economy, perceptions of the provincial economy.

The question was asked: Do you think the provincial economy will perform better, about the same, or worse, over the next 12 months?

Mr. Speaker, 59.4 percent of Manitobans said that it is going to get worse in the next year. That is a sharp contrast to a year or so ago where earlier in 1990 only 50.8 percent thought it was going to get worse. Today, 59.4 percent expects the provincial economy to get worse. So, indeed, this is a sad state of affairs when our own citizens are losing confidence in the economy. The figures—an index of confidence that has been tabulated by this research organization—show a growing lack of confidence and certainly corroborate the general consensus among major forecasters that Manitoba will perform below the national average in 1991.

I want to again go back to a point I was making awhile ago about the need for public investment as well as private investment. This report makes a case for very important public investment that should not be neglected and indeed could be stepped up to offset the cycle. I will just quote from this report. Spending in some areas, especially education, in infrastructure, sets an important social and economic framework for growth, and persistent underinvestment erodes our long-term growth potential. The link between economic growth and investment in roads, education and health care is now a well-established economic fact. The calamitous state of infrastructure in North America

has sounded alarm bells and Manitoba is no exception.

So, Mr. Speaker, the case is well made, I believe, for some action on the part of this government in terms of public investment, in education, in roads and other infrastructure that is very vital for continued long-term economic growth in order for us to realize a long-term growth potential.

Going further, the Conference Board of Canada has stated in its latest report that Manitoba is forecast to decline by 0.8 percent in 1991, as our Leader has said, making Manitoba the worst out of the 10 provinces. We are 10 out of 10, and it notes in this report that on the goods-producing side, manufacturing and construction have been particularly hard hit, and the entire service side of the economy is forecast to slump this year. Well, that is very bad news indeed.

Employment in manufacturing in Manitoba declined by about 12 percent in 1990, and the trend is forecast to continue this year with a decline of about 2 percent. Manufacturing in the province has definitely slipped into recession, unquote. Mr. Speaker, what is this government going to do about it? At the moment the government is sitting back doing absolutely nothing. There are no policies on the table that I know of that will in any way even attempt to offset this declining situation.

\* (1620)

Going on, quoting further, real manufacturing output is forecast to have declined by 2 percent in 1990 and will slip another 1.7 percent in 1991. Mr. Speaker, major declines occurred in furniture, chemical and machinery shipments. I am only reading from parts of this report, but the fact is it goes on and on with very bad news.

Construction is looking weak in 1991. It talks about nonresidential construction. There was some growth, but it will end in 1991 with nonresidential investment expected to grow by a paltry 3 percent. One reason for that, Mr. Speaker, is the fact that Limestone is now winding down. That did give us some stimulus, but it is winding down, and also the fact that there is just more pessimistic outlook in 1991 generally. These are stated as the reasons for nonresidential investment as it is expected to be.

Again going on employment, I am quoting: Due to almost no employment growth and a weakening economic climate, the unemployment rate will jump on average to 7.8 percent this year. I do not have

the comparison with the previous year, but it is going to be up considerably over the previous year. I have one month previous here but I do not have the annual average in front of me. Job losses are expected to occur in manufacturing, construction, public administration and even the normally robust service sector.

In summary, the Manitoba economy will contract by 0.8 percent in 1991 after growing by 2.5 percent in 1990. Recovery maybe will be apparent perhaps in 1992, but then it goes on to say unemployment rate will jump to 7.8 percent in 1991, after holding at 7.2 percent last year.

At any rate, Mr. Speaker, the facts are that we have a very weak situation that we are facing right now. Maybe indeed the national business cycle will swing up in 1992 and we will benefit from it. We hope we do, but the facts are that 1991, the year that we are now in, is predicted to be very bad, and I am suggesting that the people of Manitoba are being let down because this government refuses to take any action.

I sometimes think, Mr. Speaker, that the problem we keep on hearing from the Minister of Finance (Mr. Manness) in particular, how he objects to deficits and is concerned about debts—and the facts are that I guess over the past, deficits have permitted governments to expand the role of the public sector. I really wonder if it is not really the public sector and not the deficits that is the true target.

I think you might ask yourself, if you have any doubt about this, that you do not get the same criticisms expressed about the degree of reliance of business and private consumers on deficit. We have private consumers and we have private business sector both into very heavy deficit financing or borrowing to finance their activities.

In fact, these are figures from the Bank of Canada. They showed that in 1989, the private sector borrowed \$95.3 billion in financial markets, whereas the Government of Canada borrowed \$22.2 billion; provinces and municipalities, \$13.4 billion, so, Mr. Speaker, even if you add all the governments together, you only get about \$35 billion. You get a much smaller amount of borrowing than we realized in 1989 with the private sector, 95.3 with the private sector to about \$35 billion in the public sector.

Also at the end of 1989, the debt outstanding of Canadian corporations was over \$375 billion. Canadian consumers owed \$93 billion. When you

look at residential mortgages alone, the debt of Canadians was \$213 billion.

We do not hear criticisms of this. We do not hear people throwing up their arms and saying there is too much debt in the private sector by business, yet as is demonstrated by these figures, these numbers far outshadow, far outweigh the numbers that we have for the public sector.

Mr. Speaker, I am not standing up to say that we do not want to be concerned with the debt of the province. Of course, we are all concerned with it. I am saying we should not be concerned to the point that we make decisions that are going to worsen the situation.

I cannot help but note that while this government was in a minority position, it did increase our net debt considerably. In 1989-1990, our net debt per capita was \$9,165. By '90-91, the debt had risen to \$10,151, which is the highest ever recorded in the history of Manitoba, under this government, so while they were in a minority, they were ready to spend money, ready to put us into even further debt.

Mr. Speaker, when you look at Manitoba and compare it with some of the other provinces, you will see that our debt situation is not necessarily out of line. Maybe some other members on our side have made reference to this, but according to a table prepared by the Province of Newfoundland—admittedly, this is for March 31, 1989, but nevertheless I think the relationship is probably still the same—the government of Saskatchewan owed far more than the government of Manitoba. Manitoba's debt, according to this figure, this chart put out by the Newfoundland government, was \$9,765 dollars per capita compared to \$11,170 per capita in Saskatchewan, so Saskatchewan's debt per capita is far greater than that in Manitoba.

I cannot help but reflect on the statement made by the Minister of Finance (Mr. Manness) yesterday, trying to apologize or explain or rationalize to this House why Saskatchewan's private investment was expanding, because he made reference that they were in a better position to lend money, or give money rather, to the likes of Cargill grain so that you could have private investment spending exceeding what is happening in Manitoba, but the facts are that Saskatchewan has a worse debt situation than the Province of Manitoba. As I said, it is \$11,170 versus \$9,765 for Manitoba.

I would suggest that as of March 31, if we could get the numbers when we get them for 1991, Saskatchewan will be in even a worse position vis-a-vis Manitoba than it was in 1989. Similarly, if you look at our debt as compared to our gross domestic product, which is a valid type of comparison, because you do want to relate how much you owe to the amount of earnings you can achieve, whether you are an individual, a business or a government, the fact is that we were the fourth lowest on March 31, 1989, of all 10 provinces. Of all the 10 provinces, Manitoba was the fourth lowest at 22.6 percent of our debt as a percentage of GDP, gross domestic product. There were only three provinces lower, namely, Ontario, Alberta and British Columbia, but the rest of the country, including Saskatchewan, was higher.

I make those points using those figures again to simply say that there is room, there is a possibility for this government to stimulate the economy by making some rational, wise decisions to prime the pump in certain sectors of our economy, but as I say, I am afraid that the philosophy of the government is getting in the way of rational decision making, because the philosophy really is to shrink the public sector, and this is an opportunity to do it using the excuse that we have deficits and we have debts and so on and we have to be concerned about it.

\* (1630)

Well, Mr. Speaker, I have gone on at some length talking about the provincial economy, and there is indeed more to be said. I would want to, before I conclude, remark about the terrible federal situation in which we live, which I realize does not make it any easier for this government or indeed any provincial government in this country, because we have a federal government that has been shifting the burden of taxation from the rich income earners to the low and middle income earners.

