

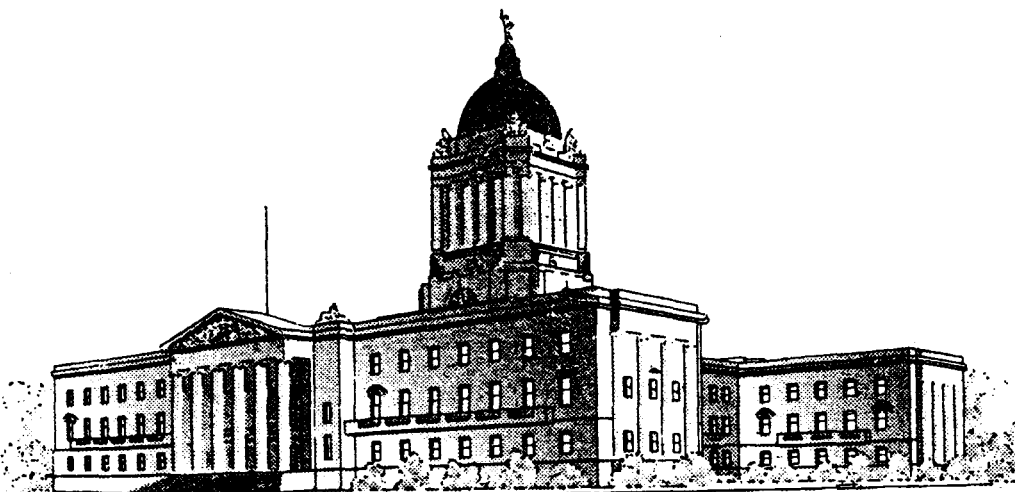


Sixth Session - Thirty-Fifth Legislature  
of the  
**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**(Hansard)**

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Speaker*



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

**Members, Constituencies and Political Affiliation**

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

# LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, March 13, 1995

The House met at 1:30 p.m.

## PRAYERS

### ROUTINE PROCEEDINGS

#### Messages

#### Commonwealth Day Message

**Mr. Speaker:** I am advised that I have a message from Her Majesty Queen Elizabeth, her Commonwealth Day Message, and I would have to ask all members to please rise while we read her message.

Commonwealth Day Message 1995, from Her Majesty the Queen, Head of the Commonwealth.

The General Assembly has proclaimed 1995 as the United Nations Year for Tolerance, a choice which is particularly appropriate for the Golden Jubilee of the United Nations organization itself. The same theme has been chosen for this year's Commonwealth Day.

We in the Commonwealth can teach the rest of the world something about tolerance because it is at the heart of the unique association to which we belong. Although our countries are spread all over the world and face many different problems, we know a great deal about each other and it is therefore easier for us to understand each other's point of view even when we disagree.

That understanding is essential to a tolerant society, which is not simply one which gives to the individual scope and freedom from restraint. Rather it is a society which actively develops the people who belong to it, brings out their gifts and enriches their lives because it values their diversity. It does not condone persecution or the

harming of some people by others, but it knows how to make allowances when things go wrong.

It can forgive mistakes as well as giving encouragement and guidance on how to avoid them. It knows also that enhancing the quality of life of the individual brings benefit to the family, to the community, to the nation and to international relations.

That sort of tolerance is something which all of us must learn if we are to restore peace in the world, and here the young people of the Commonwealth have a special part to play. The young have the vision and ability to make the world a better place and are not fettered by experience. They can see where the older generation have made their mistakes through intolerance, and they can do better.

Over the last year we have seen shining examples of this quality in action in the emergence of new South Africa, which I shall be visiting next week, and in the recent signs of change in Northern Ireland. We pray that these examples will inspire everyone to try harder to make tolerance a universal rule of life.

On this Commonwealth Day, as we make the traditional affirmations which are at the centre of the Commonwealth Day observance, I send to all of you, with these examples in mind, a message of encouragement and hope for the future.

Signed Elizabeth R., the 13th of March, 1995.

## PRESENTING PETITIONS

### Communities' Public Education

**Mr. Steve Ashton (Thompson):** Mr. Speaker, I beg to present the petition of Sonia-Rae Cashman, James Dakers, Warren Kozuvarovski and others requesting the Minister of Education

and Training (Mr. Manness) to reconsider the funding model to ensure that Thompson and other communities in this province are able to maintain quality public education.

### **Physical Education in Schools**

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, I beg to present the petition of E. Sokoliwski, Irene Leperre, Al Compton and others urging the Minister responsible for Education to consider reinstating physical education as a compulsory core subject area.

## **READING AND RECEIVING PETITIONS**

### **Communities' Public Education**

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

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

WHEREAS funding for public schools by the provincial government has been cut twice in the past three years; and

WHEREAS provincial funding for the school district of Mystery Lake has dropped by nearly \$2 million over the same period, more than 10 percent; and

WHEREAS funding for private schools has increased by over 110 percent under the same provincial government; and

WHEREAS Thompson was faced with a 48 percent increase in the education support levy tax as a result of reassessment in 1993, resulting in \$500,000 leaving our community; and

WHEREAS the Thompson school district is now

faced with a massive \$1.8-million deficit equivalent to a 48 percent increase in local school taxes; and

WHEREAS unless the minister reviews this funding the Thompson school district will be forced to consider both a \$500,000 tax increase and severe program cuts totalling over \$1.3 million.

WHEREFORE your petitioners humbly pray that the Legislative Assembly request the Minister of Education and Training (Mr. Manness) to reconsider the funding model to ensure that Thompson and other communities in this province are able to maintain quality public education.

## **TABLING OF REPORTS**

**Mr. Speaker:** I am pleased to table the Provincial Auditor's Report on Public Accounts for the year ended March 31, 1994, Volume 2.

\* (1335)

## **MINISTERIAL STATEMENTS**

### **Manitoba Curling Champions**

**Hon. Jim Ernst (Minister responsible for Sport):** Mr. Speaker, I have a statement for the House.

Mr. Speaker, I would like to take this opportunity to recognize the Manitoba rinks who have reclaimed our curling supremacy as Canada's curling power.

Yesterday's outstanding performance by the Kerry Burtnyk rink at the men's championships in Halifax capped off an unbelievable year for Manitoba's athletes.

I would like to congratulate the 1995 junior men's champions from the Fort Rouge Curling Club: Chris Galbraith, Scott Cripps, Brent Barrett, Bryan Galbraith and their coach, Arnold

Asham; the 1995 junior women's champions from the Deer Lodge Curling Club: Kelly MacKenzie, Joanne Fillion, Carlene Muth, Sasha Bergner and their coach, Bill MacKenzie; the 1995 women's curling champions from the Fort Rouge Curling Club: Connie Laliberte, Cathy Overton, Cathy Gauthier, Janet Arnot, Debbie Jones-Walker, Karen Purdy and their coach, Tom Clasper; and finally, the 1995 Canadian men's curling champions: the Manitoba rink of Kerry Burtnyk, Jeff Ryan, Rob Meakin, Keith Fenton and Denis Fillion.

I join all Manitobans and I hope all members of this House in thanking these athletes for their achievements in bringing these much coveted championships to the home of champions, Manitoba. I join all Canadians in wishing you the best of luck and good curling at the world championships, two of which will be held in Brandon, Manitoba later this year. Thank you very much.

**Mr. Gary Doer (Leader of the Opposition):** Mr. Speaker, I would like to join with all members of the House in congratulating the great, great performances and championships of Manitoba curlers in all the national championships that have taken place in this country this year.

I know that we are all looking forward to the world championships in Brandon. What a great, great situation to have the two Canadian representatives to be from Manitoba in that championship game.

Mr. Speaker, I know that it was already good news when the Burtnyk rink was fighting Saskatchewan, two prairie rinks. Of course, it was great to see Kerry Burtnyk and his team of Jeff Ryan, Rob Meakin, Keith Fenton and the fifth, Denis Fillion win again for Manitoba. They join of course Connie Laliberte, Chris Galbraith and Kelly MacKenzie in those great, great victories. We want to again on behalf of our side congratulate them. Obviously, Manitoba is the curling championship centre of

Canada, and we are very, very proud of that, as well.

I am sure there will be some nonpolitical statements after Question Period, but I also want to congratulate the University of Winnipeg women's basketball team that for three years in a row has won the Canadian women's university championships. So we also want to congratulate that basketball team too. Thank you very much.

**Ms. Avis Gray (Crescentwood):** Mr. Speaker, I, too, rise on behalf of my colleagues in the Liberal Party to give congratulations to our fine curlers here in Manitoba.

I think it is very gratifying that as we have ministerial statements and oftentimes this is a House of adversary and complaints and whining that in fact we can all agree that Manitoba is the centre of curling in Canada.

As a regular curler at the Charleswood Curling Club where, in fact, Kelly MacKenzie hails, we are certainly very, very pleased with her win as junior champion. We also bring congratulations to Chris Galbraith, Connie Laliberte and Kerry Burtnyk. I think some of us had an opportunity to take out a few hours on Sunday to actually watch that very exciting game, and indeed it was.

We certainly wish all the best to Kerry Burtnyk and Connie Laliberte as they enter the World Curling Championships in Brandon, Manitoba.

\* (1340)

## INTRODUCTION OF BILLS

### Bill 14--The Louis Riel Institute Act

**Hon. Darren Praznik (Minister of Labour):** Mr. Speaker, I would move, seconded by the honourable Minister of Agriculture (Mr. Enns), that leave be given to introduce Bill 14, The Louis Riel Institute Act; Loi sur l'Institut Louis

Riel, and that the same be now received and read a first time.

**Motion presented.**

**Mr. Praznik:** Mr. Speaker, this particular piece of legislation provides for the incorporation of the Louis Riel Institute, which will promote educational training for Manitoba's Metis people and will serve as a centre for research into Manitoba's history. The act, in itself, is an incorporation document which sets out the structure of the institute, its powers, et cetera, that are part or fundamental to its creation.

It is hoped that in this 125th anniversary of Manitoba's entry into Confederation through this act the institute will help raise the awareness of the vital role of the Metis people in the founding of our province, as well as provide for ongoing contributions in the area of historical research and improvement of educational opportunities for Metis people.

**Motion agreed to.**

**TABLING OF REPORTS**

**Hon. Glen Findlay (Minister of Highways and Transportation):** Mr. Speaker, may I have leave to return to Tabling of Reports, please?

**Mr. Speaker:** Is there leave to revert to Ministerial Statements and Tabling of Reports? Leave? [agreed]

**Mr. Findlay:** Mr. Speaker, I would like to table the 1993-94 Annual Report of the Highways and Transportation department. A report has been previously distributed to all members.

**Hon. Darren Praznik (Minister of Labour):** I would also like to table today the 1993-94 Annual Report of the Manitoba Civil Service Commission, as well as the two quarterly reports for the Communities Economic Development Fund as of December 1994, as well as of September 1994.

**Introduction of Guests**

**Mr. Speaker:** Prior to Oral Questions, I would like to draw the attention of honourable members to the Speaker's Gallery, where we have with us today His Excellency Antóin Mac Unfraidh, the Ambassador of Ireland to Canada.

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

Also with us this afternoon in the public gallery from the Maple Leaf School, we have sixty-two Grade 5 students under the direction of Mrs. Metcalfe. This school is located in the constituency of the honourable Minister of Family Services (Mrs. Mitchelson).

Also, from the F.W. Gilbert School, we have thirty-five Grade 5 students under the direction of Mrs. Merle Stepaniuk. This school is located in the constituency of the honourable Minister of Labour (Mr. Praznik).

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

\* (1345)

**ORAL QUESTION PERIOD**

**Gambling  
Social Costs**

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

Over the weekend, Judge Dubiensi commented on the tragedy of an individual who was cited and convicted of theft of \$35,000 and commented about society's dependency upon gambling to balance its budgets. This falls upon other reported incidents and other incidents that we have been told about with gambling, VLTs, I think, with a pharmacy theft in December of 1994, other situations in terms of gambling,

which no one in this House, I know, feels very good about.

Mr. Speaker, the government has created a committee to study the issue of gambling. At the same time, the government has put massive amounts of money and revenue into this budget and future years' budgets from gambling, well over \$380 million this year in their budget, and in future years, obviously, it has to be a very high amount of money.

I would like to ask the Premier, is there any latitude, given the tight financial situation and the cutbacks from the federal government in health and post-secondary education, to decrease the amount of gambling activity if the committee so finds that it is contributing to crime here in our province?

**Hon. Gary Filmon (Premier):** Mr. Speaker, I thank the Leader of the Opposition for the question. I, too, noted the comments in the newspaper on the weekend and certainly am concerned about the potential and the reality of side effects of gaming within our province, as I would expect people are in all jurisdictions.

I know that the New Democrats who were responsible for the formation of the Manitoba Lotteries Corporation, who were responsible for bringing in the first lotteries into Manitoba, who were responsible for opening the first casino in Manitoba, who were responsible for setting up the two big bingo parlours in Manitoba, I am sure that they had concerns in their day about the impacts of gaming in our province.

Mr. Speaker, I note that next door to us, in neighbouring Saskatchewan under a New Democratic administration, they have not only allocated \$95 million of revenues from their VLTs in their budget this year, they have also committed to setting up four casinos on First Nations reserves in that province.

One of the things our province has done--and I know that when I was in Saskatchewan a

couple of months ago to speak to the Saskatoon Chamber of Commerce, I was engaged in discussion by the media about this, because they were interested in the commitment that our government has made through the Addictions Foundation of Manitoba to the support, education and other services to people who may suffer a gambling addiction.

I would say to the Leader of the Opposition that despite the fact that there is a projection in this year's budget of \$220 million of revenues from gaming, we are prepared for future years. We are prepared, Mr. Speaker, to listen to the advice that is given to the Desjardins commission, and we are prepared to take advice from them in the future as to their views as to what ought to be done with respect to all of these issues that surround gaming in our province.

\* (1350)

#### **Manitoba Lotteries Corporation Revenue Projections**

**Mr. Gary Doer (Leader of the Opposition):** As the Premier would know, the revenue from gambling has gone from \$52 million to well over \$240 million on a yearly basis, plus the one-time-only payment in the budget, and the Premier did not answer the question about how dependent are they on lottery revenue in light of the commission that has been established by the government and in light of Judge Dubiensi's statements and other statements that have been made by other judges in the past dealing with this issue.

Mr. Speaker, over the weekend, the Conference Board official, Mr. Darby indicated, and I quote: It seems that everyone but Mr. Stefanson is predicting the economy is going to crash in '97 and that weaker revenues are expected than what is in the budget.

Given the fact, Mr. Speaker, that we have zero percent increased spending in the next three years, the government has admitted that they

have not built in the \$240 million in health and post-secondary cuts from the federal Liberal government, I would like to ask the Premier, what are the projections for revenue increases in the Lotteries Corporation vis-à-vis the rest of the economy?

**Hon. Gary Filmon (Premier):** Mr. Speaker, I found it interesting that a federal bureaucrat who obviously had not read our budget had made those comments, because in comparing the projections of what is contained within the federal budget, the basis on which they made their revenue projections, in 1995 their basis is substantially higher. They are expecting substantially higher growth than we are in Manitoba as the basis for their revenue projections. The same thing in 1996, their projections for revenue growth are substantially higher than Manitoba's are.

So, obviously, he did not have any part to play in the development of the federal budget, or else he would have known that our projections for revenue growth are more conservative than theirs are. That is part of it, Mr. Speaker.

The answer with respect to the question on gaming revenues is the one that was given by the Finance minister, and that is that they represent between 3 and 4 percent of our total revenues in that respect. They are not by any stretch of the imagination the major source of revenues. They are not by any stretch of the imagination a revenue that is the only source that we are depending upon or even the major source. They represent between 3 and 4 percent. You do not balance a budget on 3 or 4 percent of your revenues. You do not make all your critical decisions based on 3 or 4 percent of your revenues.

It is the expenditure controls that we have put in for seven years in office. It is the growth of the economy that is producing the balanced budget, and, Mr. Speaker, that compares, I might say, to a Saskatchewan balanced budget in which they have over \$180 million as a one-time

transfer out of GRIP that will disappear next year, and they face the same kinds of massive federal cutbacks in transfer payments that we do.

### Report Release

**Mr. Gary Doer (Leader of the Opposition):** The Premier will acknowledge that no other source of revenue that the government has gone from \$50 million seven years ago to \$240 million and climbing, Mr. Speaker, with this government.

Mr. Speaker, the government has quoted other reports, and the government has the option of releasing information to the public. Last week, I asked the Premier why we have page after page censored in the government report dealing with lotteries and demographics, lotteries and issues like the profile of people so we could look at the issue of potential crimes--page after page of blank pages.

I would like to ask the Premier why in the province of Manitoba do we have withholding of information, censored information in terms of the public of Manitoba, and why do we have uncensored reports in Saskatchewan, Alberta and British Columbia dealing with this whole issue of gambling? What is this government hiding here in the province of Manitoba?

\* (1355)

**Hon. Gary Filmon (Premier):** Mr. Speaker, we had, of course, instances under New Democratic administrations in which we found out about the major sources of revenue and how they increased under New Democrats--a \$200 million increase in the payroll tax, from zero to \$200 million under a New Democratic administration, fleeced out of the pockets of all the small businesses in Manitoba that condemned and killed jobs in this province. That is the kind of treatment that Manitobans do not want any part of.

I will repeat for the Leader of the Opposition what I told him last Friday, and that is that we



have abided by the requirements of the act, The Freedom of Information Act that was passed by the NDP government of this province, and that is what was produced in accordance with The Freedom of Information Act. If they did not like the act, they should not have passed it. You had a choice to pass an act that would have required that information if you saw it as necessary.

### **Pediatric Cardiac Care Program Inquest**

**Mr. Dave Chomiak (Kildonan):** Mr. Speaker, the government and minister appear to be changing their minds with respect to the inquiry concerning the deaths at Children's Hospital, and I would like to ask the minister today, can he outline specifically what the government's position is with respect to a public inquiry into the pediatric deaths at Children's Hospital, and when might that inquiry commence?

**Hon. James McCrae (Minister of Health):** Mr. Speaker, from the very beginning, it has been my position that what the families of the deceased children and what the general public needs is the truth surrounding all of the matters related to the pediatric cardiac program at Health Sciences Centre, not only in the recent past but going further back to the '80s, as well, when there were very high mortality rates reported in those days.