We have a federal government that is in the process of eliminating VIA Rail, a national rail transport service that we have had in our country, a government that has proceeded with deregulation which is just simply disastrous for smaller cities in this country, including places like the city of Brandon where because of deregulation, we have a diminution of air service. Instead of jet air service now, we have zero service virtually. There is no service at the moment. There was a couple of tiny planes ready to operate, but even they have gone out.

Free trade—I think that has been a disaster as well. So far, all we have heard about are job losses. We have not seen anything on the positive side to date.

Meech Lake—I consider that a disaster and I hold Mr. Mulroney responsible for that. As many of you will recall, we were back in this House last year for a couple of weeks hopefully, I believe, making our contribution by killing it as it should have been killed here. I only wish that more people were prepared to stand up as myself and some of my colleagues were at that time and criticize it and say that it was a very bad deal.

The threat to medicare which we are getting from the Mulroney government today because of the cut in transfer payments to the provinces, and certainly not least by any means is the GST, the infamous goods and services tax which the people of Manitoba are still and will continue to suffer under for a long time to come; and last certainly but not least I have mentioned is the intolerable, insane high interest rate policy of the Bank of Canada, again permitted by this Mulroney Conservative government—all of these things have been bad for this province and have made it difficult for any government, for any Legislative Assembly, to see progress. Instead of progress, Mr. Speaker, what we have seen is decline, what we have seen ourselves is going backwards rather than going forwards.

Mr. Speaker, I would like to also have taken some time to talk about some other specific matters. I cannot help but smile to myself about what is happening with Manitoba Data Services. We had a lot of words on that corporation last year, the sale of the corporation, a Crown corporation that year after year reduced its rates to the various departments and agencies that were using its services and still showed a profit, one that was extremely well run, everyone agreed, the Minister of Finance (Mr. Manness), the Liberal critic agreed, I agreed. Everybody agreed that we had an excellent corporation. It was serving the public of Manitoba well.

We had security of files, and we did not have to be worried about being ripped off, but the government was determined that it was going to privatize the MDS because we are going to have great things happening. We are going to have jobs here. We are going to have more jobs; we are going to have more economic activity.

Mr. Speaker, it is getting on now, getting close to a year. Where are those extra jobs? Where is all this economic activity? Have they put up their head office building yet? No. What we have is now a threat that they are going to move some of the operation out of the province of Manitoba. That is not beyond the realm of possibility with the Saskatchewan government through the Saskatchewan telephone system having now the controlling interest as I understand, or propose to have controlling interest in this company, that we could see a harming of this industry.

Now I know that the minister says many times he has the golden share, that he has the ability. We still have to see it pointed out in black and white in a legal agreement, but he says he has the ability to take this company back. Mr. Speaker, I do not think he is going to take any action. I am worried what we are seeing is just another flip for fast bucks, some company which is going to do great things, and all of a sudden, they are out. It is such a great opportunity. The great announcement—we watched it on television—that more jobs, all these great things that are happening. In the meantime, what we did was set up a private monopoly, because that company has a monopoly for the next five years to get the entire business of the government of Manitoba for computer services.

Of course, they are going to make money. Of course, they can build another building, because they have a guarantee of making profit. Anyone can make profit if they are given a monopoly.

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

Madam Deputy Speaker, I am afraid we have had a bad deal. Not only that, we have a deal whereby we could be ripped off because we really do not know whether we are going to be paying too much in future for computer services.

Madam Deputy Speaker, I would like to ask you how many minutes I have left. -(interjection)- Two minutes.

I would have liked to spend some time on the Constitution. As well I want to simply say that we need a strong central government, and I hope everyone in this Legislature will stand up to ensure that we protect a strong national government; that we keep this country together. I have some very strong views about the role of Quebec. We do not want to see Quebec go, but we do not want to see

this country torn apart as well. We do not want to see this country weakened.

Also, Madam Deputy Speaker, I just want to say that I am concerned about the rural decentralization. I want rural decentralization, but we have not had any reports yet from the Minister of Rural Development (Mr. Downey), and we should. This Legislature is entitled to that information.

At the moment, I can see we are net losers in the city of Brandon. We have more jobs that we lost than are coming in, and there is a lot of disappointment out there and a great deal of false hopes, and that is serious. Now we have leaked documents saying that they are going to go even further by closing down the regional employment centres, closing down the human resource opportunity centres, and that is going to be bad news for seven or eight communities outside of Winnipeg, so much for rural decentralization. I hope these things do not come to pass. I want more jobs out in the parts of rural and northern Manitoba, so I do not criticize the government's objective. I think it has been handled badly, and I say if the minister does not get his act together, if this government does not get their act together, they are going to find that the old adage is true, the road to hell is paved with good intentions.

Thank you.

**Mrs. Rosemary Vodrey (Fort Garry):** Madam Deputy Speaker, it is my pleasure to speak today to the throne speech.

First of all, I would like to welcome back the Speaker. His skills of management and observation in this forum are much appreciated, but let me also welcome back you, Madam Deputy Speaker, in your role as Deputy Speaker. You have shown skills of attentiveness and management of a group while encouraging debate, and I thank you.

I would also like to take the time to welcome back the pages. Their contribution has been effective and appreciated, and I hope that they too look forward to the challenges ahead.

I would like to take this opportunity also to congratulate my two colleagues who have recently joined the cabinet of this government, the honourable member for Assiniboia (Mrs. McIntosh) and the honourable member for Kirkfield Park (Mr. Stefanson). I know these colleagues to be thorough and methodical, and I will look forward to their contributions.

Let me also congratulate my other colleagues who have assumed additional and alternate duties. I am proud of the quality of all members of this government.

Finally, let me welcome back all members to this House.

Now I would like to take a moment to speak of the people of Fort Garry. First of all, I would like to thank them again for the privilege to serve in this Legislature as their representative. I am always conscious of the fact that it is their interests and their concerns that I am here to represent. I have had many opportunities to speak with the people of Fort Garry, and I encourage them to continue to contact me with issues of concern, and I look forward to continuing to meet with them as individuals and as groups.

\* (1640)

I also want to thank the people of Fort Garry for their support and interest in the War on Drugs. It has been my privilege to chair this public consultation process and to travel this province with my colleagues, the members for Seine River (Mrs. Dacquay), La Verendrye (Mr. Sveinson), and Sturgeon Creek (Mr. McAlpine). In this public consultation we have visited with people in community centres, in halls, in provincial buildings, hospitals and friendship centres. We have met with the providers of service, parents, young people, seniors, people from large and small communities and from many backgrounds. I did say hospitals because in fact we did meet in one rural area in a hospital setting, and it was in fact a real eye opener to each of the members of the committee.

These Manitobans told us of the influence of drugs, alcohol and substance abuse on their lives, on the lives of their families and in their communities. They came in large numbers. They came from all places. They came from across this province. They came into some of the larger centres from the smaller centres. In fact, in most cases during our public consultation they came every 20 minutes. We heard people at 20-minute intervals throughout a whole day. They came with their personal stories, stories of their communities, stories from their schools as young people and as teachers, and they came as youth to talk about their involvement as young people in a school or as some young people in correctional institutes.

We have sincerely appreciated the time and the effort that people showed in preparing their thoughts and in coming to speak with us on such an important subject. Their efforts, and our memories of them as individuals, will remind us as we analyze our information that this is an issue which affects real people and real communities. We have met them, and we have been with them in their homes.

I would like to take this opportunity to thank the people of Fort Garry for their interest and support during the time that I was travelling and that I was away from them. I would also like to thank the people of Manitoba in the communities that we have visited for their genuine interest and especially their generous hospitality. This is another reason that this is in fact "Friendly Manitoba."

Madam Deputy Speaker, I would now like to take this opportunity to thank my Premier (Mr. Filmon) for his leadership and his planning, both in the past months and also in the course he has set for us in the next year. These are difficult times and our problem solving must be done with the tools that we now have available to us.

Now, we must look to our inner resources and our own creativity. We must empower ourselves. We look to ourselves and to each other as families, as neighbourhoods and communities to work through the financial and social issues that lie ahead.

Madam Deputy Speaker, the people of Manitoba know that these are tough times. Manitoba's taxpayers have been hit by round after round of increased taxes by their federal government, provincial governments, municipal governments and school boards. There is no question that Manitobans are very near the limit of their ability to bear any further tax increase.

Personal income taxes are the highest in the west and among the highest in Canada. Manitoba corporate income taxes for both large and small businesses are the highest in Canada. We are one of only four provinces in Canada to levy a corporate payroll tax. These facts make it clear, our options are limited. We cannot raise personal income tax. We cannot raise corporate taxes. We must manage within the limits of the taxes already available to us.

Madam Deputy Speaker, the provincial government already takes up a huge portion of Manitoba's wealth. Our provincial economy generates about \$24 billion a year. Of that, \$4.8 billion or \$1 of every \$5 goes to the provincial

government in one way or another. A great deal of good can be accomplished with this money. However, with the deepening recession before transfers from the Fiscal Stabilization Fund, it is expected that provincial revenues will not grow this year. Accounting for inflation, this means a drop in provincial revenues. This drop in expected revenue will have a dramatic impact on our ability to meet our objectives in our fiscal plan.

Madam Deputy Speaker, we have a challenge. If we hold our spending increases to no more than 3 percent, our deficit will approach \$500 million before any transfers from the Fiscal Stabilization Fund. Every dollar of every deficit has to be paid by tax dollars. Tax dollars that could be used for health care or other services are being eaten up by interest payments. Over the past decade, interest costs on the debt have taken over an increasing share of our tax dollar. Ten years ago \$1 in every \$5 of personal income tax went to pay our interest cost. Now, it is one of every two, and the debt is still climbing. If interest costs were a department, it would be the third largest department in government.

Madam Deputy Speaker, my government has a plan, a plan to meet this challenge. Our goal is to keep the debt as low as possible, to escape the trap of spiralling costs, and to protect jobs and services to the greatest extent possible. There are three key thrusts in the approach we are taking to develop this plan.

First of all, internal reform. We will move to a results-based government. We must find new and better ways to deliver services to Manitobans so that every tax dollar is used to its greatest effect. We must reduce overhead, administration and duplications, develop new delivery mechanisms and new management approaches.

Secondly, we have to develop clearer spending priorities. The phrase used in the throne speech, we must distinguish between services we like and services we need.

Thirdly, public sector wage restraint to preserve jobs and services by keeping salary increases down.

Finally, we need increased emphasis on strategic development initiatives in areas such as the health industry, aerospace, telecommunications and environmental industries.

In Manitoba, these initiatives, paired with our strong base of diversified, knowledge-based

industries, will provide the foundation for our future economic growth and provide the path to meet our fiscal challenge.

Madam Deputy Speaker, despite the current recession, progress is being made. The government will continue to work with the private sector to create long-term jobs and some examples of this progress are, first of all, MacLeod Stedman has announced the final relocation of its head office from Toronto to Winnipeg, bringing 117 new jobs and an additional \$2.2 million annual payroll to Manitoba.

\* (1650)

Secondly, Western Glove, a Winnipeg garment manufacturer, will establish a second factory in Winnipeg . . . full-time jobs. This expansion will be a boost for the city's work force.

The province, thirdly, is helping a Manitoba equipment manufacturer to open a new factory in Portage la Prairie, creating 14 new jobs for the area.

Madam Deputy Speaker, in these tough economic times, with our plan developed, I am pleased that my Premier (Mr. Filmon) and my government have also made the commitment to work to strengthen the quality of life in this province. Health care, education and family services will continue to be our priorities. These services to people continue to assist both in strengthening families and in helping Manitobans to help themselves.

In the area of health, this government's approach is in developing and enhancing public policy aimed at keeping Manitobans healthy by promoting healthy lifestyle. This is a preventative idea and one that all Manitobans can take part in. This recognizes that a healthy lifestyle has benefits in many areas such as education, employment, fitness and recreation. Healthy Manitobans can make the most of our educational process. They will have more days at work. They will benefit from the fitness programs and recreation opportunities to families.

The University of Manitoba, the Faculty of Physical Education and Recreation, has received grants to deliver a fitness leadership development training event, funds for a fitness leadership conference and for co-ordination and guidance of fitness leadership agencies and leaders.

In health, we are also building on actions to improve mental health through a provincial mental health strategy. As a school psychologist, family counsellor and mental health worker this is

important to me. Issues of mental health also relate to people's abilities to hold jobs, to live on their own in housing and to have satisfying family life.

We are also introducing amendments to The Mental Health Act to better protect the rights of the province's mentally handicapped citizens. I had the opportunity to work directly with mentally handicapped children and adults for six years. I am very pleased with this initiative and the recognition of their needs.

Madam Deputy Speaker, this government also commissioned the War on Drugs which I have had the opportunity to share, and along with my colleagues, the members of Seine River (Mrs. Dacquay), La Verendrye (Mr. Sveinson) and Sturgeon Creek (Mr. McAlpine), and I have described our consultation process. In this initiative, communities have told us how they view this problem, how it affects them, and some ways that they as communities believe that the problem can be best addressed.

Madam Deputy Speaker, my government is also implementing a child health strategy to improve the health of Manitoba's children. We saw just last week the Minister of Health (Mr. Orchard) with some young people and their program for a Smoke Free Grad: 2000 project. These health initiatives are developed to strengthen and promote the quality of life for Manitobans.

Madam Deputy Speaker, my government is also providing leadership to meet the challenges and opportunities of the 21st Century in education. It is essential that our young people of today be prepared to meet the challenges and the needs of the 21st Century in a world market and become developed as thinking, problem-solving adults. My government has introduced a five-year renewal plan, which includes several new initiatives, including a review of school division boundaries to ensure they reflect the most efficient delivery and provision of the best possible educational opportunities.

My government has introduced several further initiatives to assist and to provide the most effective education. They include: legislation to incorporate community colleges under individual boards of governors; a review of university education to seek ways of enhancing the role of universities in the economic, the social and the cultural development of Manitoba; and the promotion of distance

education and technologies to enhance the accessibility of programs throughout the province. One of the benefits of a program like this is that it allows students to experience some post-secondary courses without having to completely relocate from the communities in which they live and not make that expensive move and then have to return to their communities if in fact it is not the right course for them. We have also stressed the pooling of resources to address the needs of students at risk, special needs students and other groups.

Madam Deputy Speaker, Manitoba will also participate in a Canada-wide assessment of how education systems are meeting the needs of students and of society. This Achievement Indicators Program is the first co-operative effort for the provinces and the territories to develop comparative data. In this program, literacy and numeracy skills of 13-year-olds and 16-year-olds will be examined to examine how these students are achieving expectations in literacy and numeracy and to what extent achievement increases between 13 years and 16 years.

My colleague, the Minister of Education and Training (Mr. Derkach), has awarded \$519,915 in grants to 23 community-based organizations to address literacy needs. These grants are targeted to fight illiteracy in seven key areas: urban, rural, northern, aboriginal, Francophone, multicultural and inmate literacy. As the chair of the Manitoba Task Force on Literacy, it gives me great pleasure to see this mechanism in place and operating. We did hear on that task force from groups representing each of those areas who did express literacy concerns and did ask for the ability within their communities to operate programs.

Manitoba children will be encouraged to use fair play during classroom projects as part of a national and a province-wide program. This program is a co-operative one between the Ministers of Education and Training (Mr. Derkach), Culture, Heritage and Citizenship (Mrs. Mitchelson) and Fitness (Mr. Stefanson), focusing on the life skills of co-operation, playing by the rules and the maintenance of self-control. This program, in response to the erosion of fair play and the increasing violence in sports, should provide Manitoba youth with some important life skills and a fair and reasonable set of reference points.

In summary, Madam Deputy Speaker, education continues to be a priority with methods to measure

its effectiveness of current programs and the development of values for participation in the world. We have heard from Manitobans, who have also shared concerns about education, and this is a step to providing Manitobans with information about the strengths of our programs. It also gives our students and our young people a chance to test themselves in relation to other students. It will also help us value the work of teachers.