All of those matters need to be looked at, Mr. Speaker, and the position I have taken in discussions with the families is that I feel that the inquest route, as ordered by the Chief Medical Examiner, is the route that is there. It is for this purpose. It is set out in The Fatality Inquiries Act, but I will be consulting with the families after the inquest is over to inquire as to whether all of the questions that they need to have answered are indeed answered.

**Mr. Chomiak:** Mr. Speaker, that appears to be backwards. Will the minister today give assurances that the effects of government cutbacks, the role of the Department of Health

under various ministers, the role of the Chief Medical Examiner, the systematic approach to surgery at the hospital, the way that information is provided to parents, the ability to retain doctors and other specialists in the province and the way that programs are decided upon and determined at our hospitals--will all that be part of the inquest the minister is ordering?

**Mr. McCrae:** The assurance I have asked for and received, Mr. Speaker, is yes.

**Mr. Chomiak:** Mr. Speaker, my final supplementary to the minister: Will the minister, in the interim--and he did not indicate when the inquest will commence--until some kind of conclusion comes out of this inquest, perhaps followed by an inquiry process, will the minister give assurances to this House that any deficiencies that have thus far been identified in the system, including perhaps staff shortages at the Chief Medical Examiner's office and perhaps of pathologists at the Health Sciences Centre, that extra resources will be put in to ensure that the checks and balances that are now in place will be effectively in place until we finally have a conclusion to any inquiry or inquest in this matter?

**Mr. McCrae:** Well, the one thing I will not do, Mr. Speaker, is speculate on what the inquest hearing officer, what his or her findings will be, nor will I speculate on what the recommendations are, but I can tell you one thing, we want to leave no stone unturned in arriving at a thorough understanding of the program, and whatever improvements might be recommended would be followed.

Of course, Mr. Speaker, the highest priority, as I have said, is to ensure that the families of deceased children are properly dealt with by all of the various authorities and that we have the safest possible system available for Manitoba children in the future.

\* (1400)

**Pediatric Cardiac Care Program  
Western Canadian Consolidation**

**Mr. Paul Edwards (Leader of the Second Opposition):** Mr. Speaker, let me say that I am pleased that the Minister of Health is starting this process with that attitude of a very full, thorough review, including the government itself. Let me simply say that I hope that gets started as soon as possible, as I think we all do.

Mr. Speaker, five years ago in June of 1990, Dr. John Wade, who is now the Deputy Minister of Health, took on the task of travelling across western Canada on behalf of the Western Council of Teaching Hospitals, the Western Deans of Medical Schools and the western Canada Deputy Ministers of Health.

He published a report in June of 1990 recommending a western Canadian health consortium, and the study concluded in part--and I am going to just read one sentence from that report, and I will table a copy of it. It is dated June 1990 and it states in part: Clinical programs such as organ transplantation or pediatric cardiac surgery were cited as areas where some rationalization may occur and indeed that these programs might be linked to residency education and to highly developed research programs.

My question for the minister: Given that the minister's office had this back in 1990, five years ago, what did the ministry do, what did the government do to work towards the consortium, the consolidation of cardiac pediatric surgery across western Canada in view of this recommendation?

**Hon. James McCrae (Minister of Health):** That report, along with recommendations made by a number of physicians in 1991 and other advice received, led to the chief executive officer of the Health Sciences Centre working with the medical people involved to address some of the concerns they had. It also led to the Bell-Wade review of tertiary care in Manitoba. It also led to

a Memorandum of Understanding between the Health Sciences Centre and St. Boniface Hospital with respect to the future of tertiary care programs in Manitoba. It also led to the recruitment of and the arrival of Dr. Bill Lindsay who is here in Manitoba to head up our cardiac program.

With Dr. Wade as deputy minister, Dr. Lindsay in place and others, and with whatever benefit we receive in the future from an inquest into all of these matters, we can move forward hopefully to improved and the safest kinds of practices that we can bring about for the benefit of young cardiac patients.

I am sure everyone would agree with me, Mr. Speaker, if I were to say that if Winnipeg is the safest place for us to provide this kind of service, that would be great, but if that cannot be and ought not to be, then we have to seek the safest and the best that we can for the children of Manitoba.

**Mr. Edwards:** Mr. Speaker, I appreciate the summation by the minister of what was done in the wake of this report internally in Manitoba. I acknowledge that those things certainly were done. What this report recommends is a western Canadian approach to cardiac pediatric surgery. My question again for the minister:

Given that that was the recommendation, that this was a clinical area where consolidation and rationalization across the region may well make sense, and that was after many site visits and travelling across western Canada, what did the government do, if anything, to try to pursue a western Canadian approach to this area of surgery?

**Mr. McCrae:** I believe the cardiac community in Canada engages in a fair amount of discussion and planning and talking and recommending. The report to which the honourable member refers would be one of many pieces of advice received by any number of people over the years.

As I say in response not only to this but to many other comments made along the way, Mr. Speaker, the matters I mentioned in my last answer is the way that things have unfolded.

**Mr. Edwards:** Mr. Speaker, we will look forward to more detailed answers regarding what discussions ensued between western provinces in the wake of this, if any.

Mr. Speaker, my final question for the minister: This report also indicates, and I am going to quote: Under the aegis of the health advisory network of Manitoba, a teaching hospital survey is underway by Michael Lloyd and Associates. Although these results are not now available, they may provide an inventory of the teaching and clinical programs delivered in western Canada.

Was, in fact, the Lloyd report done? It is not a report that I am familiar with under that title. Was that report done? Is the minister prepared to table that, which clearly appears to be something that Dr. Wade, at the time he wrote this, was pointing to in the area of clinical consolidation across western Canada.

**Mr. McCrae:** I will review the last question and get back to the honourable member.

### **Restorative Resolutions Funding**

**Mr. Gord Mackintosh (St. Johns):** Mr. Speaker, my question is to the Minister of Justice. This follows my correspondence to the minister last month.

In two weeks time, the Restorative Resolutions project sponsored by the John Howard Society sees its funding expire. The unique project finally makes offenders face up and make up to the victim and to the community and actually seeks to change behaviour for the better. It is tough in the real sense.

My question is, would the minister finally agree to continue funding this project so that a conclusive evaluation can be done?

**Hon. Rosemary Vodrey (Minister of Justice and Attorney General):** Mr. Speaker, the member should know that in December of 1994, our government made the commitment to continue the project for another year at the level of funding which we have been providing, that is, seconding a member of our Probation staff and also providing funding.

As the member knows, the federal government indicated that they were not prepared to continue participating in this project, so we look to the federal government to pick up what they have decided again to leave, leaving victims in this province just waiting.

**Mr. Mackintosh:** Well, given that the federal government initially offered to fund this project for three years, but the province said, no, 18 months is all the funding we require, how can the minister blame the federal government, especially when the benefits both in terms of public safety and cost benefit reap to the province?

**Mrs. Vodrey:** Mr. Speaker, the province funded this program for 18 months and has extended it another year, but again, we have the federal government who is refusing to continue the project for the purposes of evaluation and put their money on the table.

This is really a concern to us because the federal government has indicated that they are looking for methods to deal with offenders outside of our institutions. This government has supported this project. It certainly deals with a category of offenders who admit to their guilt and who satisfy certain criteria before the court.

So I say again to the member in answer, the same answer that was given earlier, we are prepared to continue our commitment. We have

communicated that. We look for the federal government to now continue their commitment.

**Mr. Mackintosh:** Mr. Speaker, how can a government that has worsened all the conditions to breed the worst crime in Canada explain the record 13,000 victims of break and enter in Winnipeg alone last year, why this minister is walking away from a project that will likely make Manitobans safer and give a real role for the victim?

**Mrs. Vodrey:** Mr. Speaker, let me just begin by recounting to the member all of the initiatives that this government have put forward to make Manitoba safer.

We have taken the toughest stand on the Young Offenders Act all across Canada. We have moved both our youth institutions and our adult institutions into rigorous confinement to make sure that there are, in fact, consequences. We introduced, approximately 10 days ago, a program called "No Need to Argue," which encourages young people to become involved in finding the solutions to youth crime and violence. We announced the first program across Canada that will release the names of sexual predators where they continue to pose a risk to Manitobans.

We have taken the toughest stand on antistalking. We have requested that the federal Minister of Justice make changes in the Criminal Code in the area of antistalking that will benefit the victim, and, in fact, we believe will keep the victim safer.

We have increased the number of youth justice committees in this province. We continue to make Manitoba a safer place.

### **Budget Revenue Projections**

**Mr. Leonard Evans (Brandon East):** Mr. Speaker, I have a question for the Minister of Finance, who has brought in a rather surrealistic

VLТ budget for the people of Manitoba. This budget and its forecast of future surpluses is based on a number of unrealistic assumptions, including revenue growth projections that are based on overly optimistic forecasts of future economic growth. Economists are predicting an economic slowdown in Manitoba before 1997, which will cause revenues to decline.

My question to the minister is, how can the Minister of Finance, therefore, in all seriousness, project this kind of future revenue increases in this province?

\* (1410)

**Hon. Eric Stefanson (Minister of Finance):** I am glad the member for Brandon East asked that question, Mr. Speaker. He is obviously responding to a comment made by a fellow from the Conference Board of Canada in the Free Press, I believe on Friday, but I wish that individual had taken the time to contact myself or officials in my department because what he would find is that the economic assumptions used in our budget are amongst the most conservative in all of Canada. They are lower than the economic assumptions for the Conference Board for which he works, the Conference Board of Canada, the economic assumptions that we are using in this budget.

I think unfortunately what happened--and I will point this out for the member for Brandon East--is in the appendix in the budget that deals with the economy, we show the economic projections as an average of the seven forecasters, but those are not the projections that we use in preparing our own financial information, Mr. Speaker. We take much more conservative numbers.

We took the numbers from Informatrica. They are significantly lower than the projections of the seven forecasters, and they are lower than the Conference Board of Canada. We do that to be cautious and to be conservative, so that when things unfold, they tend to unfold in a much

more positive sense for us, as is the case in 1994-95, where we are going to have \$140 million more of own-source revenue than we were budgeting a year ago. That is because we are cautious, we are conservative.

The forecast in here, if he wants to take the time and compare them to other provinces and the federal government, he will find that they are very conservative in relationship to every other one and at the lower end in terms of the assumption, not the higher end.

**Mr. Leonard Evans:** Mr. Speaker, Statistics Canada has just said that for 1993, we had negative 0.2 percent growth in Manitoba, whereas the budget document is telling us we had 2.8 percent positive growth. You are saying one thing and Stats Canada has just come out with figures saying we have had negative growth in 1993, so I do not know how much of this material we can believe.

Will the minister acknowledge that his budget projections over the next three years of no increases in spending is equivalent to real cuts in spending when inflation is taken into account, and therefore will the minister acknowledge that this means that there will be additional cuts to health care, to education and social services in years ahead?

**Mr. Stefanson:** Mr. Speaker, it is the typical attitude across the way that got us into the financial difficulties that we have been dealing with for the last several years. The answer is always spend more money and tax Manitoba's citizens more.

We do not do that. We have held the line on spending. We have not increased taxes in Manitoba, but at the same time we have shown our priorities as being health care, education and support for families. Today, we are spending 72 cents out of every program dollar in those three areas alone. When we took office in 1988, it was 66 cents. Today, Mr. Speaker, there is over a billion dollars more being spent in those three

areas of health, education and support to families than when we took office back in 1988. Over 90 percent of the expenditure increases during those eight budgets are in those three areas.

I think the facts speak for themselves in terms of the commitment we make to those very important areas, while at the same time controlling overall spending and keeping taxes down in Manitoba, which is what Manitobans want, not the kinds of tax increases they had during the early '80s under the NDP.

### **Payroll Tax Elimination**

**Mr. Leonard Evans (Brandon East):** I recall the Premier of Manitoba on this side saying that when they are elected, there will be absolutely no payroll taxes. They will disappear completely, absolutely, totally.

Yet, Mr. Speaker, I want to ask the minister, will the Minister of Finance acknowledge-- [interjection] Yes, we took out a lot of the small businesses. We have eliminated most of the small businesses, and you did it a bit more, but will this minister acknowledge that this government will never ever eliminate the payroll tax, as promised by its Leader and that in this budget, itself, he is showing payroll taxes on business in Manitoba of \$193 million. It is still here. Will you admit that you will never get rid of it?

**Hon. Eric Stefanson (Minister of Finance):** Mr. Speaker, today, under our government, 90 percent of the businesses in Manitoba do not pay the payroll tax, and we will continue to improve on that outstanding record, unlike the kinds of tax policies that we saw under the NDP which was introducing and increasing a payroll tax, increasing personal income tax, increasing the sales tax, and the list of tax increases under their administration go on and on.

Those are not the kinds of policies you have under this government. Eight budgets with no

increase in major taxes here in Manitoba, a record unmatched probably anywhere in the world, certainly anywhere in North America--quite a contrast to the kind of tax-and-spend policies that Manitoba had to live through under the NDP in the early '80s.

### **Public Housing Federal Funding Reduction**

**Ms. Marianne Cerilli (Radisson):** My question is for the Minister of Housing. Over the past few years, we have had many commitments from the federal Liberal government about the importance of public housing for the working poor and low-income Manitobans.

However, it appears the federal budget has virtually wiped out all funding for social housing with a cut of \$270 million over three years plus \$36 million eliminated for administration.

I want to ask the minister, what is the expected provincial impact here in Manitoba from these cuts, and will we see another substantial increase in the rents for those in public housing in Manitoba?

**Hon. Linda McIntosh (Minister of Housing):** I thank the member for the question. I say more in sorrow than in anger that we have been devastated in this budget by the federal Liberal government. We knew last year that they, in January '94, cut off all funding for construction of new social housing.

I now have in my possession a letter from the Minister of Housing indicating that they will cut the overall social housing budget by \$270 million over the next three years.

Also, they are indicating they are looking for further opportunities for savings and efficiencies in social housing. They are also going to close 20 of the 48 field offices across the country, reducing the administration budget by \$36 million, and it is devastating. There is no other word for it.

We, last time when the federal minister encouraged all provinces to go to 30 percent RGI, refused to do that. We remained at 27 percent. We will do everything within our power to try to ameliorate the effects of what the federal Liberals are doing to public housing across the country in the next three years. I share the member's concern. It will be very difficult. Any suggestions or help that the NDP can offer, I would be most pleased to listen to and work together to try to still provide for the working poor who really are going to be very badly impacted by this.

### **Gilbert Park Renovation/Maintenance Funding**

**Ms. Marianne Cerilli (Radisson):** I met this morning with the tenants' association from the Gilbert Park housing complex, who were expecting \$3.6 million in renovation money which is much needed. They have not had renovations there for some 20 years.

I want to ask the minister if she has information that the maintenance money for public housing is going to be reduced so that we are going to see unsafe, unhealthy dilapidated housing for people across Canada and Manitoba based on this federal Liberal government's budget. [interjection]

**Hon. Linda McIntosh (Minister of Housing):** Mr. Speaker, I am really offended that the Leader of the Liberal Party would even have the gall to heckle from his seat on this kind of topic. How dare he, after all his party is doing to us, his party, the record that he ties himself to because he has no record of his own. He borrows their record and ties himself to it, and he will live by it and he will die by it, and I do not wish to hear another word from him about the federal Liberals in this House.

Mr. Speaker, I share the member's concern about Gilbert Park, and I would hope that the Liberal Party would, as well, because their member for Inkster (Mr. Lamoureux) has been

working with Gilbert Park. The people in that particular housing complex have formed an association, are working with the Department of Housing to assume some of the control of property management and that type of thing in that complex. They have done wonderful things in terms of bringing that project up to snuff.

I do not wish to see any cuts occur there. I do not intend to have any cuts occur there, but we will have to be very creative in how we manage the problems and the expenses that come down the tubes over the next three years.

### **Public Housing Federal Funding Reduction**

**Ms. Marianne Cerilli (Radisson):** Mr. Speaker, it seems like the minister is agreeing with me that the federal offloading in the budget is going to be balancing the budget on the backs of the poorest people in Manitoba.

Will she ensure that we are not going to see the federal Liberal proposal go forward, so that the rent geared to income for public housing is 30 percent, which is going to wipe out public housing in this country? Will she ensure that there is a ceiling introduced and that public housing is not a thing of the past in Manitoba and in Canada? [interjection]

\* (1420)

**Hon. Linda McIntosh (Minister of Housing):** Mr. Speaker, the member is chirping away in his seat telling them to wind me up. I am saying, wind him down.

The member raises a point that I will do everything in my power to address. We had, under the previous administration, been told that if the provinces across the nation could generate savings in public housing, we would be allowed to use those savings for new housing projects. Indeed, the savings that were supposed to have come from all the provinces going to 30 percent were to be turned back to the provinces to utilize.

That commitment has also been withdrawn. The savings the provinces generated over the last year are now going to be taken by Ottawa and not returned to the provinces, so I am very dubious about raising the RGI up to 30 percent in case we see no benefit back from it.

I do not know yet what the results will be. I know the Housing ministers across the nation will be meeting to talk about this calamity and try to come up with an action that will help protect housing for the working poor.

### **Hazardous Waste Management Corporation Divestiture**

**Ms. Norma McCormick (Osborne):** Mr. Speaker, my question is for the Minister of Environment.

Continued uncertainty with respect to the future of the Manitoba Hazardous Waste Management Corporation has produced an era of predatory pricing and disruption in the marketplace.

What is the status of the government's plans with respect to the sale of the corporation? Have local companies come forward to express an interest in the purchase?

**Hon. Glen Cummings (Minister of Environment):** Yes, Mr. Speaker, both local and national interests are being expressed in the corporation.

### **Competition**

**Ms. Norma McCormick (Osborne):** I have a supplementary for the same minister.

The pricing structures have caused the market prices to be driven down by 30 percent. The companies in the business report that their revenue volumes are down an equal amount. Over the past two years, Laidlaw's workforce has gone from a high of 21 to less than half, now 10 people employed there today.

My question for the minister: Does the government intend to continue to subsidize this corporation as it competes in this marketplace?

**Hon. Glen Cummings (Minister of Environment):** Mr. Speaker, I reject the implication that the member is making that somehow this corporation is being subsidized to compete in the marketplace. On the other hand, if she is suggesting that a 30 percent reduction in cost to the companies that are operating in this province is somehow wrong, then I suggest she check her priorities.

#### **Mandate**

**Ms. Norma McCormick (Osborne):** I have a final supplementary.

Does the minister sanction the corporation operating outside its mandate by selling recycled industrial chemicals produced in Wisconsin at close to half the local market price?