Madam Deputy Speaker, my government continues in our commitment to family life and the family unit. The well being, safety and health of family members then frees up the energy for creative employment and community well being. My government has strengthened its commitment to abused women and their children by increasing funding available to wife abuse shelters. I have visited some of these shelters, and I viewed their support programs. During our consultation on the war on drugs, we have met with several representatives of women's shelters and also those who operate crisis lines. They have told us of the linkages between alcohol abuse and physical abuse in families. This year's commitment consists of a \$1.6 million to cover per diem rates and certain special needs for women and children in shelter, and \$1.54 million for grants and other payments to shelters and the province-wide toll-free, and Winnipeg, crisis telephone lines.

\* (1700)

In my own work before the election, working with children in families, abuse and safety has long been an issue. I am very pleased to see an initiative which directly addresses the safety of women and children in this province, because women have been fearful for a long time and fearful in the place where they should be safe—fearful in their own families. Children also need to feel this safety, and they need to feel the safety within their own families. Some families need support in crisis so that they can, in fact, stay together. Everyone's thresholds of fear and concern are different, and these crisis centres should address the crisis that families feel when they feel it.

My government, under the Minister of Justice (Mr. McCrae), has also announced a special review into the administration of justice, the Pedlar review, as it relates to domestic violence in Manitoba. This review will examine and make recommendations on existing law, policy and procedures relating to domestic violence, particularly in regard to

investigation and law enforcement procedures, the processing of charges, the training of those involved in the enforcement system, and the control of weapons, to name a portion of its mandate.

I am particularly pleased, as a former family counsellor and a law student, that this inquiry combines two very important issues. It makes sense to me, and to me it is one of the most important initiatives. This co-operation between the Justice department and the needs expressed in areas of Health and Family Services shows a level of integration and planning that Manitobans appreciate and have asked for. The departments of government need not be isolated one from another but influence each other and can develop a combined effect.

As another example of integration and combined effect, my colleague, the Minister of Culture, Heritage and Citizenship (Mrs. Mitchelson), announced a new classification system for home videos to assist parents in making decisions before buying or renting videos for themselves or their families. A special sticker will be attached to the selected videos to inform Manitobans about the video's subject matter.

In addition, a new 18-plus classification is being introduced, and these videos must be kept out of sight under a counter or in a separate room. It will be illegal to rent or to sell 18-plus videos to those under 18. These initiatives demonstrate my government's commitment to strengthen the family, to assist families, and to protect families.

Madam Deputy Speaker, let me now talk about Manitobans as Canadians. We all became concerned about our unifying document, the Constitution, when during the Meech Lake process attempts at amendments failed. Canadians and Manitobans then spoke out to put forward their ideas of what a reformed Constitution should include.

In response to the concerns of Manitobans, our Premier (Mr. Filmon) established the Constitutional Task Force in December 1990. This task force, an all-party committee, will provide advice on priorities for future constitutional negotiations. The people of Manitoba have had the opportunity to present their vision of Canada and Manitoba's role in Canada. I commend my colleagues and all members of this task force for their diligence and their careful examination of presentations during the public hearing process.



(Mr. Speaker in the Chair)

I had the pleasure of sitting as part of that task force for an afternoon, and it was a real pleasure to hear the people of Manitoba come forward with their ideas and ask the Manitoba task force to consider incorporating their view and their role as Canadians. I know that we can count on the continued and careful thoughtfulness of this all-party task force during their deliberations. We in Manitoba now have a chance to shape our vision, our role, and our future.

Mr. Speaker, in closing, I will say again that these are difficult times. We face fiscal pressures from the past overspending, high interest rates on a large and growing debt, and more limited funding from other sources including the federal government. The people of Manitoba have expressed an understanding of this.

As I have travelled the province talking with Manitobans in the places where they live, work, and play, Manitobans have said, it is time to take action. Our social agencies must not take the place of neighbours. Our schools cannot take the place of families. We know that we must determine boundaries, and we must determine what a government can do and then what we as families and neighbours can do. Manitobans must be creative. We must look to our own strengths, and we must work together.

Mr. Speaker, my government has presented a plan based on our strengths. Let us all, as members of this House, now work together at the business of making Manitoba strong. Thank you very much.

**Mr. Reg Alcock (Osborne):** Mr. Speaker, I will try to adhere to your admonition that I not arouse the tempers of other members of the House.

I want to start today by first expressing my congratulations to the two members of the back bench who were elevated to cabinet positions. I look forward to some of the debates that will be forthcoming with particularly—both those members actually, but I have a particular fondness for one of them that I anticipate having some discussions with across the floor of this House.

I also want to express some condolences to those members who were taken off the Treasury Bench. They are not the ones that I would have chosen, but I do, I must say, agree with the Premier's (Mr. Filmon) decision not to expand the size of cabinet.

I also want to, I think in opening, disassociate myself from the remarks that were made by the member for Portage la Prairie (Mr. Connery) relative to family members and persons who are not part of this Chamber. I think that such attacks have no place within this Chamber, and I would hope that they not be seen as statements that are reflective of other members of this House.

I want to enter into my remarks tonight by saying some things that I think may be misconstrued as support for the actions of this government, and so I want to be careful as I start my remarks today.

I spent the last 18 months travelling around the province talking to people all over the province about the fiscal position and the economic situation that this province faced. I spent an enormous amount of time researching, looking at indicators and looking at the financial position of this province past and present. As a result of that, I have to agree with the government, and I do agree with the government. I think we are in a difficult time, and I think we are in a difficult situation. I am somewhat more worried about that than I find members to my right. I do have grave concerns about where this province is going. -(interjection)-

Well, the Leader of the New Democratic Party references election promises, and I am going to talk about them. I am going to talk about them at some length as we talk about this today. But I want to start first with a discussion of some of the things that we found and some of the things that cause me concern that go beyond just the information that is contained in one throne speech or that may be contained in the budget that will follow this.

Manitoba has been losing position in this country for some 25 years, not just under this government, not just under the former government, but under the Conservative government of Sterling Lyon, under the government of Ed Schreyer, under the government of Duff Roblin.

When you look at the situation that this province has faced since the time that Statistics Canada started to collect data on GDP, 1961, you find that there is only one period in that whole length of time that Manitoba has ever made a significant gain against the trend, that it has ever actually begun to increase in size relative to the other parts of Canada, and that is in the period between 1981 and 1985.

\* (1710)

I think that was a combination of a new provincial government that was willing to spend—particularly during the most difficult recession we had had at that point since the Depression—and a federal government, and in particular a federal member with whom I have a personal relationship and a great deal of admiration for, Lloyd Axworthy. He was prepared to work very hard in Ottawa to see that Manitoba got a fair share of the national resources.

Since 1985, since the change in the federal government, there has been a noticeable slide back and in fact we have been dropping, and I invite any member of this Chamber to chart the position of this province year over year. You will find that we have been dropping and we have been dropping even more rapidly in these last couple of years. It is not just related to the debt; it is related to a change in the underlying economic structure of this province.

The changing distribution of work in this province, the fact that young people in this province are looking elsewhere for employment is not just a phenomenon of the current downturn, but it is a strategic choice that people are making now as they look at their educational opportunities. There are students in Grade 9 and Grade 10 who are talking about shaping themselves to get into universities in the east so that they can access jobs in the large firms in the east or on the West Coast or elsewhere in this country, rather than planning their future here in Manitoba.

I have the—I was going to say, the pleasure of working out at the Refit Centre, but working out at six o'clock in the morning is not always pleasurable, but I do meet there with a group of individuals who are considerably older than I am. Most of them, when we have coffee afterwards, talk about the fact that their children are no longer here, that if they want to see their grandchildren, they have to travel to another part of the country in order to find them, that they have not been able to build the kind of economic base that they want to in this province.

When I look at the response of this government, when I look at the financial position that we got into through the last eight years, or the previous eight years of NDP government, I think the former government had the right idea. I think they worked very hard during the years of the recession to provide some alternatives to people until such time as the economic engines in this province could get going again. I think where they failed was by not slowing that down sufficiently. They began to, but

they did not slow it down sufficiently to get it under control in time to prepare for the current recession.

The problem this government faces is they simply do not have -(interjection)- well, they make the point that they left them a surplus. Not really left them a surplus; you subjected all of us to huge tax increases, plus you got a windfall from Ottawa that left them in the fortunate position of having a one-time surplus, but nothing was done to change the underlying structure of government, to reduce the draw that you made on the economy and that is the problem. -(interjection)- Well, no, I do not mind responding to that.

The problem right now though is, what do you do today? What do you do now that we are going back into a recession? The question that strikes me is, do you allow, when the Minister of Finance (Mr. Manness) admits quite freely that provincial expenditures are one-quarter of the gross domestic product of this province—25 percent of all of the economic activity in this province comes out of this government—what happens when you restrain that, particularly when you restrain it at the time when the rest of the economy is shuddering to a halt? What happens? We saw what happened in the United States back in the late '20s, early '30s. That is the fear.

Do you simply put the brakes on this economy so fiercely that you not only solve your short-term problem of reducing your level of expenditure, but you plunge the whole province into a much more difficult position and one that it will cost far more to get out of in the long run? Do you close down the opportunities for people to start businesses and do you force people out of the province? The way they are leaving right now—people are looking for opportunities right now. Thousands of them are moving out. They are not just moving out in this year; they have been moving out for the last three or four years.

I did an analysis of that. I went through the numbers and I looked at who was moving out because there was some suggestion from the government that maybe it was just elderly people retiring. Well, in fact, less than 5 percent were. The majority of them were people between the ages of 18 and 35, people who are just starting their careers and they are having to choose to start those careers elsewhere in Canada because they simply do not have the opportunities here.

What happens to this province then? What happens when those people who are the next generation, the generation with the entrepreneurial energy and the will to build a business, what happens when they are not here? What happens when our provincial population is aging disproportionately relative to the people who are coming on? We have seen what happens in small towns in rural Manitoba as people move out. They decay and they die. That same thing is happening here on a national scene.

Manitoba is losing ground very rapidly, and the fear I have is that as we strip out that layer of ancillary services and support services that allows business to flourish in this province that we will not be able to get it back. As we lose—if you think of it in the medical analogy—a higher order of professionals and specialists, whose specialties are very narrow, as we do not have the financial support to maintain them here, they move elsewhere, and Manitobans have to go to other parts of the country for health care. The same thing happens in your economic community, and the same thing is happening in your business community. Right now we fly in consultants all the time from the East and West Coasts in order to assist businesses in their planning.

Right now if you want equity capital you have to go to Toronto to get it. What happens then? What happens if you are an investment banker sitting in Toronto and you have a person coming to you from Hamilton, and you can virtually see Hamilton from your office building, or somebody coming from 1,200 miles away, what is your choice? Because an equity investment is a different investment than simply lending money. You lend money based on the value and the company, and by doing so you increase the debt load, but when you provide equity capital, you take a share. You believe you have confidence in that company. You express that confidence by buying shares and by helping that company get stronger and larger, but if you have to make that decision about a company that is very close to you and a company that is thousands of miles away, you tend not to prioritize the company that is further away.

One of the big concerns that I heard as I spoke to the business community in Manitoba, was that the equity investors have dried up, that all of the major shops have moved back to Toronto, that if you want to get significant capital—and there are companies

in this province that could grow, that could make that next step to allow them to be competitive in a North American context—but if you want to get equity capital, you have got to go to Toronto, you have got to go to New York. You could even go to Vancouver, but you cannot get it here in Manitoba.

It is a serious problem and one that has to be addressed if we are going to allow Manitoba businesses to grow, particularly to grow to meet the competitive challenges they are now facing south of the border. As the member for the Democratic Party pointed out, during the election campaign we talked about that. We talked about the need to assist Manitoba businesses to obtain equity financing so they did not increase their debt load, so they had the ability to grow. We urged the government to provide such a resource, and we promised to provide such a resource.

The second thing we noticed as we did our analysis was that Manitoba has the lowest proportional uptake on research and development or the lowest proportional level of research and development funding of any province in Canada. We suggested that there needed to be some serious investment in research and development in order to allow companies to build the kind of products, to develop the kind of product lines to keep them competitive, that they had to have some long-term and deep investment.

Given that we are a small province, we also said that it could not be the scatter gun approach that past governments have taken. We could not try to become expert in everything, that we had to determine some priorities. We had to be prepared to invest in a few areas, but we had to invest heavily in those areas. The government laughed at us, and they derided us for spending too much money and not being serious about control.

Then, in the very first throne speech last fall, they announced a research and development thrust. They knew we were right. We were right at the time. In this throne speech, they have announced it again. They have announced that they are going to move up the time frame for it, because they know that if we do not make those kinds of investments in Manitoba now, we are going to simply slip further behind.

The analogy is like a company that has grown old, that its product line has grown old. It has got to spend some time and some energy and some

money to renew its product line in order to grow to meet a changing market, and we have got to do that here in Manitoba. The challenge that lies ahead of us and a challenge that this government is going to have to face is, are they prepared to make the tough choices, because in saying that they are going to prioritize a particular industry or a particular thrust, they are going to have to say that they are not going to prioritize other areas, because there is simply not the money to go around. There is the need to invest, but it cannot be done in everything. It cannot be all things.

\* (1720)

The third thing we talked about was some labour force adjustment strategy, because the problem we face in a province like this as the population moves up and down is that as people get into trouble, as people find themselves without work, as companies move around and people get laid off, we face two choices. We either see those people move out of the province, which leaves us poorer as a population and leaves us only in the need of recruiting them as the economy gets stronger. We constantly face this shortage of skilled labour because we do not do anything within our own province to retain the existing labour pool through downturns and to help them gain more skills so that, when the upturn comes, they are in a better position to compete for high-skilled jobs and a better quality of life.

So we said there had to be—and again if you use the analogy of a company that is going through a period of change, you have to allow your staff the opportunity to gain new skills, to learn new abilities so that they can work with you to take your product line forward. I think the analogy holds and what is interesting about this particular thrust is that this is something that the federal government recognized as they brought in the Free Trade Agreement. It is something they talked about doing and they have never delivered on it. It is something that this government purported to agree with and again something that they have never acted on.

The problem is that this government—and there is an interesting quote that I saw, and I do not have it with me, I will have to do it from memory, but it comes out of the New York Times just recently. It makes the case that education should not be seen to be in competition with programs for poverty and for family violence and for AIDS; education should be seen to be a solution to some of those problems. This government seems to have forgotten that. This

government seems to have stepped back from providing the strong support that education programs need right now and is prepared to let our universities just sink lower. It is prepared to see us lose more of the vital capacity within those universities.

The problems that we face in our education system in this province are enormous. We complain about the loss of manufacturing jobs, but what do we do within our community colleges to build the capacity to allow us to train the very people that can operate in those industries? The government is doing nothing but back away from the entire education program in this province and I think it is a very short-sighted, very regressive step.

If we are going to have people who go onto unemployment insurance or who go onto eventually income support because they cannot find jobs in this province, surely we can offer them an opportunity during that downtime to increase their skills, to ready themselves for a time when there will be some jobs in this province. Surely we do not just abandon them and force them into going onto welfare with nothing to do or moving out of the province. I think there has to be some solutions to that, and I think it is something that this government could spend a little time thinking about.

I am astounded frankly at the attitude that I find coming through with this government. Any of the economic literature that you talk about a highly industrialized society like ours now points to large cities as being the engines of growth, and that is something that this government seems to have just ignored. They treat the city as some sort of alien territory. They are prepared to put some money into the north, prepared certainly to address some of the inequities, and I agree that there were inequities between the level of support in some of the social programs, rural to city, but all of their economic planning, if you can call it that, seems to be built around big projects that revolve around either the sale of significant government assets or traditional resources extraction.

It has done nothing to address high tech industries or industrialization in this very huge city which we have, which we could, instead of seeing it as some sort of problem, see it as a major resource to this province and an advantage that the province immediately to the west of us lacks. It lacks a city of 600,000 people. It lacks the critical mass of talent and energy that gets focused in a city like this.