**Hon. Glen Cummings (Minister of Environment):** Mr. Speaker, I made inquiries this morning as to the veracity of that issue. Let me assure you that it is not the corporation's intention to be competing in any way that is seen to be unfair or unreasonable in the marketplace, but when you look at the Manitoba marketplace, between Laidlaw's and the Manitoba Hazardous Waste Management Corporation, they are, in fact, managing over 90 percent, I believe, of Manitoba's hazardous waste between those two companies, and, Mr. Speaker, I would suggest that given the pricing structure that is available in this province, it makes Manitoba a highly competitive place to do business.

#### **Employment Creation Strategy Summer Youth Programs**

**Ms. Jean Friesen (Wolseley):** Mr. Speaker, my question is for the Minister of Education.

Over the last two years, this government has systematically cut support for students. They

eliminated Student Social Allowances. They eliminated Manitoba bursaries. They have frozen student loans at a period when student fees have increased over 54 percent in Manitoba institutions.

Will the minister explain why he chose this year in the budget to cut by up to 30 percent all but one of the summer youth programs of his department which had enabled students to find summer work?

**Hon. Clayton Manness (Minister of Education and Training):** Mr. Speaker, I have to take a little bit of issue with the member's preamble.

There has been no province in Canada that has attempted to hold down student tuition fees like the province of Manitoba over the last three years. We have taken the lead with respect to capping those fees at increases of no greater than 5 percent. Other provinces have now followed us, so I reject what the member says with respect to tuition increases being of the magnitude of 54 percent, I think, using her terms.

So, with respect to the student youth programs, some of the funding has been decreased because there has not been, in spite of what the member wants to believe, an uptake totally in some of those programs.

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

#### **Speaker's Ruling**

**Mr. Speaker:** Order, please. I have a ruling for the House.

On December 20, 1994, I took under advisement a matter of privilege raised by the honourable member for Thompson (Mr. Ashton). The matter concerned the sale of A.E. McKenzie Seeds. I believe the main points raised by the honourable member for Thompson were that the corporate privileges of the House had been breached by the way in which the sale was



handled, specifically by the announcement of the sale by press release, by the government's refusal to provide a copy of the agreement for sale, by the government's refusal to call the standing committee to review the annual report of McKenzie Seeds and by the failure of the government to make a statement in the House respecting the sale.

Let me move to the heart of the matter. This is not a matter of privilege. Ministers are not required to make announcements and communications to the public through the House--Beauchesne Citation 31(10)--and statements made outside the House may not serve as the basis for privilege--Beauchesne Citation 31(3).

The government has not disobeyed the authority of the House, nor do the collective or corporate privileges of the House require a debate on the sale of a Crown corporation. The government can be held accountable through Question Period, through the Estimates process and by the standing committee process.

What the honourable member for Thompson has is a complaint or grievance, and as I referenced in my ruling of June 13, 1991, a complaint that a minister has made a statement outside the House rather than in the House may amount to a grievance against the government, but without an order of the House forbidding such activity, there is no personal or corporate privilege breached, and it does not constitute a contempt of the House in the "privilege" sense.

Therefore I regret to advise the honourable for Thompson that there is no prima facie case.

## NONPOLITICAL STATEMENTS

### Canadian Interuniversity Athletic Union Championship

**Mr. Speaker:** Does the honourable member for Sturgeon Creek have leave for a nonpolitical statement? [agreed]

**Mr. Gerry McAlpine (Sturgeon Creek):** Mr. Speaker, the past weekend the University of Manitoba's men's track and field team won the second straight Canadian Interuniversity Athletic Union championship at Manitoba's Max Bell Centre.

I would like to congratulate Kelly Crerar, Anthony Davis, Simon Trepel, Jeff McMillan, Byron Goodwin, who was named the CIAU's most outstanding athlete of the meet, and Tom Bima, Daryl Fillion, Derek Kroeker, Martin Miller, Mike Laberge, Kevin Sylvester, Jeff Schmidt, Mel McManus, Pete Hargraves, Frank MacLean, Peter Kilbourne, Andre Couture, Nicolas Pauletto; coaches: Bruce Pirnie, Claude Berube, Witek Ziendalski, Ming Pu No, Tico Cornejo, Ron Melnichuk, Keren Smith, George Tanner, John Iwanski, Wayne McMahan, Terry Armstrong and Lorne Hilton; managers: Pat Alexander and Trevor Neumann; and athletic therapists: Jeannie Yip, Charlene Hustabault, Laurie Penton and Tony Tetrault.

I know and many members in the Legislature know what it takes to reach the calibre of the people that compete in these competitions. On behalf of everybody here, Mr. Speaker, I would just like to congratulate and join all Manitobans in congratulating these athletes for their outstanding achievements and thank them for making Manitoba the home of champions.

**Mr. Speaker:** I would ask the honourable member for Sturgeon Creek to provide Hansard with a copy of that so we get the correct spelling.

Now, the honourable member for Wellington was up. Were you not up? Oh, Radisson, then, I guess. I am sorry. Radisson, to make a nonpolitical statement. Does she have leave? Leave. [agreed]

\* (1430)

**Ms. Marianne Cerilli (Radisson):** Mr. Speaker, I just want to join in the congratulations to the university athletes that have performed so

well over the past weekend--the University of Winnipeg women's basketball team for their third win of a national women's basketball championship for Canada. This university has such a strong history in basketball. They have excellent coaches. They have benefited from excellent athletes that have come, of course, from the variety of wonderful high school athletic programs. The basketball programs across Manitoba at the high school level have produced many, many national champions.

I want to also recognize the University of Manitoba women's basketball team in their second-place finish. This has provided Manitoba an exciting home-grown sports contest throughout the year. We had the 88 streak for winning streak that was broken by the University of Manitoba, and I think that they can be proud of their efforts as well.

I also want to echo the compliments to the University of Manitoba team for their strong showing at the CIAU track and field championship. That is a team that I had the honour of being part of in past years, Mr. Speaker. I want to recognize the managers and the coaches and the various athletes that have worked so hard at the university to represent the province and the University of Manitoba. I wish them continued success.

**Mr. Speaker:** Does the honourable member for St. Vital have leave to make a nonpolitical statement? Leave. [agreed]

**Mrs. Shirley Render (St. Vital):** Mr. Speaker, yesterday, the University of Winnipeg Lady Wesmen three-peated as the Canadian Interuniversity Athletic Union women's basketball champions. This capped an outstanding year for the Lady Wesmen as they were recognized for their success throughout North America.

This year's team consists of Pam Flick, Jody Rock, Heather Corby, Marnie Nechwediuk, Sandy Corby, Andrea Hutchins, Sandra Carroll,

who was named the CIAU Basketball Player of the Year and the tournament's most valuable player, Nichole Jonker, Natalie McVicar, Lara Asplin, Tracey Peter, Lynette Lafreniere, Anna Weber. The CIAU Coach of the Year was Tom Kendall; his assistants: Gail Kendall, Craig Kennedy, Carla Lenz; team doctors: Mitch Cosman and Neil Craton; athletic therapist: Ben Trunzo; manager: Jennifer How; and trainer: Keri Knight.

I join all Manitobans in thanking these athletes and recognizing their achievements in making Manitoba the home of champions. Thank you.

### **International Women's Day**

**Mr. Speaker:** Does the honourable member for Wellington have leave to make a nonpolitical statement? [agreed]

**Ms. Becky Barrett (Wellington):** Mr. Speaker, I would like to rise today to pay belated but heartfelt recognition to International Women's Day which was held last Wednesday.

International Women's Day celebrates the lives and achievements of women throughout Manitoba, Canada and the world. Some women are leaders of government. Some women are members of Legislative Assemblies. Some are leaders in corporations. Some are leaders in small businesses. Some are leaders in rural farming and agricultural and nonurban endeavours.

Women are succeeding in all of these areas. Women are succeeding in every area of the world. For other women, however, success and achievements are measured in the simple act of surviving, of surviving poverty, surviving abuse, surviving lack of opportunities.

We are here today and I would hope every day of the year to celebrate women's achievements. We must also pledge ourselves to work towards enabling all women to achieve to

the utmost of their abilities wherever they live. All our lives and the entire world will be the richer for it. Thank you.

### **Canadian Interuniversity Athletic Union Championship**

**Mr. Speaker:** Does the honourable member for Niakwa have leave to make a nonpolitical statement? [agreed]

**Mr. Jack Reimer (Niakwa):** Mr. Speaker, earlier this month the University of Manitoba men's volleyball team won the Canadian Interuniversity Athletic Union championship in Sudbury for the sixth time.

Their coach Garth Pischke is one of the winningest coaches in Canadian sports. His 81 percent winning percentage is admirable indeed with 814 match wins. The 1995 team's record was 45 and one loss--it must be 1994.

The team consists of Michael Oste, Daniel Hunnie, Trevor Dmitruk, Garrett Kot, Ken Krahn, Jules Martens, Erick Smith and Scott Koskie, who was named the CIAU volleyball athlete of the year.

Winning the TSN award and the tournament's most valuable players were Michael Leonard, Stephen Welch, Andrew Zurawsky, Ryan Ratuszniak; manager: Bruce Kent; athletic therapists: Mikey Mark and Melissa Davidson; and of course the coach: Garth Pischke.

I congratulate these athletes and thank them for their outstanding achievements and for making this the home of champions. Thank you.

## **ORDERS OF THE DAY**

### **BUDGET DEBATE (Third Day of Debate)**

**Mr. Speaker:** On the adjourned debate, the third day of debate, on the proposed motion of the honourable Minister of Finance (Mr.

Stefanson) that this House approve in general the budgetary policy of the government and the proposed motion of the honourable Leader of the official opposition and amendment thereto, standing in the name of the honourable member for Burrows.

**Mr. Doug Martindale (Burrows):** Mr. Speaker, with leave of the House, I would like to allow the Liberal Leader to speak next and I will speak after him in regular rotation.

**Mr. Speaker:** Is there leave of the House to allow the honourable Leader of the second opposition party to speak now and that the matter would remain standing in the name of the honourable member for Burrows? [agreed]

### **Point of Order**

**Hon. Jim Ernst (Government House Leader):** I have no objection to the member for Burrows allowing the member for St. James to speak at the present time, but following the member for St. James, it is this side of the House's turn to have a speaker. Then after that if the member for Burrows wishes to speak I would have no objection.

\* \* \*

**Mr. Speaker:** Is there leave to allow the matter to remain standing in the name of the honourable member for Burrows? Is there leave? [agreed]

**Mr. Paul Edwards (Leader of the Second Opposition):** Mr. Speaker, it is a pleasure to be back in the House in the new year 1995. We had hoped, as I had indicated at the end of last year, that we would have been back sooner on in this year, but nevertheless, it is good to be back.

We welcome you back, Mr. Speaker. We welcome the Pages back to their duties here in the House as we commence activities for who knows how long--I suppose only the Premier (Mr. Filmon) knows for sure--before we go into an election.

I want to start by saying that the eighth budget of this government, in my estimation, represents a highly politicized document and represents in my view a document clearly envisioned and drafted and concocted with a view to the upcoming provincial election, not necessarily the fiscal health of the province or the economic future of our province and including the future of the operations that we fund as a government, most notably health and education systems and the social assistance system as well.

So I want to start with those comments and simply indicate in fairly brief form today that there are two main areas that I have of significant concern about this document. Those are, firstly, that I believe there is an unhealthy and indeed unwise reliance which this government has gotten itself into on the revenues of government-owned, government-sponsored advertising and government-advertised gambling in this province. That reliance in my view underlies a lot of the economic agenda of this government, and has for some time now, as the single biggest area of revenue growth in the government, and the government is increasingly becoming reliant on it in its financial planning.

Mr. Speaker, there are a number of aspects of that that I will illustrate to prove that point, and then I will go through some of the negative consequences of that. Indeed, I believe that Manitobans see this budget in that light.

The second major area that I intend to deal with today in terms of this budget is the whole issue of priorities within the spending of the government. So the lotteries issue is really an issue of revenue generation, and the other area that I want to address is that of spending and the priorities, because today no government in this country has any excess of money.

I do not know about other provinces as much as Manitoba, but I certainly know that in Manitoba the public willingness to accept further taxation is nil. So there simply are not revenue

sources that our citizens are prepared to pay for government to get bigger and bigger.

I do not think that is a partisan issue today. Increasingly what I see is that in fact it is an issue that we are joined on. Really the issue then becomes, what are the spending priorities, because that becomes more and more and more important as we all understand that there is less and less money available. Taxpayers' dollars are becoming scarcer, and secondly we also all recognize, but for perhaps the NDP and in particular as evidenced by the NDP in Saskatchewan, any appetite for further increases of taxation burdens on our citizens.

Mr. Speaker, there are two general areas that I want to address. One on the revenue-generation side and the other, on the other side of the ledger, the spending side. Let me start with the revenue-generation aspect.

This government has had, since it came into power, a 400 percent increase in the revenues of the Manitoba Lotteries Corporation. That corporation has gone from a net profit of \$55 million in '87-88 to now well in excess of \$200 million; \$220 million is the prediction for the coming year.

But who knows what the real profits are, because we just learned last fall that for the last three years they have in effect been siphoning off some \$30 million, \$40 million per year to put into this lotteries slush fund so that they could use it in one day and bam, switch it to the other side of the ledger and presto, pretend that they had a balanced budget.

So we do not actually know what the true revenue situation, what the true profit situation of the Manitoba Lotteries Corporation is because that Lotteries Corporation is not accountable to this House. That is absolutely critical that this Legislature be given the ability to review and know and see what is happening with lotteries in this province, and it has been an exercise in frustration.

(Mr. Jack Penner, Acting Speaker, in the Chair)

I know that the government likes to talk and pretend that there is accountability to that Lotteries Corporation, but I do not think there is a member of the opposition who would support them in that. The fact is that we have not had the Lotteries Corporation before us in this House for, I believe, almost coming on to two years, and at that time the report they had in front of us was, I believe, the--it might even have been the '92-93 annual report. I think it was.

\* (1420)

Mr. Acting Speaker, I do not even think we finished passing that report. I think we got a couple of hours into it. We asked some questions. I know that the member for Selkirk (Mr. Dewar) I think asked some questions. I was there asking questions.

I thought that we were getting along quite well. I thought that generally speaking we were having a good discussion about lotteries and getting some answers. We broke, and as I recall the indication was from the minister, well, we will come back to finish passing that report. Do you know what? We never came back, and we did not come back to pass the next year's report.

The lack of accountability of that corporation is at the root and a significant contributor to the public dissatisfaction and the public concern about gambling. The public also has substantial concerns about the social impact and the real story behind what this is causing in the community, as we now have confirmed by the minister last week that 90 percent--and I suspect it is well in excess of 90 percent--of the people gambling in this province are Manitobans.

So I think the public is very aware that this is not real growth, not real new revenue. This is not about tourism. This is about sucking money out of our own citizens, our own communities from around this province. It has become another form of taxation and at that a very

regressive form of taxation, because it bears no heed for ability to pay. In fact, those from whom it takes most are those who are most desperate, most looking for the quick fix and the quick ability to make profits.

Do you know what, Mr. Acting Speaker? The truth is that the public does know that nobody who gambles ultimately wins. The slot machine wins. It is just a question of how much they take from you when, and that is what this government is participating in to an outrageously high level and in fact planning its economic agenda around those issues.

So we have indeed reached low in this province under this government as we seek to provide for our children a health and an education system and the things which our citizens have come to expect and rely on from government. The message is to the children of this province, who are laced through this speech, this budget speech, that frankly to protect their education system and the health care system, mom and dad should be off plugging the slot machine more often. That is the subtext here, that increasingly the government wants to rely on our own citizens plugging video lottery terminals. It has become the video lottery budget, in my estimation, and that is a very worrisome, I think a very negative and a very problematic situation when the government comes to rely on that area of revenue raising for so much.

So, Mr. Acting Speaker, I believe that we need to take a step back. I believe that we need to really know all of the facts about the Lotteries Corporation, what it is doing, who is gambling, how much, where, what the real social impact is, and I think we need to do that relatively quickly. We need that review, and then it needs to be tabled in the House, and we as members of this Legislature need to take cognizance of what the citizens are saying. I think that they can only make their views known in the context of a full educational experience, because I do not believe that the Lotteries Corporation has been forthcoming or forthright with members of the

public, with members of this Legislative Assembly in terms of what is really going on.

Mr. Acting Speaker, let me just say in that regard there are some interesting other examples. I say, as one opposition member, that the Liquor Control Commission is quite a different organization than the Lotteries Corporation. I have found that corporation--and I was the critic for many years--has been open, has been very open with what they are doing, has been very responsive to any questions from members of the opposition.

I know that the member for Interlake (Mr. Clif Evans) and I had an early meeting out at the Liquor Control Commission a number of years ago. The message was, from the administration, if you have a question, ask, and we will do our best to answer it. They were good to their word every single time. The member for Interlake may have felt the same way. I certainly did.

Compare that to this Lotteries Corporation. That corporation has been totally unresponsive and seems to have bent itself to the frustration of members of this Legislature in terms of answering questions, providing details and allowing us to do our job. If this government does intend to do obviously what it has done, which is plan its economic agenda around lotteries, the least they should be prepared to do is have the fortitude to stand behind it. What is happening? What are they hiding? Surely they should be prepared to say these are the facts, this is our agenda, and we will take this to the people. That would be fair.

They are not saying that. What they are saying is they have consistently wanted to hide behind what was really going on, not be responsive, not answer the public concerns, let alone the concerns of members of this Legislature, and yet still make it the essence, really, the mainstay of their economic agenda.

The minister stands up and the Premier (Mr. Filmon) stands up and says, well, it is only 3 or

4 percent of revenue. Well, listen, it has grown 400 percent in these years. It has been used over these last three years to almost single-handedly prepare a fund which could be switched over, as was done on budget day last week, to allow the balanced budget. It is indeed a critical part of their economic plan.

Mr. Acting Speaker, I point out that \$145 million that has been built up over these years was built up systematically and intentionally over those last three years for last Thursday, one day. It is not sustainable without a significant further increase in gambling revenues, because their economic predictions in fact rely on doing more than having to wait three years to build it up to do another balanced budget. They want to do it every year. They want to do it clearly on the gambling revenues.