Instead, what we hear out of this government is a harkening back to a kinder, gentler time. I talk about—is it quilting bees? -(interjection)- quilting bees and pools and co-ops. I do not want to deride that. I think it speaks about a type of community energy that is very important. You like that thought of coming together within your community to work together on issues. We see that in communities within the city, but it bespeaks a serious lack of understanding of what is happening today.

It talks about something that I think is more of a myth than a reality and sadly so, but we do not have traditional nuclear families. We do not have the kinds of structures within neighbourhoods that force people together and that build the great interdependencies. We do not have the extended families that we once had. We do not have a situation where a young child has a large number of aunts and uncles. With an average family size of 1.8, less than two children per family, the proliferation of aunts and uncles and the extended family networks that we once relied upon for support simply do not exist.

The tremendous increase in divorce and separation rates have created a situation where family life is not what we would have described to us. I have heard the Minister of Family Services (Mr. Gilleshammer) talk at great length about the value of community life and 4-H and other sorts of structures, all of which I think are important and all of which I think have a place in the community, but they do not solve the problem of family violence. They do not solve the problem of child abuse. They do not eradicate the grinding kind of poverty that exists in this community that leads to an awful lot of the situations that result in children being abused or women being battered or any one of the problems that we see.

A good friend of mine just two blocks from this building was hit over the head with an iron bar the other night walking to the grocery store and battered very badly by three young children who wanted to take his wallet. That happened by the Shell station down here walking behind Riverboine, walking from his home to the local store to get some soft drinks. That happened by people who are becoming increasingly desperate.

It is one thing to move in and be firm and arrest and punish, and that is important—I am the son of a policeman and I have worked with delinquent and acting-out adolescents a good portion of my working

life—and I think it is important that the community issue a very strong message to people that we will not tolerate that kind of behaviour, but I also think we have to look at what is behind that behaviour. We all have to look at the kinds of circumstances that are arising in our community that lead to that kind of behaviour. We have to attempt to address them, because if we do not we just commit ourselves to repeating this kind of circumstance over and over again and seeing it grow worse, because it is not getting better. It is indeed getting worse.

The number of children in my constituency just south of here—and my constituency is not particularly severe or particularly serious as a core area community goes—who live within single-parent families and unfortunately the majority of those families are parented by women. I say unfortunately because women constitute the major caregivers in a lot of the families and do not have the economic position in this country to provide the kind of support that we believe, I think all of us believe, children should receive. So they are forced to live on the edge of poverty, live from hand to mouth, live with all the stress of trying to raise children while at the same time provide some quality of life to their children and some measure of respite for themselves.

What we have done, what this government has done in the last two years is to remove all of the very minimal supports that those people had. There was a time when a Child and Family Services agency could offer some respite to a person in that position. You may find a woman who is on the edge of frustration. She has maybe two or three children. She has been abandoned by the man who she first entered into partnership with to have these children, and she is forced to live on some kind of social assistance or try to in the case of many of them gain an education while fighting with the department about supports so they can go to school, so they can upgrade themselves. The number of people I have had to intervene with to get very simple supports like day care so they can finish a degree, so they can get a better job, do the very things that this government talks about, is growing daily.

\* (1730)

The one thing that we were able to offer them was some respite. When things with the kids got too out of hand, when there was a danger of the kids being abused, we could offer some support to them. Failing that, we also offered some centres within the

community that they could go to, that they could be with other women in the same position, they could develop some mutual supports, they could become a little independent. This government has stripped all of that out of the social service system. It has stripped out and it has eliminated or refused to support any of the parent-child centres. It has refused to allow the Child and Family Services agencies to intervene at those very early stages when the family is just getting into trouble.

I am really not certain why they have done that because the amounts of money that they have saved in doing it are minimal relative to the rest of the budget, but the consequences of doing it are major and they will in fact cost the government more than it is saving. There was a time, for the benefit of members, I could take them through the research where one of the things that was looked at when the Child and Family Services agencies began to operate was what was leading to this tremendous increase in intake. What was causing so many kids to come forward and become wards of the state or that being a necessity they become wards of the state?

The one thing that we found was a direct indicator of a likelihood of abuse was poverty. It increased as we got the children into less stable situations, and we found that if we could intervene in those situations that it was not necessarily a therapeutic intervention. It was not an expensive intervention. Sometimes it could be as simple as having a child care worker go in and take a teen-aged child out of the home for four hours a week, take them out to a ball game, and which just eased a little pressure on the home. Give the child a little special time, give the parent a little time to take a breather. We found that in doing that we saved more money in foster care and group care rates than we spent. That we in fact, and we had fewer kids coming into care, the program costs were less than they were when we were not allowed to provide that service.

Now we were not allowed to provide that service by the former government despite the fact that there was a great deal of evidence showing that this did save cost and it was a better, more acceptable kind of service. We felt that with the new government coming in and there being some ability to look at rationality rather than rhetoric that there would be a willingness to look at some ways of just reaching out in a low-cost way to intervene with families to provide a little bit of support to prevent the

frustrations reaching the point where a child is neglected or abandoned or abused, and this government said, no, it will not do it.

All political rhetoric aside, I do not understand it. I do not understand why they are so willing to invest so much in certain sectors of the economy with so little evidence of return, and yet they are unwilling to invest anything where there is evidence of very significant return, significant cash savings and certainly huge savings in terms of personal suffering. I do not understand why the government is unwilling to act on it.

I want to come back for a minute though to the Minister of Finance (Mr. Manness) because when we talked about the economy in this province and we talked about an economic strategy, this Minister of Finance has talked at some length about actions that they might take, actions that they will take.

They sold Manfor. Now we supported the sale of Manfor. In fact, I believe the NDP also supported the sale of Manfor, but there was a great deal of concern and there was quite a battle in the House about what the details of that were, because in principle people supported the sale of that Crown corporation.

I tend to be more in favour of privatization than perhaps the members in the New Democratic Party, but I think, on balance, both groups felt that this was a good thing for the province and a good thing for that company because it freed it to be a little bit more competitive and freed it to be a little bit more aggressive in searching of other markets. The concern that was raised as the details of the deal came out after the sale was concluded was the province gave away too much.

Now with the failure of that contract, with the failure of Repap to follow through on the commitments that it has made, an interesting thing has emerged and it is something that is beginning to cause me a great deal of concern. We discovered this fall and post-Christmas a situation in the Department of Finance, a situation that involved the collection of provincial sales tax where certain companies in this province are collecting more provincial sales tax than they have to under the act. They are remitting to the government that sales tax that they are required to remit and they are putting the rest in their pocket.

I think that is fraudulent. I think that is wrong. I think the government should be calling those companies to task. I think the government should be

insisting that those companies return those revenues to the people that they have collected them from because they are not due to the province as tax and the people are paying them in the belief that they are.

Now I am hoping that the Minister for Consumer and Corporate Affairs (Mrs. McIntosh) will be coming forward with some legislation. I see no discussion of that in the act, but the Minister of Finance (Mr. Manness), when questioned about this, said that there would indeed be some attempt to address this, but the reality is this practice has been going on for some time. It is well documented. We know that it has taken place. We know that the people in southwestern Manitoba, for example, have been paying significant amounts of money in the belief that they were paying taxes that were owed to the government and that money has gone into the pockets of a few suppliers. That practice must be stopped.

What did that Minister of Finance say? He said, well, he was not certain that he wanted to press the issue. He was not certain that he wanted to take the companies to court. He was not certain that he wanted to make an example of them. Some time ago, after the change of government interestingly enough—not before, but after the change of government—some trucking firms came to the Minister of Finance and said, we do not want the payroll tax. We are not going to pay it. Not all of them did; some of them were responsible and continued to pay the tax. Some said they did not like it, and they were not going to pay it. What did the Minister of Finance do? Did he take them to court? Did he insist that they pay the taxes that were due the same way other companies were? No. He said, oh, no. Well, if you are going to kick up a fuss about it, if you are going to fight with us about it, we are not going to do that. We are not going to enforce the tax law or policy of this province. I think that is wrong.