We have called and will continue to call for the release of the five-year plan. If that is not their plan, then the five-year plan will not say it is their plan. What are they hiding? Let us see the five-year plan. There is absolutely no good reason for not releasing that document. If it had not been passed by cabinet, if it was just a draft, if it was just some random thoughts, fine. It has been to cabinet. It has been passed. It is now public policy, the policy of this government, and it should be released. There is absolutely no reason for continuing to keep that document hidden. That would be, I think, the truest indication of the real intentions of this government.

They set up this review--Mr. Desjardins, who I might say is a very fine man, a man that I have an enormous amount of respect for. But I must say in these circumstances, and I am not sure why--I certainly was not privy to the conversations that the government would have had with him--I think that he has been drawn into a political situation. Perhaps he was a little bit unaware, but he had some experience. I just think he is being used in this case. I hate to say that, but I really do. I think there is a political agenda here, and I really regret to see that a man

of that stature, and a man of that experience, would be drawn into this. I would prefer to think that he may not know completely the agenda of this government that he has been drawn into.

\* (1450)

As proof of that agenda, look at the fact, there is no commitment to public hearings in that process. You know the government has done all kinds of other reviews and, bang, right there on the press release, up high, public hearings--not this one, conspicuous by its absence.

Now, the other indication, very interesting, the same day they released the announcement of that committee, the Third Quarter Report of the Manitoba Lotteries Corporation was released. The press release is crowing about record profits--\$220 million--the same day that they released the announcement of the study into it. There is a lot of inconsistency here, and I think the public knows it.

The last point on that committee, which I thought was very interesting, is the fact that the committee that is struck is going to have 14 people on it and is going to do all of this work and produce a report by October, and it happens after close to seven years in power and raising the revenues by 400 percent.

The timing, in and of itself, of this announcement makes very clear, I think, certainly to us and I think to the people of this province, what is going on in the Lotteries. In fact, it is just driven almost entirely--I think the Premier (Mr. Filmon) got up, read a poll, realized he had a problem in the upcoming election and said, hey, we have got to do something to try to paper this over for the short term. In fact, that is I think what has happened.

Now, in addition to a full review, and I think an educational process has to be the first part of that, there has to be a guaranteed public hearing process. There has to be, in my estimation, Mr. Acting Speaker, an immediate cessation of

advertising by the Manitoba Lotteries Corporation. I do not accept that it is a proper role of government to sell its own citizens on gambling, and that is indeed what has been happening extensively.

In addition to that, I believe that the moratorium has to be extended indefinitely until such time as at least that review is completed and is tabled in the Legislature. Critical to this is that the government leave open to the committee at least the option of recommending back that gambling opportunities should be reduced. That option must be left open to this committee if indeed it is to be a true open committee.

In fact, on the economic assumptions and predictions of this government, there is no such option; it is clear that this is paperwork to get them through the election, but their economic agenda is clearly firmly planted in increasing gambling amongst Manitobans, so that option has to be left open.

The last thing I would say is that there should be, I believe, a freeing up from people who have contracts currently, where they have VLTs, to allow them to break those contracts essentially and hand in their VLTs, because there are a lot of organizations, hotels and some out there that we have heard from that are saying in fact that they do not want these in there.

Some of them are locked into contracts and are looking for ways to simply rescind those contracts, Mr. Acting Speaker, and I think that we should free up that opportunity for them to do that.

(Mr. Jack Reimer, Acting Speaker, in the Chair)

**An Honourable Member:** I think you hit a nerve, Paul.

**Mr. Edwards:** Well, a nerve has been hit. The Minister of Energy and Mines (Mr. Orchard) has had his swan song. He took about 20 minutes of

it to talk about the Free Press. He can get up again before we are over here and he can continue that diatribe.

Mr. Acting Speaker, I could go on longer on the issue of increasing reliance on lotteries revenues. I want to at this point turn to the issue of the priorities of this government as evidenced in this budget. I said at the outset of my comments that the government must be accountable for the priorities more today probably than ever in the history of our province or our country, because it is the spending priorities which will reflect the government's priorities and how they see the role of government in these increasingly difficult fiscal times, as well as increasingly difficult times for our citizens as they try to prepare to meet the challenges as they enter the 21st Century.

So, Mr. Acting Speaker, I want to just cite a few of those spending priorities. Firstly, I note in the budget Estimates at page 43, Education and Training, that Youth Programs have received a substantial cut despite salary increases. So Youth Programs are down. Indeed, it is only up on that line sub(g) of page 43 because in fact the federal contribution is up by \$3.1 million to those programs. So indeed the provincial pullback on Youth Programs has indeed been substantial. The Making Welfare Work program appears to show that indeed there is that significant increase at the federal level, but at the provincial level there is no such corresponding increase and, in fact, there is a decrease.

Now, Mr. Acting Speaker, in addition to Youth Program cuts, we see at page 81 of the budget under the Home Care provisions that the Home Care budget has, in fact, been reduced. In fact, they are very close to being the same. They have been reduced very, very marginally. The truth is that if we are moving to increasingly community-based services as indeed the former Minister of Health and current Minister of Health (Mr. McCrae) say they are, if we are moving to that, there is no corresponding increase even to deal with the inflationary

increases, and in fact there is a very slight, very marginal decrease. That tells me that there is a spending priority which is not consistent with the words of this government towards community-based health policy.

In addition, we see that there is a decrease in funds available to Mental Health Services, again, not consistent with the stated commitment of this government. As well, we see at page 84 that the Centre for Health Policy and Evaluation, a critical element of determining how we are going to ensure that we maximize health care dollars, that their budget has indeed been reduced as well, obviously, an important tool in monitoring reform as well as giving advice on future reforms.

Mr. Acting Speaker, we also see that there is a significant decrease in the Environmental Operations, in particular, the enforcement and education area. We see at page 53 of the budget that there has been, in fact, a decrease in Environmental Operations, and that, even though we can afford and we have put in some \$22.9 million over the years to the Hazardous Waste Corporation, the enforcement side of that which was always to be done consistently with the Hazardous Waste Management Corporation has not kept up and has seen reductions, in particular, a reduction in this budget.

\* (1500)

On page 42 of the budget we see a decrease in the ACCESS program. We see a decrease at page 39 of the budget in the K-12 aspects of the educational system. What we see consistently, Mr. Acting Speaker, is reductions in all of the areas that the government says it is most interested in pursuing and, in particular, in the health and education sectors.

Compare that to the line in the budget at page--[interjection] Well, no, the Minister of Education (Mr. Manness) says more money, better services. I started this discussion by saying that this is about spending priorities. I



have talked about where some of the cuts are. I have gone through what I perceive them to be. I have cited the pages and I have cited the lines, and the Minister of Education can review in his own budget document. I have cited where the cuts are and how I think they are inconsistent.

Now I am turning to page 98 of the budget where under the Industry, Trade and Tourism grants and loans to business, we see a 50 percent increase in those grants and loans. That is a difference in priorities between this party, the Liberal Party, and the Conservative Party. They would prefer to see grants and loans to businesses not just maintained, no, seriously enhanced. That is a difference in priorities. They can take that to the people. They can take that through the election and fair enough, but that is a question they are going to have to answer, how they spend the limited dollars they have. In the name of fiscal restraint they see fit to cut nurses and cut health care, cut teachers, cut education, cut all of those services, and they give a 50 percent increase in grants and loans to businesses. That is a question of priorities, Mr. Acting Speaker, and that speaks volumes about what this government is about.

This government has consistently in its budget documents, and evidenced here again today, protected privilege. They seem to see that as one of their primary goals in being government, to protect privilege and to participate in largesse to the business community. This is not about saying someone is antibusiness.

Mr. Acting Speaker, the business community itself consistently tells us they do not want further monies for their own operations. They want government to do what government has to do and do it well. That is what they tell us. They also tell us they want their own taxes kept down, which seems reasonable.

What they do not tell us is that they want a 50 percent increase in grants and loans to them. That is not what they say. It is not a question of

being antibusiness. It is a question of understanding what are the true priorities of government.

I note that there was in fact a 60 percent decrease in monies available to the business sector under the federal budget. This represents a 50 percent increase at the provincial level, and I think that is the wrong direction. I simply indicate that it evidences to me, as I think it evidences to the public, what their priority is about.

I do not say that they do not have the right to strike those priorities. They do. They are the government, but those are their priorities. They will answer for their priorities in this coming election. That is them and I understand that, and big business appears to be their priority. It is not ours.

We see government's role as running a health care system, an education system and we as government can, with the business community, best provide it, through a good training and education system, through making it easy to deal with government, keeping taxes down, providing things that we can, like the hydro rates. We have had lots of discussions with Hydro that can be and has been an economic jewel in the province. We all agree on that, Mr. Acting Speaker. Those are the things that we as government can do.

What I do not see as progressive, what I do not see as in keeping with an appropriate political philosophy as we head into this preparatory period for the 21st Century is a substantial increase in the direct grants and loans to businesses. Of course, to make matters worse, this government continues to be absolutely obsessed with finding some outside saviour in Manitoba who is going to come in and save us all, maybe from Boston or Montreal or something. If they gave half the attention to the employers here in Manitoba that they seem to give to anybody who shows a passing interest in this province from outside of it, I think we would be a lot better off.

Mr. Acting Speaker, those are priority issues that this government is going to have to address and deal with. The Minister of Industry, Trade and Tourism (Mr. Downey) has commented from his seat some numbers. I did not catch them, but I am sure that he will cite them to me again at some point, on the employment growth.

But let me just cite the labour statistics from just Friday of last week when the statistics came out from the Manitoba Bureau of Statistics and Statistics Canada about employment. What occurred to me--I ran some numbers in light of these new statistics, which come out monthly. In the period between September '90 and February '95, what we saw going through that recessionary period was that the country of Canada went through a decrease of about 170,000 jobs in that period of time. Of course that goes from September '90, when this government became a majority government.

Our percentage of that should have been approximately 5,000 that we should have gone down in Manitoba had we been consistent with the national average decrease; in fact, it was 12,000.

So, Mr. Acting Speaker, in that period of time, September '90 to February 1995, Manitoba has lost some 7,000 jobs in addition to the ones that we should have lost keeping up to the national average. We have in fact gone through the recession worse, and we are coming out basically last. Whatever their economic agenda that the minister is talking about, it has not worked. They say consistently, well, we have been through a worldwide recession. Right. So why did we go into it deeper? Why are we coming up at the tail end? We are somehow missing 5,000 jobs that we would have had we even been keeping up to the national average.

Let us just take the last year, February '94 to February '95, the period in which we embarked on a recovery in this country. Canada, in that period, according to the February statistics, is up in that year 326,000 jobs. Our percentage of that

should bring us in at approximately 13,000 jobs; we are up 11,000. Somewhere there are 2,000 jobs that we should have had we even been keeping up with the national average.

So what is clear is that Manitoba, far from leading any recovery, is in fact trailing significantly even the national average. One has to ask the question, not as the government suggests, what the government is doing right. What are they doing wrong that we are not even keeping up with the national average? Why are we not even keeping in the midrange of what we should be doing?

In fact, what we see very clearly is that whatever economic plan the government has, and really there is not one, but whatever they think they have sure is not working.

Those are the issues which the government is going to have to deal with because, clearly, we all agree, at least we in the government do, that a job is the best social program and the best economic program and represents really the issue from which all others flow.

(Mr. Jack Penner, Acting Speaker, in the Chair)

We need our citizens to work. We need them to have the ability to spend money, to have the ability to have dignity and confidence in their lives, thereby not having to rely on the other social services including health services as much as they have been, because we know that the single linking factor across those social services, including health, in increase in use is indeed unemployment. It is a significant social debilitator in our society, and so we do need to make jobs, Mr. Acting Speaker. The working with the employer community to maximize the potential for job growth--that is our job. The government's job is not to hire everybody. The government's job is to set the stage, to ensure that what is there is indeed maximized. So while I may not find disagreement from the government side on that philosophical principle,

the way it is worked out, as evidenced by this budget, is, in fact, an issue of disagreement.

Now, we know that across this province there are many important industries. We know that there are industries developing which we in government may not be able to predict, probably cannot. The economy evolves in ways that we in this House are not expected to and really cannot predict. Our job is simply to respond and create an environment, set the stage where whatever is going to happen in the free market happens so that we can create as many jobs as potential.

Mr. Acting Speaker, one particular area where I think we need to be highly sensitive to that is, as we seek to find new ways, that of having a sustainable agricultural economy. I know full well that there are many members across the way who are, in fact, engaged full time in the farming profession, and I recognize that, and let me say as one of many in this House I certainly also recognize the fact that I do not farm for a living and therefore I do not perhaps have any of the practical, as much of the practical, knowledge they have. I recognize that. What I do say is that agriculture is everybody's business in this province, and it is an important mainstay of our economy. Whatever our disagreements on how we can maximize it, we are all committed to maximizing what the agricultural economy can produce in Manitoba. So that is an important starting point.

\* (1510)

Let me also say, Mr. Acting Speaker, that as regards the era we are entering now I do not think the former Minister of Agriculture, the current Minister of Agriculture (Mr. Enns) or any member opposite would disagree that we are entering a critical period as we go through these next few years and head into the 21st Century in our agricultural economy. How we manage that, how we respond will have a lot to do with whether or not a rural way of life cannot just survive but thrive in the coming years. We need to be very, very sensitive to what is happening in

outside markets and around the world and in our own province if we are going to successfully work with those who work in the agricultural sector towards a sustainable, growing, thriving agricultural economy.

Mr. Acting Speaker, I recall many speeches from members opposite about the need to move into food processing, value-added production, to move into ways to not just be the producers of primary product for export markets, which is of course a large part of what the agricultural community does, but we also need to focus on further ways to diversify the agricultural economy and to in fact continue to enhance the processing end of it, because as I have heard many members opposite say far more eloquently than I, we need to keep jobs as much as possible here in Manitoba with those.

I do not in any way suggest that is not the way to go. We obviously want to have concern, continuing concern about primary product, about export markets, but move towards diversification, move towards, as the Minister of Agriculture (Mr. Enns) says, livestock, further growth in livestock, whether that be beef cattle, whether that be hogs, whether that be other livestock.

I happened to notice on the way driving down to Carman the other day, I think there was a display on emus. There are some who suggest--there are some ostriches, obviously these are very minor parts of whatever is going on in the livestock sector, but I think that we need to grow and develop whatever is out there. Whatever is out there and can be produced and can make money for our citizens, we need to be supportive.

I know that there has been suggestion that has come to the Minister of Agriculture, some are saying game farming they want to move into, and I know that is controversial but, Mr. Acting Speaker, the further diversification of the agricultural community is clearly in the interests of all Manitobans, and so we must be prepared to

move in those directions, and the other key aspect of the agricultural sector that I see in addition to diversification is the increasing flexibility within the agricultural community to respond to market forces.

We had many, many years where we in this House all agreed and all said, if we could only get out of the subsidy wars that we are involved in, because our Treasury cannot keep up with the U.S. ERP program, the subsidy program, our Treasury cannot keep up with the European Economic Community subsidies. We said that, the former Minister of Agriculture, the member for Springfield, used to say that at length. I agreed. We now have a GATT agreement in place and we are now looking for our farmers to be able to, as I think they can, in fact I know they can compete and win and grow and thrive in the coming agricultural sector. I do not fear the competition which will come from the rest of the world as long as it is that level playing field.

So, Mr. Acting Speaker, I say that in fact we are entering an era in agriculture that could well be liberating in terms of our ability to compete with the rest of the world if we can successfully move through the transitional program towards a more diversified and a more flexible agricultural economy and move successfully into value-added food production, into livestock, using feed grains that have been artificially kept high in price because of the Crow rate. If in fact we can move through that transitional period successfully, we will have a sustainable agricultural economy, not just one that is going to get us maybe through to the next four years, but one that is going to get us through the next 40 and further.

That is what we are after in the agricultural economy, not short-term fixes, but long-term plans that are sustainable, not through the term of any one of us or any government but through the lifetimes of our citizens and their children.

That is what we are after and, Mr. Acting Speaker, that is an area that is going to require,

no matter who is the government after this election, a high level of co-operation between governments. I know there are many partisan differences. I know that we are going to have elections come between us at the federal and provincial level, and these things will divert our attention from the individual simply trying to make a living on the farm. But the truth is that this is an area of shared jurisdiction, that we simply must be prepared, in my estimation, to work through and work together into the new environment of fair trade across the world markets. I do not think that is one that any Manitoba farmer is afraid to face, fair trade worldwide.

I think what they are saying is let us get this transitional program underway. Let us make sure that we maximize it. We have already come a long way in Manitoba towards diversification of our agricultural economy. We are in many respects further ahead than the other two western provinces in that. We are off to a good start. We need to continue that, we need to enhance that, but I do not fear the future of fair trade in the Manitoba agricultural sector.

Mr. Acting Speaker, I want to touch briefly on the issue of the evolving relationship with our aboriginal peoples, including First Nations and Metis and, indeed, Inuit. We are, I think again, and perhaps every politician says I serve at a critical juncture. Having said that, as a caveat to this, I say in respect certainly of a number of things I have talked about today, I think we do serve at a critical juncture. I think we all do in this House and probably no more so than our relationship with our aboriginal peoples.

What I see from this government pretty consistently is an approach that says we are not really a part of this, we do not have responsibility and, therefore, we are not prepared to be at the table as partners. That has been, in particular a message with the First Nations--I will acknowledge that--but as well other aboriginal peoples. In particular with the First Nations individuals, we see from this

government a basic reticence to take a full partnership role in moving to a new future.

We are at a point where Manitoba has been chosen as the lead province in Canada in a very, very difficult, very critical process which will, I think, tell the tale for the next generation.

I think that we as a province do have a role at the table ensuring that this works for the benefit of us all, not just our First Nations peoples, but all of us, because we have to chart a new course with these people.

We can sit here and say, as the Premier has when confronted with social welfare statistics, social indicators, the common line from members opposite, well, the First Nations, the aboriginal community, they skew those numbers.

The truth is, the submessage there is that they are not really part of this; they are not Manitobans. That seems to be the subtext, and we have to reject that. We owe the same commitment to all of our citizens, aboriginal or nonaboriginal, north or south, east or west, urban or rural. We owe the same commitment. Whether it is Highway 391 going north of Thompson, which I agree has been shamelessly neglected by this government consistently.

I can tell you, I have driven that road. I drove that road a month ago, and that road would have been fixed a decade ago had it been, I think, in southern Manitoba, and I say that here. That road--there is no option. That is the only road, and for some months of the year you cannot send an ambulance down that road without a tow truck. I can see why, having been on that road.