When Repap said, well, we are not going to follow through on our contract; we are not going to deliver what we said; we sat down and negotiated with the government in good faith, and we agreed to provide some significant economic benefit to the Swan River area. On the basis of that, it was decided to take away the cutting rights that might have served another company that would have given some economic benefit to Swan River. When the company said, no, we are not going to follow through on our commitment, we are not going to follow

through on our contractual obligation, what did the Minister of Finance (Mr. Manness) say? Oh, well, we are not going to pursue that.

Now we have MDS. I supported the privatization of MDS, and I did it for all sorts of reasons which are well documented, because I wanted very much to speak to it when the bill came forward. I believed that in this environment, with the rate of change that is occurring in this industry, it is very important that a company be networked into a larger base of support throughout North America and that it have the ability to move quickly and rapidly to take advantage of changing circumstances in this particular industry.

I did it, however, having asked for some comfort around a number of issues. We asked for changes to ensure that the privacy of Manitobans would be protected. We acted to ensure that the employees of the organization would be protected, and we acted to ensure that there would be significant economic benefit to this province. A lot of those things I must commend the member for St. Norbert because he worked very hard to see that those clauses were included in those agreements. The Minister of Finance, in fairness, worked long hours to see that there were significant protections put into the contracts. In this case, the difference between this one and the Repap one, in the Repap one they did not bother to put a penalty clause into the agreement. In this one, and I think it was largely due to the efforts of the member for St. Norbert, there is a penalty clause.

\* (1740)

The question that remains to be answered is whether or not this Minister of Finance (Mr. Manness) will act upon that penalty clause. Will this Minister of Finance stand up finally and defend the interests of this province? You know, I heard some brave words spoken in the House today, but I have not seen any action that suggests that he is prepared to hold companies accountable when they enter into agreements with this Government. What happens? I mean, are we not becoming a laughing stock? What happens—(interjection)—

Well, you know now, the member for some place in the east part of the province asks whether I am going to be like the New Democrats on this particular issue. The answer is, no, I am not. I am not at all, because I agree with the divestiture, but I am becoming increasingly alarmed by the actions of the Minister of Finance who seems to be completely

unwilling to take a strong hand with any company that stands up to him. I think that is wrong. I think the government has to stand up on behalf of all the people. It sets rules. It says to trucking firms, you either pay tax or you do not; not, you pay tax and these ones who choose not to do not. That is wrong.

I think the Minister of Finance is totally aware and has had plenty of time to be very aware, and the fact that the Minister of Finance would not be aware that a major asset is being sold off to Saskatchewan is inexcusable. It is the Minister of Finance who was responsible for that deal, and to think that that kind of sale could go ahead without his knowledge is absolutely inexcusable.

He explained nothing to me other than, you know, he was not really that concerned. He thought, well, he would phone them up and ask them but, careful now -(interjection)- Well, actually he did. You know, the member for Thompson (Mr. Ashton) makes a good point. He said, trust me, and we have trusted him several times. Unfortunately, he is beginning to lose that sense of trust, because he is not following through. The people of Swan River trusted him when he said, do not build that fibreboard plant; Repap will take care of you. The people of Swan River celebrated that. I was there. Now that the company is not following through, the Minister of Finance sits back and says -(interjection)- I have been in Swan River more often than you have, my friend.

He did not take the time. He did not force that company. I can understand. I frankly can understand the company coming forward and saying, look, it is a very difficult time. Everybody understands that. Everybody knows that we are in a recession. I could accept the company saying, we cannot deliver on this today. I can accept the company saying, as they did, perhaps the way we first agreed to deliver that benefit is not the most effective way to deliver it. There is another way to deliver it, and we want to try it this way. There was an agreement on the part of the town.

The committee of the townspeople representing the LGDs and the municipalities in the area got together and said, let us work together on this. But you made a commitment to deliver a significant economic benefit to the valley and now you are backing out of it. The Minister of Finance (Mr. Manness) says he will not pursue that with them, despite the fact he signed an agreement with the company to do that very thing. I think that is wrong.

I think it is shameful, frankly; but enough on Finance, except to say one thing.

I want to respond to something that the member for Portage la Prairie (Mr. Connery) said because it is an issue that does bother me. I do not agree with the member for Flin Flon (Mr. Storie) that a \$600 million or a \$475 million annual debt payment is an insignificant thing. I think that we do have a very significant problem, and I think one of the reasons why we maybe are not in a position to buy our way out of this recession is because we do have this very significant problem with debt. It is not going to be very long before New York is making our financial and borrowing decisions instead of us making them here. That is a fact. I do believe that. I do believe that we have to ratchet down the level of expenditure in this province. I believe that. I do believe that it is possible to do in a manner that hurts very few people.

What is lacking in that—you know, I met, I have been surveying for some time now on this issue and asking people where—I want to point out one thing first, as I step back here. There is a comment in the Speech from the Throne here that kind of leads me into this, where it talks here about, on page 5: "In January, the Minister of Finance (Mr. Manness) took the unprecedented step of opening his books prior to the budget . . ." That is what it says there, right? Now, I was very skeptical, but I sat in that room and I listened to every word.

Mr. Speaker, I note that you are signalling me that I have some two minutes, I trust that was—I believe there would be willingness to give me leave till six o'clock as long as I concluded my remarks at six o'clock so that a new speaker could begin tomorrow. Is that correct?

**Mr. Speaker:** Is there will of the House to allow the honourable member an extra—or to speak till six o'clock? -(interjection)- No?

**Mr. Alcock:** Two minutes to six.

**Mr. Speaker:** No, the honourable member has one minute and a half remaining. -(interjection)- Order, please. Leave was not granted. The honourable member has one minute remaining.

**Mr. Alcock:** Oh, of course, I should have known it would be the member for Brandon East (Mr. Leonard Evans) since he has not managed to figure out how to chair a damn committee.

Well, I have one minute, I am not going to be able to say the things that I want to say. I will save it for



the Budget Debate. I am disappointed but not surprised by the member for Brandon East. Thank you.

**Mr. Speaker:** Is it the will of the House to call it six o'clock? -(interjection)- No, no, it is not agreed.

**Mr. Steve Ashton (Thompson):** Mr. Speaker, I realize that some people would like to call it six o'clock. I do not know if that was prior to my standing or not, but I would just—what I want to ask is that we continue to the normal allotted time, because I want those members of the Conservative party assembled here today to start getting the message. A message that they are going to be hearing during this session repeatedly from our caucus, a message that they are apparently not getting because we are seeing on a daily basis that the more things change, the more they stay the same. Those who do not learn from history are condemned to repeat it.

We are seeing the re-creation of those dark years in Manitoba known as the Sterling Lyon years. In fact, Mr. Speaker, I want to make a prediction at the beginning of this session. I say this directly to the members of the government benches. I say to them that they are embarking on a course that will make Sterling Lyon look like a moderate when I hear daily the type of vicious cuts they are considering, vicious cuts on a daily basis. I will say to them, to the Minister of Agriculture (Mr. Findlay) in particular and the Minister of Consumer and Corporate Affairs (Mrs. McIntosh), because they obviously are assembling on a daily basis in Treasury Board and in cabinet developing these vicious cuts that are going to take place. I say it also to the backbenchers because I have some hopes for many of the new members. I believe that many of them brought a new perspective to this House, and I do not know quite frankly how they can sit in that caucus on a daily basis hearing the type of cuts that are being talked about, cuts that will put this province back, Mr. Speaker, 20 years in terms of development, 20 years, and how they can say nothing.

Why do we have to rely on two disaffected former cabinet ministers to express any concerns about the kind of agenda this Government is adopting? Perhaps, Mr. Speaker, more personally driven by any real concerns about the issues. I listened to the member for Portage's speech, and I must say that the biggest concern the member for Portage seemed to have was the fact that it was not a 21-person cabinet and he was not in it.

We are looking, Mr. Speaker, for more than that. We are looking for more from members of the government bench than expressions of concern about who is in the cabinet and who is not in the cabinet. There is a lot more at stake than that. If members wonder why I am so concerned about the direction this government is taking, just what I heard a few hours ago sums up the type of vicious cuts that are being considered by this government.

I spoke to someone in my constituency who indicated this government is considering eliminating the Department of Northern Affairs entirely. Eliminating, Mr. Speaker, eliminating it. -(interjection)- Well, a number of members make jest of that. The Department of Northern Affairs has provided services to remote northern communities since the Schreyer years. Even the Sterling Lyon government maintained it in place. It cut back. Northern Affairs was targeted more than any other department. It cut back but did not eliminate.

Now this government is considering eliminating the Department of Northern Affairs. Well, they laugh as if this is somehow something that is not of very serious concern in the north. I will say that it does not surprise me that they would be looking at that. We heard the comments from the so-called Minister of Northern Affairs (Mr. Downey), the minister in name only, the member for, where is he now, Turtle Mountain or Arthur? He has bounced around somewhat recently. He does not have the guts to come and run in the north, but that minister said that Northerners do not vote right. That was a direct quote in Question Period, and you remember it, Mr. Speaker. I remember it well.

\* (1750)

Now only six months after the election, this government is sitting there considering gutting, eliminating the Department of Northern Affairs. Is that the only thing they are doing in the north? Is that the only thing? If members on the back bench have information they wish to share with the House about what other vicious cuts this government is considering for the north, let them stand in their place. I will defer to them. I will be glad to hear about it now, so we have the chance to fight back against those proposals before they are a fait accompli.

We have received documents showing that they are considering cutting the Northern Youth Corps Program. The member for Brandon East (Mr. Leonard Evans) will remember this program well. I know he was very involved with its administration as

a minister, the Northern Youth Corps Program. What does the Northern Youth Corps Program do? It provides jobs to youth in remote northern communities, young people in communities that have no employers, virtually no employers, young people for whom the Northern Youth Corps is often their first exposure to the workplace, young people for whom the Northern Youth Corps provides a source of hope, a realization there is something beyond the despair that exists in so many northern communities.

If members doubt the situation in northern communities, perhaps they would like to come and visit some of the communities in my constituency.

**An Honourable Member:** I have.

**Mr. Ashton:** If you have, and I say to members who are saying they have visited communities in my constituency, if you have taken the time to talk to people in those communities, you will support what I am saying about the need to maintain the Northern Youth Corps. You will support it. How can you as a member of this government do anything other than reject cutting the program?

If you have gone to communities, and I have been in communities, Mr. Speaker, where there had been 15 and 20 young people commit suicide in a single year, commit suicide, how can you support those types of cuts? How can you seriously consider even for a moment cutting programs that can give these people hope?

If you talk to people in those communities, they will tell you it is always the quiet young people, the ones who you never suspect. What happens? It is that sense of despair. It is a sense of hopelessness that comes from living in a community of 80 percent and 90 percent unemployment. If you visited those communities, you could not cut those programs. If you know what is happening in northern communities today, you cannot cut those programs.

Do you know what is happening to the fur trade industry? Do you know what is happening to people for generations who have received the significant amount of their income from fur trapping? I can tell you because I was in a number of communities in my constituency just a few days ago, Mr. Speaker. They are being devastated by the lowest prices in terms of furs in history. They are being devastated by that.

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

**Mr. Ashton:** The members from the Conservative Party say, what caused that? They should know, Mr. Speaker, they should know that the antifur trade lobby—

Mr. Speaker, for the Conservative members, this Conservative Party better realize that the New Democratic Party and our northern MLAs have fought against the antifur trade lobby, not just this year or last year, but for the past decade. They should realize what is happening. They do not understand; they howl from their benches, while people in my constituency have nothing left to live on except welfare, and they are going to cut job creation? They are going to cut job creation. How can you say you have been in any of the communities in the north and you have listened if you are going to support cutting job creation in northern communities? If you are going to take away the only hope that is there? How can you howl from your seats about fur trapping when you know what is happening?

The income of fur trappers has been devastated to a degree that is far greater than anything that has ever happened in any others including agriculture. Fur trappers are not trapping anymore. They are not going out; they cannot even cover the cost of the oil and the gas in their ski-doods, Mr. Speaker, and a tradition of 400 and 500 years, a way of life, is being wiped out. It is being wiped out.

The Minister of Agriculture (Mr. Findlay) howls from his seat. I ask him directly, what is he going to do for the fur trappers in my constituency? Nothing, Mr. Speaker, except howl. What is he going to do? I ask the member, are you going to cut the job creation programs? Are you going to cut the job creation programs? They howl from their seats. They say they have visited the northern communities and yet they stand behind the minister who says in this House, those people in the north did not vote right, so they deserve what they get in the way of cutbacks.

I ask those members to come to my constituency now. I ask them to come when they announce these cutbacks. I ask them to look the people in my communities in the face and then say, the governments are having a tough time so a community with 90 percent unemployment is now going to have its job creation programs eliminated. I want to see these Conservative members - (interjection) - Mr. Speaker, for that member, he

should know we have CareerStart, we had Limestone—(interjection)—

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

**Mr. Ashton:** I will say to those Conservative members that if they think they can—six months after the big-lie election, the feel-good election, the let-us-go-down-the-river-in-a-canoe election—turn around and now say how tough times are and that we all have to share in the sacrifice, and that Northerners with the highest degree of unemployment in this province have to lead in the way of the sacrifice, Mr. Speaker, I will tell them they are wrong, and I will tell them I will fight against every single action that they take.

You know, what I see from this government, it reminds me of why I got involved in politics in the first place. It was because of hope that was given to the north by the Schreyer government. I was 17 when I first got involved in politics, my first election. I got involved because the Schreyer government cared. It established the Department of Northern Affairs. It brought in job creation. It built up infrastructure in the north. Yes, I will give another credit to Sterling Lyon. He also prompted my involvement in politics by his vicious, vicious cuts to northern Manitoba. Oh, they laugh. I had some respect for some of those members, but if they laugh at those cuts—do you want to know how many people in the north lost their jobs because of your previous Sterling Lyon government? Do you want to know how many people lost their jobs in the Department of Northern Affairs, and Natural Resources? They laugh, Mr. Speaker, they laugh.

I ask them again, because I do credit Sterling Lyon for my involvement in politics. I said that I had seen enough of my home town being cut back year after year by a government that was making the cuts at a time when the economy in Thompson was in its worst condition ever. Our population shrunk to about 11,000. They boarded up houses, and we were stuck with it. I see history repeating itself. We are in a recession, so what are the Conservatives going to do? They are going to pull out the dusty old

ideologies. We are going to have Calvin Coolidge, Herbert Hoover and R. B. Bennett reincarnated. What they are going to do, Mr. Speaker, is they are going to say, times are tough, so what are we going to do?—we are going to cut job creation. Can you believe that? I mean, if I were to explain this to my constituents, we have tough times in the economy, people are unemployed and the Conservatives are suggesting we cut job creation, they would think that the Conservatives had lost leave of their senses.

The average person on the street, if you asked them today, will say, if you have a recession, you bring in job creation, you work for job creation, you have those programs. That is when I look at this Conservative government. I ask, is there any hope for them—

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

**Mr. Ben Svelnson (La Verendrye):** Mr. Speaker, I was wondering—

**Mr. Speaker:** On a point of order? Does the honourable member have a point of order?

**Mr. Svelnson:** No, I am—

**Mr. Speaker:** No, the honourable member does not have a point of order.

**Mr. Ashton:** Well, Mr. Speaker, I believe it is fast approaching six o'clock. Tomorrow, I will have 25-30 minutes. I will ask those members tomorrow to consider the levity in which they take my concerns about the proposed cuts to northern Manitoba. I want to tell them that we say things in jest in this House, but I am very, very concerned about the type of cuts I hear this Government considering. If they are not considering it, if they have rejected it, I want to hear from that government, and I believe those members should take that opportunity during this debate to—

**Mr. Speaker:** Order, please. When this matter is again before the House, the honourable member will have 26 minutes remaining.

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

# Legislative Assembly of Manitoba

Tuesday, March 12, 1991

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