\* (1520)

I simply say that we owe the same commitment corner to corner, and we need to take the process that is now started in Manitoba with our aboriginal peoples extremely seriously, and I think Manitobans and the Manitoba government should be at the table as partners.

We have health care responsibility, education responsibilities, social services. We are, under the Constitution, responsible for natural resources, and we own Crown land, so certainly the federal government through its treaty obligations does have special obligations. Nobody is seeking to in any way interfere with the primary relationship between First Nations people and the federal government, but to suggest that the provincial government does not have a role at the table as a partner in a process, I think, is to let down the community that are also Manitobans and also pay Manitoba taxes.

Mr. Acting Speaker, I simply say that is an attitudinal change which I think we need to see in the provincial government. I also want to make special note, and I want to say to the government that I was pleased with the statement from the government in the wake of the Dixon report on Churchill.

I saw that report and read that report as very positive about the future for that rail line and for that port. I think that it charted a course that can work. I know that there were many, many reports before that and that everybody was saying, well, this is the 19th report or something like that, but that committee was a little bit different. It had people at the table unlike a lot of the others. The railroad companies, they brought in Saskatchewan and the federal government, they brought in some banks, they brought in the grain companies, they brought in all of the players who had been functioning in isolation oftentimes against each other on this issue.

I think it was an important juncture for that port and that railway. And what they said was, we need to continue in the short term; obviously, exporting grain out of that port is going to be the short-term way to keep it open. We have to work to ensure that it does stay open, but the medium- and long-term plan must be, obviously, to diversify the economic base to support that railway and that port. So that is an important process to be a full partner and I was pleased.

Let me say to the government, I was pleased to see that there was a prompt, positive response to that in the immediate wake of the Graham Dixon report.

(Mr. Speaker in the Chair)

Mr. Speaker, the other thing that, while speaking about some northern issues, I want to say and I want to congratulate the three organizations in the North, the NACC, the Northern Association of Community Councils; MKO, and the Urban Industrial communities because for the first time I think I see them coming together. I see them coming together in the North in a way that I do not think we have seen for a long time. They are coming together to set priorities and to not compete against each other but to focus on things they cannot agree on, whether it is transportation issues like Via railways, like certain roads or whether it is economic development issues, whether it is natural resource issues, forest issues, Hydro issues that are of particular impact to them.

The northern groupings of those three organizations: MKO, NACC and the Urban Industrial communities coming together is an extremely positive thing no matter who is the government in this province after the next election. That must be promoted and enhanced for northern Manitoba, because we need those communities to come together, to work with whomever the provincial government is to ensure that the northern economy, the northern communities remain viable and indeed grow and continue to grow in the role and history of our province. It is, I think, important to recognize that coming together as a critical part of what they have done to work better with government, whoever the government is, and we want to be supportive of that process, as I am sure the other parties do as well.

Mr. Speaker, let me say that this budget represents to me, as I started, a document clearly crafted for the coming election and not crafted for what I think is the prudent and responsible

and creative and innovative management of our province in the coming years.

I have articulated just two areas, two major areas albeit, but two areas where I divide with the government: on the role of lotteries and how I see lotteries playing a role in provincial affairs, and secondly, on the spending priority issue. So both on the revenue side and on the spending side we have some real philosophical and, in fact, very practical divergences with this government. They have put forward a document which they are going to be taking into this election, obviously, Mr. Speaker, as is their right as the government to do.

During that election we will continue to focus on what we believe are different directions to go. Frankly, let me say--

**An Honourable Member:** What is your direction?

**Mr. Edwards:** Well, I invite the minister to read the comments. He obviously has not been listening. Mr. Speaker, it is the overall goal that I think he shared, and I listened closely to the words of the Minister of Finance (Mr. Stefanson). We are not at odds on what we want to do. We want to provide for our citizens the services. We want to ensure that our children have the opportunity to stay and pursue careers here. That does not divide us. But the way we are going to do it does divide us, and the priorities that we have chosen do divide us. I have talked about some of those today, and we will continue to discuss these throughout the campaign.

Let me also before I end, Mr. Speaker, talk about the proposal for balanced-budget legislation, because that was obviously a very critical part of the budget document, the proposal for a balanced-budget legislation. That was a proposal put forward in August of 1993 by our party; it was for a form of balanced-budget legislation. We said at the time that there were probably many aspects to this and directions one

could take, and I cited at the time the example of the New Brunswick model as one example. I do not say that is the example that should be copied word for word for Manitoba. What I do say is that it is certainly one to consider.

Now, let me say, Mr. Speaker, I am open to reviewing in detail this document from this government. They have come up with their version of what they think will work for Manitoba in this legislation, and so we are going to review it carefully, and I am going to look forward to public presentations on this bill. I do not close the door on that legislation because I have spoken in favour, in principle, of balanced-budget legislation. It is not going to cure the problems that we face in and of itself. It does not balance the budget. What it is is a useful political standard, I think. I think it can be that. I think it can evidence to the people who are cynical about all of us in this House and politics generally, I think it can evidence a written commitment that we pass into law, that we see this as both fiscally and socially necessary and responsible to balance the budget.

So, in principle, and I said this the day of the budget in the hallway, and I say it here again, that in principle I think this can be a useful political and a useful public tool for legislators of any party. So I say that I will look closely at it. I will review it. Our caucus members will listen to the public, and we will perhaps propose amendments. Perhaps we will try to work with the government on some changes, but we will not, as a knee-jerk response, say no to this legislation. What I do point out is that some of the provisions of that agreement are very clearly designed for maximum public relations effect in this immediate period as we head into an election and not necessarily perhaps completely consistent with past actions. I am essentially saying that I am going to look past the fact that a government suddenly decides in its eighth year that balancing a budget is a good idea, having not done it in the prior seven. I am prepared to say that in and of itself does not write off this legislation for me. I am prepared to look past

that hypocrisy for the time being and apparent clear contradiction.

I am also prepared to look past the fact that they call for a 20 percent reduction in ministerial salaries for every deficit year but still collect 100 percent of their salaries after seven years of deficits. I am prepared to look past that. I gather they have not got a retroactive clause in there. I do not see it, but I do not think they are keen to pay back based on their seven-year record. But nevertheless I am going to look at this with an open mind. It is a clearly political partisan document for the short period of time that this government has come up with, the timing evidences that, but the fact is that we are going to study this, listen to the debates, listen to the people, and we will keep our minds open because we start with the understanding and the belief that balanced-budget legislation in principle can be a positive thing, and so that is the approach we will take. [interjection]

\* (1530)

I do not think that is sitting on the fence, for the honourable member. I actually think that is a fairly clear indication that a balanced-budget legislation in principle is a good thing, and by the way, it is hardly sitting on the fence because there is a large body of opinion out there that believes that this has absolutely no value. I do not say that. I do not say that, so I am not sitting on the fence.

Mr. Speaker, this province, this government, in our estimation, has not met its potential under this government. What is there, what has been there has not been maximized, has not been, I think, brought to fruition for the people of this province as it could and should have been. That is going to be the subject, what we talk about in these coming weeks in this election, but I say it here today that this budget represents, in my view, a document crafted for a very short-term political need, and in many significant areas where spending priorities are evidenced and in the increasing and almost exclusive reliance on

lotteries funds to balance this budget this year, it represents a very real attempt at balancing the budget in a way that is just not credible and is not sustainable and is not in the best interests of our citizens.

They need a better fiscal plan than plugging VLTs, and that is at the root of this fiscal plan. Mr. Speaker, that is going to be the subject of debate in these coming months, perhaps weeks.

As a result of all of the aforesaid, Mr. Speaker, I move, seconded by the member for Crescentwood (Ms. Gray),

THAT the amendment be amended by adding thereto the following words:

And further regrets that:

(a) this government has failed to meet its own health reform agenda by decreasing home care funding, healthy communities development and other community health programs resulting in fewer community health services for Manitobans; and

(b) this government has failed to give hope to Manitoba young people who want to improve or acquire new skills by cutting ACCESS and youth programs; and

(c) this government's poor economic performance will continue as a result of their steadily increasing reliance on revenues from video lottery terminals rather than focusing on getting Manitobans back to work; and

(d) this government has failed to recognize the priorities of Manitobans by cutting spending to health, education and social services while at the same time increasing grants and loans to businesses by 50 percent.

**Motion presented.**

**Hon. Bonnie Mitchelson (Minister of Family Services):** It is indeed a pleasure for me to rise in support of the eighth budget of this government, the eighth budget in which there has been no increase in major taxes for Manitobans, no increase in personal income tax, provincial sales tax or the payroll tax. That record does not go unnoticed by the constituents of River East as I go door to door knocking. They are aware of our government's commitment and are proud that they have had a representative in the Legislature as part of a government that has made that commitment to the constituents of River East and, indeed, to all Manitobans.

Mr. Speaker, this is a record that cannot be matched by any other government in North America. In addition, for the first time in 20 years, Manitobans have been presented with a balanced budget. If that is not enough, the Minister of Finance (Mr. Stefanson) is this year projecting a \$48-million surplus. Let me discuss for a minute what that means, and what criticism will be laid on this government by members of the opposition. In fact, they have already criticized our projections in this budget as being unrealistic. However, they are very silent on the deficit projections of the previous year. In the last budget that our Minister of Finance brought into this Legislature, the deficit was projected at being approximately \$278 million. In fact, the deficit came in at \$218 million, fully \$60 million less than what was predicted.

My point, Mr. Speaker, is that not only can we achieve our target of a \$48-million surplus, but we may indeed surpass it. It would contrast the performance with the dismal record of the New Democratic Party when they were in government from 1981 to 1988. In spite of a booming Canadian economy, at the time they, the NDP, with their tax-tax and spend-spend philosophy, increased the debt and burdened our children with a debt and interest payments that we are only now getting under control.

What is all the more remarkable about the performance of the government that I am proud



to be a part of is that, as a result of controlling spending over the last several years, in spite of a worldwide recession, it has set the path for the balanced budget that we see here today.

It is the essence of responsible government to make a plan, to stick to that plan, and to implement that plan, even though that plan may entail difficult and courageous choices. Our government has not been afraid to do what is right and Manitobans are reaping the rewards.

\* (1540)

I would like to contrast this, Mr. Speaker, to another famous plan, the red book that was so cunningly marketed by our current federal Liberal government during the 1993 election. Of course, immediately upon taking office, the red book, as their plan was known, was thrown into the recycling bin to be either composted or recycled into another plan that will be ready for the compost heap as soon as it is printed.

For example, let us talk about the GST. Almost the entire Liberal campaign centred around getting rid of the GST, over and over again. We were treated to the spectacle of federal Liberal candidates who soon became cabinet ministers solemnly vowing to get rid of the hated GST, and after 18 months in office, guess what? Canadians are still paying the GST, only now in addition to the GST we have the CST, and of course I am speaking about the Canadian social transfer, the new system of block funding for support of Canada's social programs.

But before I deal with those issues, Mr. Speaker, issues that are very near and dear to my heart, I think a few remarks about the provincial Liberals are in order. I must confess at the outset, in one way I do grudgingly respect and admire their Leader, no matter what the federal government does to Manitoba in the way of unfair job cuts such as moving Air Command from Winnipeg to Ottawa. Where is Senator Sharon when you need her? I just want to quote

from a Winnipeg Sun article on March 5, 1995, after the federal budget when Sharon Carstairs, Senator Sharon, says that the cuts to Air Command will be devastating to Winnipeg.

That is what the now-Leader of the Liberal Party calls a fair budget for Manitobans. I question his commitment, and if we had Sharon Carstairs back in this Legislature I believe she may have stood up for Manitobans, as opposed to the present Leader of the Liberal Party in Manitoba, and come onside with our government in our criticism of the federal budget and the unfairness of those cuts to Manitobans.

As I was saying earlier, even with the elimination of the farm support programs, the cuts to Air Command in our province, the provincial Liberals and their Leaders stand up and applaud the federal Liberals. Such slavish devotion to their federal cousins demonstrates a certain kind of loyalty but does absolutely nothing to help Manitobans.

The government of which I am proud to be a part of will not idly sit by and let the federal government do what it wishes to Manitoba. We have a track record, Mr. Speaker, of defending Manitobans' interests in Ottawa no matter who is in government and will continue to do so.

Under the leadership of our Premier, Manitoba has co-operated with the federal government on important cost-shared and co-operative programs, but our Premier and my colleagues will continue to fight for Manitobans.

It is especially gratifying for me as Minister of Family Services to support the budget. By improving the prospects for prosperity in Manitoba, the balanced budget and paying down of the debt will ultimately be the best social program that could have been devised for Manitobans.

As our employment picture brightens and our tax burden falls, there will be fewer and fewer people dependent on social programs.

A wise person once said that the best social program is a job, and I firmly subscribe to that view.

When I became Minister of Family Services, and I am sure many of you have heard me say this before, I received more condolences than congratulations. I must admit that the challenges faced by any Minister of Family Services, regardless of political stripe, can be daunting, but I want to say that I have considered the last 18 months very exciting and very challenging. In fact, I believe there is an opportunity to continue to work to make a difference and improve the plight of those that are in need in our province.

The Department of Family Services provides income support, child care, counselling, mediation, child welfare and vocational rehabilitation services to some of Manitoba's most vulnerable citizens.

Early in this portfolio, I soon realized that there will never be enough money to solve every problem for every person. Thus, program activities must be prioritized and taxpayer's dollars spent wisely. I am proud to say, Mr. Speaker, that my government, our government has been sensitive to the needs of vulnerable Manitobans and every available dollar is out there working for Manitoba's neediest citizens.

In the budget that was just presented by our Minister of Finance (Mr. Stefanson), Family Services received a 1.1 percent increase over the previous year. Not only that, since this government took office, funding to the Department of Family Services has increased by 59.8 percent.

Health, Education and Family Services are the priority of our government, and in the current fiscal year, over 60 percent of expenditures have been devoted to these three departments.

I know, Mr. Speaker, that the opposition tries to portray every spending decision by this government as a cut, but the facts do not bear

this out. It is understandable for them to be dismayed at the excellent performance of our government, but no matter how much they distort their arguments, spending in those three priority areas continues to increase.

As a wise person once said, you are entitled to your own opinions, but you are not entitled to your own facts. Just as an aside, I would note that Manitoba devotes a higher percentage of its budget to health care than any other province across the country.

(Mr. Jack Reimer, Acting Speaker, in the Chair)

I listened just a few moments ago to the Leader of the Liberal Party (Mr. Edwards) talking about cuts in community services for health care. Mr. Acting Speaker, I know that the residents of the northeast quadrant of the city of Winnipeg--that includes my constituency of River East, Rossmere, the constituency of Concordia, Radisson and Elmwood--have seen major increases in the community services that are being provided.

We have a record of which I am very proud, over the last two years, of an increase of 280 new personal care home beds right in the northeast quadrant of the city of Winnipeg. That means to me more community-based service, creation of more jobs in our community to look after those people that are in need in our health care system.

\* (1550)

Mr. Acting Speaker, that to me does not translate into cuts. That translates into sensitivity in looking at the needs of the people in our community and ensuring that they are able to be looked after in their community closer to their homes and to their families. That argument of cuts does not wash in our area. Our community knows that there has been increased support, increased community-based support, no matter what present short-lived legacy the

member for Rossmere (Mr. Schellenberg) presently sitting in the House wants to believe or the message he wants to give to his constituents. They know that there is more community-based service in our community.

Mr. Acting Speaker, I am pleased, if I can get back to what is happening in the Department of Family Services, to look at some of the Making Welfare Work initiatives that have been implemented or introduced in the last year to create less of a dependency on government programming and providing employment opportunities for social assistance recipients. Some of the Making Welfare Work projects do include Taking Charge, which is a five-year pilot project that is designed to provide services to increase employment for 4,000 sole-support parents receiving social assistance. The board for Taking Charge will be up and running shortly.

Sole-support parents on welfare represent 46.9 percent of our welfare cases. It is a known fact that a large percentage of children raised on welfare end up continuing the welfare cycle. We must stop the cycle of dependence. Taking Charge will provide a store-front approach to co-ordinating the various government, community and private sector resources and providing training, work experience, employment referrals and child care options for single parents.

Mr. Acting Speaker, Manitoba currently has a system in place that allows a sole-support parent to remain on social allowance until their youngest child turns 18 years old, with no expectation towards employment and training. As we look into the future, programs and criteria must be examined closely to ensure that we as government are not contributing to cycles of poverty and dependence. We must ensure that every effort is made to ensure welfare recipients are provided with the needed basic support, but at the same time, criteria must be in place to ensure every effort is made toward moving to independence.

As we look into the future, realizing the lower cost-shared dollars we will be receiving from the federal government, we must ensure funding is utilized wisely and responsibly.

As well, under Making Welfare Work, we will continue to provide funding for the Rural Jobs Project. This initiative is intended to provide employment for municipal assistance clients in rural Manitoba. Wage subsidies are provided for projects reviewed by a committee representing Manitoba municipalities, both rural and urban, and federal and provincial staff.

Jobs may be with the municipality, with a private sector business or with nonprofit organizations. This type of experience can provide the welfare recipient the badly needed work experience to move on to other jobs and stay off of welfare.

I might add at this time, Mr. Acting Speaker, that Income Maintenance Programs are Family Services' largest programs. We have increased expenditures by \$151.5 million since 1987-88. In 1994-95 we will see an increase to \$358 million plus \$2 million for welfare to work initiatives.

Unfortunately, and it has happened right across the country, there have been more people on our social assistance rolls, on our unemployment rolls. We have provided the support and the services where they are needed, but it is my expectation that as our economy continues to grow we will see reductions in the dollars that are being spent in these areas.

In addition to the above increase, my colleague the Minister of Finance (Mr. Stefanson) also announced in his budget an increase of \$2 million for the creation of community residences and supports for adults with mental disabilities. I am very pleased with this increase. We have increased in this area our spending by \$21.8 million since we took office in 1988.

We will soon be proclaiming a very significant piece of legislation which will establish and implement procedures for the administration of the substitute decision-making provisions of The Vulnerable Persons Living With a Mental Disability and Consequential Amendments Act. This is a fairly significant piece of legislation. It is on the leading edge of legislation in North America dealing with mentally challenged individuals.

I would like to take a few minutes to talk about our accomplishments in the area of child care. I have opportunity many times in this Legislature to answer questions from the opposition on child care. They continually seem to be asking for more dollars to be spent. We have made a commitment and demonstrated that commitment time and time again in this province.

When the NDP were in power, and it bears saying again, Mr. Acting Speaker, because it seems that it just does not seem to sink in-- [interjection]

**An Honourable Member:** We established a model child care system that all of North America has followed.

**Mrs. Mitchelson:** Mr. Acting Speaker, that model child care system back in 1987 spent \$27 million on child care. Today we are spending \$47 million on child care.

The opposition continues to ask for more. Their actions speak louder than their words. We have almost doubled the amount of dollars that are spent on child care in this province since they were in power.

We have increased the number of total licensed spaces by 3,000 since 1987. We have increased the number of subsidized spaces in our child care system by 4,500. That is double the number of subsidized spaces for children to receive child care.

We have increased the funding for Children With Disabilities program by 27 percent since 1990. We have placed a greater emphasis on family daycare.

Mr. Acting Speaker, we have a child care system in Manitoba of which we can be proud. We have the second highest per capita spending of all provinces, on child care.

I note with interest that my honourable friend the NDP critic for Family Services is saying, well, where is the federal government and where is their commitment to child care and their national child care strategy?

I had the opportunity to meet with my federal counterpart on Saturday and he indicates that there is money for child care that is rolled into some wonderful new fund that is called the Human Resources Investment Fund, and it has rolled in child care, strategic initiatives and all of our educational programs. It is all rolled into this wonderful new Human Resources Investment Fund, and it is being cut by \$600 million in this fiscal year and \$1.1 billion next fiscal year, and he says there is more money for child care.

What is he going to do? Cut funding to support job creation, cut funding to support those with mental disabilities, cut funding on strategic initiatives.

Mr. Acting Speaker, common sense tells me a \$600-million cut is less money, not more money for any programming for the province of Manitoba. So let us not be fooled by the rolling of dollars into new pots and profiling them with new programs when we know there is not any more money. We cannot be fooled. No longer can he try to put the political spin on cuts to funding to provinces.

Mr. Acting Speaker, the area of Child and Family Support continues to be an area of high priority and we continue to cover the deficits to

Winnipeg Child and Family Services. We are, though, placing a greater emphasis on prevention and early intervention with community-based family support to assist families to resolve their problems. Under the Family Support Innovations Fund, a number of projects have been approved throughout the province with emphasis being placed on reducing the number of children in care.

\* (1600)

Mr. Acting Speaker, as Minister of Family Services, adoption is a high priority for me. In November, I did announce a strategy which is directed towards providing many of the more than 2,000 children who are over a year old who are permanent wards in the Child and Family Services agencies with the opportunity to be placed with a permanent adoptive family. I have said many times that all children deserve a permanent home and where we have the opportunity to try to work in a co-operative manner towards that end result, I think it is essential that we do that.

Expenditures for women's crisis shelters, crisis lines and women's resource centres has increased by \$3.3 million. That is a 148 percent increase since 1987. We have increased funding to crisis lines by approximately \$200,000 in 1989 with the establishment of the provincial toll-free and Winnipeg regional crisis line. We implemented a family violence initiative in April 1992 which increased funding to partner abuse services and women's resource centres by 10.4 percent or \$500,000.

We funded the first women's shelter for aboriginal women in Winnipeg, Ikwe-Widdjiitiwin. In consultation with service providers, administrative and program standards were developed for women's shelters, women's resource centres, crisis offices and second-stage programs.

Mr. Acting Speaker, these are all significant changes in the area of family dispute.

We have also established the child and youth secretariat which places an emphasis on cross-departmental co-ordination of services for children, youth and their families. That is co-ordination between the Departments of Justice, Education, Health and Family Services to ensure that we are not duplicating or not overlapping in any areas that we could be streamlining and better supporting children in our community whether they be in the health care system, in our education system, Child and Family Services or in our correction system. Mr. Acting Speaker, I am very pleased with the work that they are doing and we will see changes in the very near future around some of the issues that they have placed as high priority and that we have placed as high priority as government.

I would like to take some time now after reviewing some of the positive things that have happened in the area of Family Services to reflect on where we are today and what the future holds for us. Social policy in Canada and the United States and indeed throughout most of the western world has been developed, no, I must say by left-wing socialists whose beliefs and principles have proven to be wrong.

These liberal and left-wing policies were developed in an era of unbridled economic expansion and prosperity. With ever-increasing budgets in the 1960s and '70s, government could afford to throw money away at costly experimental social programs. These same elites of the day, Mr. Acting Speaker, told the poor that poverty was something that was done to them and they had no responsibility in trying to break the cycle of poverty and dependence.

The reality of scarce government dollars and a return to traditional values have ensured that a whole range of liberal left philosophies are now in the dustbin of history. The whole world has realized that, but the same cannot be said for our opposition. Government's role is to provide the economic and social policy framework that will encourage families and individuals to take charge of their own lives.

My experience as Minister of Family Services has convinced me that social policy must be reversed. We must stop rewarding failure and fostering dependency and must move towards a system that rewards success.

I define a successful transition to be one where a formerly dependent individual or family is helped by government to become independent. For example, a policy that allows a sole-support parent to stay on welfare until their youngest child is 18 does no favour to the parent or the children. Children grow up thinking that money is not connected with work. The parent, after the last child leaves, is left helpless with neither an education nor a job experience nor self-esteem. These kinds of policies, Mr. Acting Speaker, must be changed if we are to break the cycle of poverty and dependency.

The people of Manitoba have said to governments at all levels that they cannot pay any more taxes. Thus, government can no longer expect ever-increasing revenues to support ever-increasing demands. People must begin to take charge of their own lives and be responsible for their own decisions.

An area of particular concern to me is the high rate of teen pregnancy in Manitoba. Through a series of wrong signals being sent to our children, they have gotten the impression that it is somehow glamorous to be a teenage mom. The reality is much more grim than the fantasies which are being portrayed through the media. The realities are poverty for many of these young moms. Child welfare expenditures and costs are all much higher in single-parent families and especially so in single-parent teenage families.

Mr. Acting Speaker, I believe there are many issues that need to be discussed and looked at. There needs to be the co-operation of not only governments. I believe governments are there to facilitate, but there is a need for the community and all Manitobans to accept responsibility to try to resolve these problems together. It is not just

a government problem. It is a community problem; it is a Manitoba problem.

A budget is the most important statement about a government's direction and policy, and in my remarks today, I have tried to, endeavoured, I guess, to place the future of the Department of Family Services in the context of the budget that was presented by my colleague the Minister of Finance.

The budget clearly reflects the priorities of this government, which are, not surprisingly, my priorities as well. This is a budget, Mr. Acting Speaker, that I will be proud to take to Manitobans in the upcoming provincial election. Manitoba has finally turned the fiscal corner from oceans of red ink left to us by the previous New Democratic government now to in 1995-96 where we have presented to Manitobans a balanced budget and one that projects a \$48-million surplus.

As well, we have a debt repayment plan that will relieve our children of the debt burdens of today. Just think, without the \$600-million-plus worth of interest our children may decide to eliminate the sales tax, for example, or to redirect new funds into new priorities of their choosing. As well, a debt- and a deficit-free Manitoba and a low tax in Manitoba sends all the right signals to business, to investors and to companies who wish to establish and grow and create jobs right here in Manitoba.

The budgetary achievements presented by our Minister of Finance (Mr. Stefanson) and our government on March 9 were carried out without any increase in taxes or indiscriminate slashing of government programs. Mr. Acting Speaker, this is a budget that I can be proud of, a budget that we have worked over many years to accomplish and a budget that is receiving wide acceptance in the community of River East as I go door to door.

My constituents are telling me as I begin to knock on their doors that they understand that

we have been a responsible government, that we have not increased taxes for the last eight budgets, for the last eight years, that we have left more money in their pockets for them to make the decisions and the choices on how they want to spend that money.

Mr. Acting Speaker, my constituents are telling me that there is no alternative, that there is not another party or another option in the province of Manitoba.

My constituents are telling me that our premier, my Leader (Mr. Filmon), has done a good job, that he has been a good Premier and a good Leader for Manitobans over the last nine years.

My constituents are saying that they are pleased that the budget is balanced, that they believe we have accepted responsibility to use their tax dollars wisely. I sense that there is an optimism in the constituency of River East that they believe this government has provided good government and believe that we are the party to govern into the future and over the next number of years. They do not see an option or an alternative with the Liberal Party provincially or with the New Democratic Party provincially.

\* (1610)

I want to thank the constituents of River East for their ongoing support and for working with me and making recommendations and suggestions and ideas to me over the last nine years. I believe I have tried to listen to their concerns and to their issues. I have tried to represent them well in this Legislature, and I believe that they will take the responsible route again this election campaign and that, hopefully, I will be back here to serve them in my capacity as an elected member of the Legislature, in my capacity as a minister in a government of Manitoba that will continue along the path that we have chosen, a path that is responsible, a path that is caring, and a path that will lead to a future for my children and for their children.

So I want to again just reiterate how proud I am to stand in this Legislature as the member of a government that has made a commitment to Manitobans to be fair and be just and to ensure that we act responsibly on behalf of all of those that pay taxes and live, work and raise a family in our province.

Thank you very much.

**Mr. Martindale:** Mr. Acting Speaker, today I would like to put Manitoba's budget in the global context and also talk about the national context, and also talk about the Manitoba budget and also about the Burrows constituency.

You know, there are some things on which I could even agree with this government. One of them is that the global context has an effect on Manitoba. We know that this government is always talking about globalization and free trade and investments and the movement of money. Where we disagree is that much of this is unregulated, and I think that is a major philosophical disagreement because the Conservative Party would say that there is no problem with that and that we just have to adapt. I have a problem with that because major decisions are being made, particularly in the global money markets, that have an effect on every country in the world and every economy in the world, including the economy of the province of Manitoba.

This has been described by Tim Sale, who did a commentary on CBC Radio, as economic terrorism. I would like to quote from his CBC Radio commentary. This is what he said recently about that. He said: Economic terrorism is what is going on. That is the real meaning of money market discipline. Canada's total economy is only about \$700 billion a year. Every day \$900 billion changes hands in the world's money markets. Experts tell us that only \$30 billion to \$40 billion, less than 5 percent, is needed to finance world trade. So what is the rest doing? It is speculating. Money traders are betting on the value of currencies. Money

traders are openly in the betting business. Now betting is not necessarily an unfair process if the odds are published and the bets are open, but currency markets are far from fair. When one currency becomes the target of choice, money moves so fast that debts become self-fulfilling prophecies because the bettor influences the odds while sending a very clear message.

What is the speculator's message? Essentially, it is that we should abandon ourselves to the iron laws of the currency trader's world, a world in which the only concern is money and the rate of return on that money. Our environment, employment levels, quality of life, security and human dignity are not tradeable commodities so they do not count. Put in another way, justice is the enemy of profit in the world's money markets. End of quote.

I believe that all of those things have an effect on Manitoba, and the first of course is that depending on what happens in the money markets and the speculators and what they do in terms of investing in bonds and derivatives and many other financial instruments, it affects the interest rates for every country and for every province including Manitoba. By speculating on currencies like the Canadian dollar, the net result is that Manitoba can spend a lot more money in interest payments on its debt.

Also, when you think about the global economy, we know that money will move to the highest rate of return, because investors do not care about things like environmental laws or human rights or political rights, and that has an effect on Manitoba too, because it puts pressure on us not to have tough environmental laws in order to encourage investments in the province of Manitoba. The Minister of Environment of course would have a particular interest in this, and he would probably deny that Manitoba feels any of that pressure, but it is there nonetheless.

I think that instead what we should be concerned about is not so much the credit ratings and the bond ratings although that, as I said,

affects Manitoba, but we should also be concerned about the quality of life in Manitoba. This has been very eloquently stated by Sherri Torjman of the Caledon Institute of Social Policy who is quoted in *The Globe and Mail* on March 1 this year as saying, "Next time the credit raters on Wall Street set out to calculate the pluses and minuses of the Canadian economy, they may want to take into account the quality-of-life factors for which we never get credit--but which are crucial to good business and the well-being of the country as a whole."

I think that she is absolutely right that we should be concerned about the quality of life, but when you look at the federal budget of this year by federal Finance Minister Paul Martin, was he concerned about the quality of life of Canadians and Manitobans? No, he was only concerned about what Wall Street in the United States and what Bay Street in Canada was going to say about his budget, so of course his only goal was to reduce the deficit.

I can sympathize with the Minister of Finance who is faced with huge interest payments, who wants to do that. The place that I and we disagree is in how he goes about doing that. We know that he set a goal for himself of cutting \$7 in expenditures for every \$1 of increase in revenue. The Minister of Finance, in his very craftily worded budget and his very careful buildup to the budget with a huge public relations exercise and a communications exercise and releasing information to the media, talked about closing loopholes. The Minister of Finance talked about fairness, but I was very sceptical that they were going to do it at all. I think my scepticism was worn out because they only put a minor tap on loopholes and corporations compared to the huge tap that they put on all Canadians to take more revenue out of our pockets in terms of things like the gasoline tax increase.

This was really of no surprise. The last time that the Liberal government took a serious look at closing loopholes was in 1981 when the



federal Minister of Finance was the Honourable Allan MacEachen, and he actually did close a lot of loopholes and did increase corporate taxes in the 1981 budget. What was the result? Well, the result was that the business community and the lawyers and the tax accountants attacked Ottawa and their federal members of Parliament and said you cannot do this, this is outrageous, and the hue and cry was so great that of course they withdrew all those parts of their budget.

Now, Mr. Chretien was in that cabinet, and Mr. Martin has been around for a long time, and they remember--1981 is not that long ago. So of course they were not going to do what Mr. MacEachen did and was forced to withdraw. They built on that experience and they did not seriously tackle corporate tax revenue, but they did increase taxes for working people and average families by levying a 1.5-cent-per-litre increase in gas taxes.

By contrast, high-income earners and businesses had extremely modest tax increases of \$440 million this year and \$700 million next year, and revenue potential was lost by not imposing a minimum corporate tax which they have in the United States. You know the Conservative members here, and Conservative members in Ottawa, what few remain, are constantly saying, we have to have a level playing field, and that includes taxes. But, if they really wanted a level playing field, they could bring in a corporate minimum tax, which the United States has and Canada does not have, and also taxes on inheritances and closing major tax loopholes. They took a look at it, but they really did almost nothing in that regard.

(Mr. Bob Rose, Acting Speaker, in the Chair)

\* (1620)

This federal government was elected partly on a platform of promising to protect social programs. Actually, they were elected on a lot of promises. They promised to remove the GST, but we have not heard anything from the federal

Liberal government about removing the GST. They promised to increase immigration levels. They promised to increase the family reunification class. They promised to renegotiate NAFTA. They promised 150,000 child care spaces, and so far they have broken all of those promises.

They promised to protect and enhance social programs and medicare, but a year and a few months after they were elected, what do we have the Prime Minister saying publicly on CBC Radio? The Prime Minister says that the federal role in medicare was originally intended to be temporary and transitional, and that the intention in medicare was to protect Canadians against catastrophic illnesses and costs, not to secure wellness and necessary health care for all, in contrast to what medicare was originally intended and still is in place to do, which is to provide universal and comprehensive health care coverage. Now the Prime Minister is changing all that and saying that medicare is really only there to cover catastrophic illnesses. That is a major change in philosophy. It is also reflected in the budget decisions whereby there will be cuts to the provinces for medical care, which is going to hurt all of Manitobans.

Another area of promise was by the Honourable Lloyd Axworthy, a former member of this Legislature, to have a social security review. The purpose was allegedly to modernize Canada's social programs. He said in the House of Commons in January of last year that this was not about hacking and slashing, but what has happened since then? Well, the headlines tell it all. For example, *The Globe and Mail*, on January 31, 1995, says: "Social reforms take back seat." So Mr. Axworthy's social reforms really took a back seat to Mr. MacEachen--sorry, Mr. Turner. No, wrong Finance ministers. How could I forget? To Paul Martin.

Another interesting headline in *The Globe and Mail*, this time February 15, says "Why a left-winger skated offside?"--with a picture of Mr. Axworthy. Well, he skated offside because

he knew that social security reform was in real trouble, and finally he had to admit it because on March 1 the headline in *The Globe and Mail* says: "'Lot of programs' will be ditched, Axworthy vows. The Human Resources Minister wants to get department out of 'the alphabet soup' of unresponsive schemes." So we know that the cuts are coming.

What actually happened? Was there any social security reform? Was there any modernization of social programs? Well, of course not. Instead, what we have, as the Minister of Family Services (Mrs. Mitchelson) referred to, is the Canada Social Transfer whereby the money is put into a common pot and it is sent to the provinces with almost no conditions.

It is very interesting that the federal minister has been saying that, when it comes to welfare, there will be a condition, and that is that there will not be a residency requirement in the provinces. Well, that is only one of many, many conditions in the Canada Assistance Plan now, which says that Canadians are entitled to assistance for food, shelter and clothing. There are many other requirements of the provinces in order to get 50-50 cost-sharing under the Canada Assistance Plan. All of that is going to be gone. Starting next year and the year after the cuts only get bigger. That has serious implications for the province of Manitoba because of the large amounts of money that we will be losing.

The social changes are only step one. The next phase is to look at seniors benefits. Many seniors are very concerned about that, and they should be.

I would like now to go to the comments of our Leader and our amendments to the budget speech, which first of all talks about this government's failure to protect our vital health services. We know that since 1988 there have been cuts to health services in Manitoba. One of the most controversial ones is in the area of continuing care or home care.

This government has a different philosophy than this party, which is understandable. One of the first cuts in home care was to take out the house cleaning services. They can argue, you can argue that people should pay for their own house cleaning, and if people have the ability to pay, it is a reasonable argument to make, with the exception that it does not take into account human nature.

I had the experience of having power of attorney for two seniors. I suggest that I know more about human nature than people on the opposite side, having studied this.

**An Honourable Member:** . . . moral dilemma.

**Mr. Martindale:** Yes, some of those are moral dilemmas.

My personal experience with my neighbours was that even though they had lots of money in the bank they would not pay to provide services for themselves that they should.

I think I have used the example before of my neighbour who was admitted to Misericordia Hospital suffering from malnutrition. She was there for three months and gained 17 pounds. When she was discharged from hospital I helped the social work staff to provide a discharge plan for her whereby we spent some money cleaning her house so that home care would provide staff and cook meals for her.

Yes, she was elderly and she did go back to the hospital again, but she never went back for extended periods of time. The cost of having her in the hospital would easily be \$600 or \$700 a day, perhaps more. The cost of home care pales in comparison with having a home care worker who might be paid \$8 or \$9 an hour in her home for two hours a day and providing a hot meal for her at noon and making another meal that was put in the fridge for her to heat up for supper.

Even though some of these individuals may be able to pay for providing these services, it is

still cost-effective for the government to provide these services through home care or continuing care because it definitely saves money in the long run by keeping people healthy, by keeping them in their own homes and keeping them out of very expensive health care institutions, namely hospitals.

We have condemned the provincial government for their education policy which has set up confrontation in our education system. I think the public are well aware of this, because this government has taken out ads criticizing teachers. The teachers have retaliated in kind by taking out ads condemning the provincial government.

I do not think that is any way to run an education system. I think if we are going to make improvements in the education system, which all of us want, that we need a partnership. We need the co-operation of teachers co-operating with the provincial Department of Education and with students and with trustees and with parents. I think all of those five groups should be considered partners together in drafting education policy and making progressive changes.

I think a lot of the changes of this government are really show-and-tell and do not have any substance to them. They are going to make advisory councils compulsory. I think in most schools there is already either a parent council or a home-and-school association or some equivalent that are already providing advice to schools. Making that compulsory and saying that teachers cannot be part of it and giving the minister the power to dissolve those advisory councils is quite silly. I do not think it makes any sense to eliminate or to not allow the participation of teachers on parent advisory councils when teachers are obviously a very important part of our education system.

We have also condemned the sorry record of this government when it comes to job creation. We know that there have been many job creation

programs that this government has eliminated, and we are disappointed that they have done that because some of them have been very good programs. One would be the ACCESS program which has helped many students.

I have had the privilege of being involved with students in ACCESS programs, for example, at the Winnipeg Education Centre. Many of them did field placements with me in the north end. It is very, very interesting to get to know these students and to work with them. At the Winnipeg Education Centre these students are enrolled in degree programs at the University of Manitoba in social work and education, and they come from aboriginal communities, from the immigrant community or people who have been living on social assistance. They are all mature students and they all have a lot of life experience.

These educational programs are really life transforming for these individuals. To go from social assistance to being a university student to graduating and having full-time employment is a wonderful experience for these individuals. It is quite interesting and even touching to listen to the stories that they tell about the effects on their children, because they say that it has had a very positive influence on their children who are attending an elementary or a secondary school themselves. I think it is just because of the role modelling; when they see their parents studying, they are encouraged to study as well. So many of them will tell you that the grades and the attendance of their own children improved greatly when they went back to school as university students.

\* (1630)

I think I have mentioned before in debate that at the social work ACCESS program in Thompson, Manitoba, almost 100 percent of their graduates have jobs. Almost all of them are in northern Manitoba. If you talk to the staff in provincial government departments, they will say that is of great benefit to the government and

to the departments and the people of the North, because they are being served by people from the North and they stay in the communities in which they are hired. They do not return back to Winnipeg, so government departments do not have to hire new people and orient them to the North and train them over and over again. They are graduating northern students who are working in the North and staying in the North. I think that is good for them, the communities they serve and for taxpayers. So we are very disappointed when we see good programs like ACCESS being cut.

This government has talked about job creation and getting people off welfare and into work. That is of great concern to people in my constituency because we have a much higher rate of unemployment in areas like Burrows and other areas in the inner city than the rest of the province. In fact, if you look at the statistics, the statistics for young people are quite a bit higher than the general unemployment rates. For example, in January 1995, the unemployment rate for both sexes was 8.5 percent, but in the 15- to 24-year-old group it is 18.9 percent, and for women in the 15- to 24-year-old group it is 10.5 percent—considerably higher than the provincial averages.

So we have many people who are unemployed and they do not want to be unemployed. I think that is where we disagree with this government, that they want to be working. All you have to do is look at some of the examples in the national media about people applying for job openings. For example, when General Motors had an opening for 700 employees, 20,000 people showed up to apply for those jobs.

We know there is a great correlation between poverty and unemployment. We have a very high rate of poverty in Manitoba. We have one of the highest rates of poverty in Canada and close to the highest rate of child poverty in Canada and, yet, what is happening? Income disparity is increasing in this province. In 1985,

the top 20 percent of earners earned 15.5 times the income of the bottom 20 percent. In 1992, the top 20 percent earned 23.5 times what the bottom 20 percent earned. The gap between the rich and the poor is getting greater in Manitoba.

It is very unfortunate that this government and its lottery budget is getting so much of its income from lotteries, which has a very adverse effect on people who cannot afford to be gambling. I have heard some very sad stories about this. I had somebody who phoned me at the Legislature and said we want the government to get rid of all forms of gambling. He said he lost \$30,000 last year. I think all of us know of very sad stories in our constituencies about people who are either pathological gamblers or problem gamblers who are addicted to VLTs or some other kind of gambling.

Probably the saddest story I heard was from the owner of Grandpa's restaurant in Burrows constituency who said that he has children going to his restaurant and at supper time they are there in the restaurant and they do not have any money and he says, where are your parents? What are they doing? Well, they are at the bingo palace on McPhillips Street spending their money on VLTs or other forms of gambling. So what are they eating? Is there any food in the house? No, there is no food in the house. Are the parents at home? No, the parents are not at home. Where is your mother? She is at the bingo palace. What does he do? He gives them french fries to fill their stomachs. We know there is absolutely no nutritional value in french fries, but he cannot stand to send these children home hungry with empty stomachs so he is giving them a little bit to make them feel a little bit better. It is just regrettable that there are so many opportunities for people who cannot afford to be gambling to spend their money in this way.

I would like to conclude, Mr. Acting Speaker, by talking about some of the solutions that we have proposed and which other people have proposed to getting people back to work. It is a very important issue for my constituents and for

all Manitobans and for all taxpayers. You know, when I go door to door, as other people do, I get an earful about people on welfare. I say I think that people would rather be working than staying at home, and I think that taxpayers would rather pay people to work than to pay them to stay at home and do nothing. I have not met anybody who disagreed with that yet.

In spite of that, instead of having imaginative job creation programs, this government has expanded its community home services which in the city of Winnipeg pays \$4 an hour, allegedly a training program so they do not even pay minimum wage, and, yes, it does help a few hundred people, but it is not getting people back to full-time, well-paying jobs. Of course, part of the problem is that the minimum wage is so low that it pays many—it does not pay people but people get a higher level of income on social assistance than they do working for minimum wage.

You can hardly blame people for staying home and collecting social assistance than working for less money. I know that people should be better off and their pride and self-esteem would probably be better off if they were working, but there certainly is no incentive. The government actually could make changes to the work incentive program in the Canada Assistance Plan in the remaining year that it is in force, but I think the federal government just wants to get rid of the Canada Assistance Plan so the opportunity probably is not there.

I would like to refer to a report called Working which was published by the City of Winnipeg. It refers to the infrastructure renewal demonstration project. It has two very interesting recommendations.

It recommends that the responsible authority should make every effort to ensure that the Canada Assistance Plan dollars fund large scale employment programs such as infrastructure renewal rather than simply being used to sustain people on social assistance. We have a plan to

do that in our platform. We are going to tell people that we want to use the money that in the past has been used for social assistance to get people working again.

The second recommendation is that there be a major employment program directed at the renovation or replacement of the aging housing stock in the core area of Winnipeg. That would certainly benefit my constituents in Burrows and people in places like Broadway and Wolseley and Point Douglas amongst other places. This is an opportunity that governments have to spend money on renovating housing stock instead of paying it out in social assistance.

The retiring head of social services for the City of Winnipeg, Mr. Russ Simmons, says that we need to get people back to work and if we do not the consequence is social unrest. I think we should take that warning very seriously and read his recommendations and try to implement them.

My final concluding remark, Mr. Acting Speaker, will be that we are very disappointed with this phoney lotteries budget. The government has tried to get out their message about the deficit reduction, the elimination of the deficit, a balanced budget. It is not working. When I go door to door people talk about the gambling budget, the phoney budget, the pre-election budget. It is our message that is getting out, not the government's message.

People are looking forward to getting rid of this government at the first opportunity. I would encourage them to call an election and let us implement policies that will get people back to work and protect Manitoba's health care and stand up to the federal Liberal government and all their cutbacks. Thank you.

**Hon. Glen Cummings (Minister of Environment):** Mr. Acting Speaker, I am glad I was listening for the last few sentences of the previous speaker. Those are certainly fighting words when he says that he thinks he can go out and complain about a balanced budget and carry

that message to the people of this province and expect them to be enthusiastically receiving his message.

He wants to put this province further into debt. That is what he is saying. He wants to go out there and say, we will spend our way back into prosperity. He has no choice. That is what he is implying. He may be a good salesman if he wants to go out there and say, well, look, you do not believe that this is really a balanced budget. I am sure that is what he says when he goes to the door. On the other hand, if he were to give them the facts when he is at the door, he might find that he would get his tail whipped as he is heading down the walkway.

(Mr. Speaker in the Chair)

\* (1640)

The fact is that after eight budgets the work and the leadership and the commitment that it takes to bring this province finally into a position of a balanced budget is one that the majority of Manitobans have been waiting for. I can tell you that a vast majority of Manitobans were probably saying, if this budget does not come pretty close to being balanced this time we are going to be in significant difficulties as we move forward into the new economic climes that we face in this province, in this country.

The member for Burrows (Mr. Martindale), I give him his due. He started off by saying that he wanted to look at the larger picture, Mr. Speaker. Well, absolutely, let us look at the larger picture. That is what has been missing in previous administrations in this province. They forgot about looking at the larger picture. They thought they could tax and spend their way into positions of authority in government and stay that way and continue to pull wool over the eyes of the people in this province.

I have a great deal of sympathy and empathy for the position that he talks about, of some families that are in stress and some children who

are struggling in our society today. But if he thinks that we can tax and spend our way into the protection of those young folks, then he has forgotten that one of the greatest atrocities has been perpetrated against the people, and particularly the young people, in this province is the horrendous debt, given the ability of this province to pay, the tremendous debt that has been saddled--it is a debt that is an atrocity against the youth of this province.

We have a teacher in the audience here who should be going back and talking to the students in his classroom and talking about one of the best benefits that he can vote for in this Legislature, to bring a balanced budget to this province so that the students who are graduating under his tutelage will start to realize some of the benefits from not having to pay the interest on the debt that this province has accumulated over the years.

Sometimes the only way to bring this down to a level where we can discuss it plainly and put it in language that we can easily assimilate is related to the fact of my own personal horror story about one of the things that we were able to discover when we came into government. It has to do with the debt of this province. Every business, every family, probably, at some time during their life, has a tendency to accumulate some debt, but they have to do it with the full knowledge of where it may lead them and what the problems are that are associated with that.

When this province, under the previous administration, was going abroad to borrow dollars, then you have to remember very quickly that we are not in a small world any more. We are part of the global village. Certainly, financially, we are part of the global financial picture. That is the reality the federal government is reacting to right now.

The issue that always strikes me is one that we found out very early on in our mandate, and that was that when we discovered that there was a debt in this province that had been

accumulated against the Japanese currency, and then the value of our dollar and the American dollar started to move against the Japanese currency, all of a sudden this province found itself in a position of having inherited a debt that was going to cost them about 28 percent to get out of. A \$4-billion budget, and it was costing effectively 28 percent when you include the exchange and the interest rate that was going with that exchange.

That is an atrocity against the future of our young people. That is an atrocity against my sons and daughters who want to get out and be able to make their own way in this province.

It has been our job and our goal for the last eight budgets to make sure that we develop a climate in this province so that we are in fact the best place to invest, work, raise a family.

There is not one member in this Legislature that would not agree that those are laudable objectives, but we disagree on how we get there. It is certainly my intention to defend what we have done and defend it to the electorate, the fact that we are now much better positioned to take advantage of the economic opportunities that face us and at the same time provide the education and the services to those who may not be able to fend for themselves as easily as the rest of us can.

Those are the basic tenets of what is required of responsible government. You have to position your community so that you can take advantage of, not only the opportunity in the outskirts of Neepawa or in the heart of Winnipeg, but take advantage of the economic opportunity in Canada and the north-south economic opportunities that we are being faced with today. It is our role as a government to make sure that we facilitate those who are creating jobs and are willing to go out there and fight for those jobs and bring the economic activity back here.

I see some of the members opposite sort of shaking their heads. Well, I guess there is a second part to what is considered to be good government, and it is one which goes back to political stances that are from time to time taken by those who practise the art of politics in this country and in this province. When I talk about the atrocities that we have performed against our economy and against our taxpayers in terms of how we have budgeted, there is one other atrocity that all of us need to be held responsible for, and that is, you talk to the public about what their level of trust and understanding of the political system is today.

Do you know why they hold politicians, in many cases, in such poor regard? Because they go out and promise them everything under the moon and then they do not deliver until it comes time where they go back to the people and they have all sorts of reasons for not being able to deliver. I stand here as part of a government that has taken every opportunity to stand behind the direction that we pointed early on in the mandate of this government, in the first mandate of this government, and after eight budgets we have been able to produce a consistency and a predictability as to where we intend the economics of this province to be taken.

I know that a few years ago I offended some members in this Chamber when I said that one of the greater--and I did not use the word "atrocity" then--but I said, one of the greater crimes against some of the poorest people in this province, and particularly our aboriginal friends, one of the greatest crimes against them was to go to them and tell them that they were going to be given the world in a handbasket and then not delivering.

How many times have they had their hopes and aspirations crushed by people who promised them things that they could not deliver and knew darn well they could not deliver and never intended to?

At least we deserve to face the public and tell them the reality of government in this province and in this country. The electorate understands more than most people in politics are willing to accept. The reality of where we are in the global economy today is not something that is foreign to the majority of the electorate any more. There has been a change.

If the opposition does not understand there has been a change then they are going to suffer the consequences in the polls in the upcoming election, because they have to understand that the public understands far more than most of us probably understand that they want to be put in a position of being economically sound with the future of their province and the future of their country. The sooner it is done, the better, because that is how you guarantee fairness, equity and opportunity within this country.

Mr. Speaker, a lot of people in this Chamber espouse fairness, but their idea of fairness is fairness to a particular group upon which they are appealing or want to appeal to or want to have an opportunity to speak on behalf of. What fairness really means is an opportunity to have a future to build for your family, for your children and to make sure that when you are in your retirement that you are not suffering the indignities of not being able to care for yourself. If we have debts out there that can accumulate up into the level of exceeding 20 percent of cost, we cannot afford it.

I will be parochial for a moment and look at rural Manitoba. When we now see the Crow rate changing and the impacts that will come from that, the very thing that those people want is the opportunity to compete, and the opportunity to compete will be based on their ability to keep their costs down.

One of the things that is creating some significant success in export right now, obviously, is the value of the Canadian dollar, but I think we would all expect that we do not want in the long term, or will not expect in the

long term, to see that continue forever into the future.

I look at some of the members around here who have the same as I have, a large percentage of cattlemen in their community. They have had some good years, but as soon as we see any closing of the gap between the American dollar and the Canadian dollar, it will come directly out of their pocket. Every penny of it will come out of their pocket. When you look around in the city of Winnipeg and look in the centres across the province, there is one thing that we said from Day One, and it is now demonstrably present in our communities, that we have achieved a higher level of capability, that we have positioned our province so that we have the trained personnel, we have the technical capability to do everything we can to attract national and international business to this part of the country.

\* (1650)

If the opposition does not acknowledge that Manitoba is a landlocked province except to the North, if they do not acknowledge that we have transportation costs that could bury us if we do not deal with it, if they do not acknowledge that we have to maintain our importance as a transportation and communication centre and that those are the areas in which we can build our future, then they will face the consequences when they go out to discuss this with the electorate.

If we forget that those are the real opportunities for our province, if we forget that those are the things that will create the stability for health care, education, social services, which, goodness knows, we are going to have increasing responsibility for given the attitude of the present federal government, then we better, I would think, see unanimous support for a balanced budget and balanced-budget legislation in this Chamber. If that does not happen, if we have more of what we saw yesterday where we have editorials that say balanced-budget legislation is bad for Manitoba--I do not



understand how anybody can write a headline like that.

**An Honourable Member:** Well, they can if they are the franking piece of the Liberal Party.

**Mr. Cummings:** Yes, they are either writing it on behalf of the rapidly dwindling fortunes of the Liberal Party, or they are writing it completely ignoring the debt that Manitoba presently has.

**An Honourable Member:** Even Bob Rae does not believe that.

**Mr. Cummings:** Well, yes, as my colleague says, you can look across the country, it does not matter the political stripe of the government that is in office across this country, they have all had to deal with the economic realities. Frankly, one of the things that I subscribe to almost more than anything else these days is that I see the economic realities of this country overtaking Meech Lake and any number of other initiatives that have floundered over the years, because we are going to have to deal with the realities of this country, and they are being driven by economic realities.

Some of the dreams and aspirations that have held this country together and will continue to hold it together are going to be severely stressed by those economic realities. As we deal with them in a much more rapid way than might have occurred otherwise, it worries me and it concerns me that we may have activists on the other side who will be out there saying, no, no, do not worry about that. Elect us, we will put some money here and we will put some money there, and all of this will go away. Well, Mr. Speaker, it will go away, but it will come back in a way that will cripple future generations or future decades of prosperity for this province.

I had the opportunity to talk to some people in another jurisdiction where they in fact had more of a balanced-budget legislation model in place. You know, one of the things that they

really pointed to with pride was that there was predictability and there was weaknesses, I would acknowledge, in what their particular legislation did because it allowed for capital expenditures to be handled in a little bit different way. One of the things that we have been critical of and I think that needs to be recognized by this Chamber and by Manitobans, as is being recognized by people outside of our boundaries, and that is that you have to have an ability to recognize all of the debt that your taxes are required to support.

We are in a much better position today than the federal government is. I mean, is it not quite a commentary when you bring it down to household-budget language, is it not quite a commentary on our generation? And I would look at the average age in this House, and I say our generation because over the last 15 years when most of us were at the prime of our working years we have participated in the most unbridled spending spree of almost any country in the world.

When members opposite, particularly, have the unmitigated gall to stand up and talk about the destruction of quality of life in this province, I take the view that we do have one of the greatest qualities of life in this province, and one of the first and foremost ways that we will be able to protect it is to make sure that our economy is strong and vibrant in the future. It has historically been proven time and time again—and the members, I think, some of them, maybe feel a little bit uncomfortable about this in terms of facing reality—that when you are talking about urban planning and planning for the future, Mr. Speaker, one of the most unrefutable arguments is that if your economy is not strong your environment will go down the toilet. That is the reality.

So for those across the way, whether they be Liberal or New Democrat, and they want to talk about environmental protection and enhancement of environment and quality of life in this province, the first thing you have to do is

make sure your economy is under control, that you are able to manage your government spending so that at least--and control is the wrong word--so that your economy is supported by your government and facilitated, not destroyed by the debt that results from the unbridled spending that governments became accustomed to in the '70s and the '80s.

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

It has been said many times in this House, Mr. Acting Speaker--I am going to repeat it again for the edification of my colleagues across the way, because when you have 18 percent growth year over year, why did this province continue to go in debt? The same reason the federal government continued to go in debt is because they did not know how to stop the spending. They did not know how to stop the bleeding. They continued to add every program known to man and fund it out of debt. They were betting, and they were betting in the very worst sense of the word, that the economy and inflation would continue to support that type of spending.

**An Honourable Member:** Let us talk about lotteries.

**Mr. Cummings:** Well, that was the biggest lottery of all to bet on the future of this country and the future of this province that there would be continued growth driven by inflation. Goodness knows, all of us benefited, but do we not have the foresight now to see that we have come through that period, that there needs to be some responsibility attributed and that elected members should lead in that responsibility?

Stand up and lead. That is what the public of Manitoba want from their elected representatives. That is what this government is delivering with this budget, and those who would go out and say that a balanced budget is bad for this province are going to have a hard time getting their deposit back in the long run.

Mr. Acting Speaker, if ever there was a budget that appeals to the youth of this province it is probably this one, because one of the most predominant questions when we are out meeting in public groups or even when we were talking about health care and education, everybody prefaces their remarks today by saying we know that there needs to be a different way of doing things. We are not afraid of change. People are saying that.

The Leader of the Liberal Party even said it in his remarks. I mean, it has to be pretty obvious now when he has come around that far from where he was a couple of years ago when he voted against every spending initiative that this government took, when he voted against every reform that was included in our previous budgets and our throne speeches. Now they are faced with the embarrassing situation along with the New Democrats of having to stand up and say whether or not they support this approach or do they want to go back to the tax and spend.

There is a clear choice, and I am challenging both of the opposition parties to stand up and say what that choice is. It is easy to criticize, but every time you talk about how you are going to spend your way out of this, you had better tell the public where you are going to get that money. Where is it going to come from? It is not going to come from inflation. Where is it going to come from? Stand up and tell the public. Be honest with them. Do not besmirch my reputation and everybody else's by misleading the public. Tell them where the money is coming from.

If I sound a little impassioned it is because I am. It is time that the politicians were held as accountable as they should be regarding their actions over the course of the years. When we conveniently forget to acknowledge that we are part of a global, not only national, but global economy in which we have to position ourselves as a province and as citizens in a competitive world--we can say that competitiveness is bad for the social fabric of our province. I have had

people in this House say that. We can say that it is bad to be competitive and it destroys the sense of community, it destroys people's willingness to get along, but if we cannot be competitive in the global sense at the same time as we are maintaining the supports within our province to make this one of the most desirable places to live, then we are failing the electorate.

\* (1700)

I was at a public meeting in McCreary and the questions were about health care, one of the most sensitive topics in a small community that has a small hospital. You know what? One person stood up and asked a question and said, well, if there are budgetary problems now, who is responsible for spending the money? Why is there a debt today? If you are not solely responsible, why is there a debt problem in this province and in this country?

You know what? When they looked around and they began to discuss among themselves what they had done with their own economic management within their family, it really becomes a pretty simple equation.

There were an awful lot of families who made decisions on business, on farms, on their own personal employment futures about whether or not they would accept debt, whether or not they would borrow with the risk that they would have a job or that there would be a certain price for their product or whether or not there would be support payments or any other type of protection, insurance for the future of their personal aspirations.

You know, when they began to realize, and they looked across some of the decisions that have been made in other parts of this country around health care, when they looked into other jurisdictions where the hospitals were closed, where the beds were eliminated not necessarily with the full ability to replace the services by other means, all of a sudden they began to say, yes, Manitoba is doing it right.

At least there is a realization and a discussion with the public as to where they will take the reform and the realization that reform does not mean what the opposition is trying to say it means. Reform means a better way of doing things, a more efficient way of maintaining services at a very high level while doing that.

A significant leader in education in rural Manitoba said just a few days ago to me during a discussion, you know, not afraid of change. The education community in fact should always be prepared to change because if ever there is a community that is challenged to lead in our communities it is the education community, and by and large they do.

We have some marvellous administrators and teachers out there, and those people are saying that they appreciate the opportunity to move forward, to meet the challenge that is being faced out there. They are not saying, pay me more. They are not saying, pour my money into the system. They are saying, let us make sure that the changes move progressively forward in a way that we can manage them for the benefit of our students.

That is the issue, and that is the issue the opposition is going to have to start talking about. They have got to start looking at whether or not there is real opportunity being presented in education, health and social services to do things better for the benefit of our community within our fiscal capabilities.

They will find the public understands that a lot better than they think. They will find that the public wants that direction to be pursued and pursued vigorously because we cannot afford to borrow our way out of the particular situation that we find ourselves in today.

Mr. Acting Speaker, when I talked earlier about the fact that it has always been our goal and our desire to make sure that Manitoba is the best place to invest and live and raise a family, that has to be done also with one eye on whether

or not we are fleecing the pockets of our public at the same time as we are patting ourselves on the back about providing some leadership, because if the cost of living, the cost of doing business, the cost of managing change in this province is not controlled, then we are going to lose all the benefits that we are attempting to accrue to the population of this province.

Let me touch on a couple of things that are within my own area of responsibility. First of all, let us look at rural Manitoba. I cannot believe the opposition, both opposition parties in this House standing up and being critical without enough background about what it really means to operate a PMU operation in this province. How many of them understand the mentality and the thinking of the PMU operators? If they do not have healthy animals, they do not have a business. That is plain and simple.

At the same time, one of the groups that they are lining themselves up with--a PMU operator in my area phoned in to talk to the organization in question, PETA for short, and said, look, I would not even think of creating an unhealthy climate for my horses. I would not even think of it. Can you not take a reasonable approach to this? If you know where there are bad operators, give us their names. We will kick them out ourselves. You know what the response was?

What really hurts in rural Manitoba is that the political opposition in this province has not realized--and I include both the Liberal and NDP opposition. They have not realized that there are hidden agendas in this movement that care not about the economic future within this province.

The fact is that when they look at the answer that came back out of that person manning that office, it was kiss your business good-bye. He said we ruined the PMU in Ontario, and we are going to ruin you. That is the attitude. That is the attitude that we all have to stand up and be accountable for. I am darn proud to be on this side of the House, because that is the kind of unbridled ambition, if you will, that is working

away, festering away at some very good economic opportunities out there.

Look at the management of the hog operations in this province. If there is any one opportunity it is in livestock as Manitoba starts to change its economic face as it deals with transportation costs.

I will tell you, the spectrum of argument from the NDP's my head is buried in the sand attitude, and what are we going to do to protect the Crow rate even though we know it is gone, to the other end of the spectrum where when the previous administration was in Ottawa the argument was how do you split up \$7 billion or \$8 billion, to where the attitude today is here is \$1.6 billion and figure out how you are going to deal with it, guys. I mean, what a change we have seen in the last couple of years, all of it economic, but most of it so aggravating because it has not been clearly and forthrightly faced by the politicians of the day. All of a sudden when they have their nose against the economic glass, to use the hockey rink metaphor, when they have their nose against the glass, now all of a sudden they have seen the light. There must be changes, and they are bowing to the international pressures like it was a newfound god.

Where were they when they were running for office in this country? They misled the people of this country, Mr. Acting Speaker.

Let me say, if they did not mislead them, then they certainly were naive, because they must have known what was coming down the pipe because I certainly do not see myself as a great predictor of the future and even little old me could see what was coming. I mean, sooner or later somebody has to deal with the economic realities. [interjection]

\* (1710)

Well, the member references Autopac. You know, that is an item that is going so well I had

almost forgotten to include it in my discussion. There are the authors over there of a 20 percent increase in Autopac.

We now have seen stable rates in this province, zero or lower for the last two years, stable for the two years prior to that, and we now have the odd snide remark from across the way. But the fact is when we talk about positioning this province--[interjection]

You know, the Liberals have been strangely quiet since there has not been a flood of appeals to Autopac. As I recall Question Period shortly after we introduced no-fault, I think the--I would have to paraphrase a little bit. I cannot exactly remember the words, but it seems to me that the Liberal Leader indicated pretty clearly he was going to wrestle this demon to the ground and that he would return the tort system to settlements within this province. I will be interested to see what is on the campaign material. I will be very interested to see. Are we going to do away with no-fault? Are they going to go back to their old position, stand up and be counted? They are going to do away with no-fault. Are they?

(Mr. Speaker in the Chair)

**An Honourable Member:** That is the hidden agenda of the Liberals.

**Mr. Cummings:** I am not sure if it is hidden. I am challenging them to stand up and be counted. You must know what your position is going to be. Do you want to hide under the blankets until you think you can avoid the scrutiny of the voters of this province? One appeal to the major appeal board since no-fault came in. It has been in place for a full year now, one appeal.

That requires that there be some serious evaluation of the program in light of what is occurring across the country, Mr. Speaker. Saskatchewan has been following rapidly along behind. B.C. is in active contact with this province to talk about the success of the

program. Ontario saw increases up to 17 and 18 percent this year because they did not bring in a complete no-fault. They brought in a half-hearted no-fault program that still leaves them the exposure on the other end, and the private companies are simply being hosed but in a different way.

So I suggest it is about time that the Liberal Party in Manitoba stood up and counted themselves on which side of the issue they want to be. I certainly do not think it will be the expression that they made a year ago or 18 months ago. I am almost positive it will not be that position.

**An Honourable Member:** They will be on both sides of the issue.

**Mr. Cummings:** Well, it will be a typical Liberal reaction. There will probably be a little AC/DC.

Manitoba has to be positioned to take advantage of its location in North America. There are arguments that I made a few minutes ago about the concerns that one has to have being located in the centre of the continent. There are advantages to that. Manitoba also has tremendous advantages in other areas which we have had some trouble convincing the two opposition parties that they were indeed advantages.

Look at the discussion about Louisiana-Pacific. What about Repap? What both parties have basically said by taking a dog-in-the-manger attitude toward these two developments in forestry, they have said, we do not want forestry. No. Stay away. Do not let anybody cut into our forests. Look at Abitibi-Price and the management-employee buy-out that we see there now and the success that is already starting to reap.

But when we talk about taking advantages of our opportunities, we have spent literally millions of dollars making sure that the

environmental assessments are done and done right, that the management plans that are put in place for these organizations are substantiated by facts so that they can preserve the future of the areas in which they are harvested.

Mr. Speaker, couple that with the unbridled criticism that we see from across the way regarding establishment of livestock operations, combine that with the significant and ongoing concerns that we continue to have expressed from the opposition when we get into the communications debate, when are they going to stand up and support some of the opportunities for this province? Every opportunity that has come forward and which we are seeking to take advantage of, they have sat back and managed to portray themselves as the nay sayers of opportunity in this province.

They will pay when they go out to the electorate, and they cannot defend their position in not being in support of the initiatives that have been taken on behalf of the people in this province. We are a province that relies heavily on its natural resources. Look at the tremendous success that is now coming to this province through the mining industry.

The mining industry is starting to look at this province as a model of development and opportunity. The critics always, of course, like to turn this the other way. They always like to say, well, this is pandering to the large companies. The guy out there staking and trapping across the North and looking for further opportunities up there, he does not necessarily represent any big company. He is out there with his own dream and his own possibilities out in front of him, his own personal goals and aspirations for where he might hit that big find.

That is the kind of thing, I think, that New Democrats and Liberals have far too often forgot, and they are again going to pay at the polls for it, because this is now a province that has an opportunity where individuals, private business, large or small, can come here and feel

confident that they can spend their dollars without us having our hands in their pocket at every turn of the way.

When they make profits, they will return a share of those profits to this province for the benefit of our society, for the benefit of those who perhaps cannot fend for themselves, or for the health care, or for educational opportunities, but they will be treated fairly.

Fairness and opportunity is what the future of this province is about, and if the opposition continues to stand back and not support an opportunity to present a balanced budget--and they seem to be doing everything they can to prevent it, with their rhetoric and their debate--this is something that they are going to have to defend. If they do not support balanced budgets, then that means that they support going further in debt.

Do they? Well, I see a couple of negative responses. If you do not want to go further in debt, then stand up and support balanced budgets, because this is the first balanced budget in this country that truly allocates and reflects the anticipated costs to the government of the province.

If we are not prepared as an Assembly, then we will go to the people with a debate that will clearly define whether or not those members of this House want to go further in debt or whether the government will have an opportunity to continue to balance the books in this province and provide opportunity for the young people and for those who need help in this province.

If we are not prepared to debate that in a more principled manner than we have seen up to this point in the debate on the budget, then, Mr. Speaker, I suggest that the options are certainly narrowing for the electorate as we go forward whenever that election might be in front of us.

I am going to close on one issue that is actually a fair bit away from what has been the

main body of what I have said the last few minutes. I want to remark in closing about the fact that I just met, in the last short while, with representatives of the daycare community. You know, after their concerns were raised, they acknowledged and they said very clearly, this jurisdiction has done more than any other to support day care.

\* (1720)

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

**Ms. Becky Barrett (Wellington):** Mr. Speaker, whoever said decorum in the House was dead certainly did not know what they were talking about.

I want to talk about some of the themes in the Budget Address, the budget that was presented to us last Thursday. I want to talk about, No. 1, the theme of the balanced budget which has been the subject of much of the discussion here today and prior discussions.

The budget has been balanced, as one gentleman commented on the radio after the Budget Address--and he was a chartered accountant who was not representing any particular group but himself.

He said he thought that the concept of a balanced budget was not a bad idea--that is all well and good--but he said that this budget should be balanced the same way--and these are my words--that Roger Maris's record number of home runs in 1961 was listed in the record books, and that is with an asterisk beside it because--

**An Honourable Member:** Because it is the first one for 20 years--

**Ms. Barrett:** No, not because it is the first one for 20 years, Mr. Speaker, but because it is based on a fallacy, and the fallacy is that it is balanced, not through prudent planning and through

prudent looking at expenditures and revenue, but as the member for Thompson (Mr. Ashton) has just stated, it is balanced on one loonie at a time, it is balanced solely and completely out of lottery revenues.

Three hundred and forty-eight million dollars in this budget comes directly from lottery revenues, and that is how this government is able to balance the budget with a supposed surplus of \$48 million.

While the government was establishing a \$145-million slush fund out of the lottery revenue, while the government over the past several years has established that amount of money waiting for this budget, I have no doubt, hospitals were being cut back, nurses were being laid off, schools were being forced to cut programs, property taxes were being forced to be raised by municipalities and the City of Winnipeg, and because--[interjection] Why? Because this government chose to put money from the Lotteries into a slush fund so that they could, in their pre-election budget, balance the budget.

Mr. Speaker, since the 1990-91 budget the gaming revenue in this province has increased by \$160 million. This represents about one-half or 50 percent of the total increase in provincial revenue since 1990-91. This is half of the revenue increase. It speaks volumes to the total lack of an economic strategy on the part of this government, their total inability to create jobs, to create long-term permanent good-paying jobs.

Manitoba has more video lottery terminals per capital than any province in the country. At the same time that it is tripling its revenue from gambling, it has cut funding from training programs like ACCESS. It has virtually wiped out New Careers and student social assistance. Health care has been cut in the areas of home care, hospitals and personal care homes, and schools and universities have seen their funding cut by 2 percent and 2.6 percent over the last few years.

If this budget actually sees the light of day and is implemented, which I think highly doubtful, and a balance is achieved, it will come at a cost to our health care, our education and our training programs.

The second theme of this Budget Debate has been no new taxes. This has been a theme that has been played out individually and collectively by the government since it was first elected eight years ago, seven years ago.

Yes, there have been no new sales tax, provincial income tax or corporate tax increases. Technically, the statement, we have not raised major taxes, is correct. However, there is an actuality that people in Manitoba understand, that this government would hope that people would not understand and that that is over the life of this government:

Families and individuals in actuality pay at least \$435 a year more in taxes than they did in 1988-89, the last year of the New Democrats in government, last year until this year.

The taxes that have been increased by at least \$435 per family, and it is probably more now, have been regressive taxes. Some of the most regressive taxation measures that a government can bring in, such as the broadening of the sales tax that happened two years ago; meals under \$6, which for low-income families is a major portion of their eating out; personal hygiene supplies are now under sales tax; nonprescription drugs; school supplies; baby expenses.

The sales tax has been broadened to cover those kinds of things which impact on middle- and lower-income families and individuals far more than it does on wealthy individuals.

The one cent fuel tax that was raised two years ago also has had a regressive impact on Manitobans, because people have to pay that tax. That is not a discretionary tax in most cases. One thing that has hurt most, particularly seniors, is the \$75 loss on the tax credit.

These are all taxes that the government has raised or have caused to be raised. These are all taxes that hit low- and middle-income families more than they do upper income families.

However, on the other hand, Mr. Speaker, other groups in the province have felt some relief from taxation by this government. Since the Filmon government has come to power, in the 1988-89 budget they have cut payroll taxes, gasoline taxes, manufacturing taxes and have added manufacturing tax credits, research and development tax credits, sales tax credits, mining exploration incentives, small business holidays and small business income tax credits. All of these cuts and credits have taken away from the revenue of the Province of Manitoba by hundreds of millions of dollars. The annual cost of these tax giveaways to corporations was, in 1993 and '94, \$104.4 million. So, while an individual family pays at least \$435 more in regressive tax measures put on by this provincial government, corporations get a tax break of at least \$104 million every year. That does not seem fair.

Job creation--government talks about job creation and how wonderfully they are doing in creating jobs. They trot out statistics to prove their point. In fact, Mr. Speaker, according to the StatsCan February labour force survey, there are 3,000 fewer people working today than there were in August of 1990 when the Premier called the election.

The Conservative job creation record as a whole has seen only a .06 percent increase in employment since 1988, .06 percent, just over half a percent of job creation in this province since 1988.

Contrast that to the years that the New Democrats were in government, years that saw us go through an enormously destructive and very steep recession. When the New Democrats were in power from 1981 to 1988, there was a 9.3 percent increase in job creation over those years as compared to half a percent under the



Tory years. I believe it was the Minister of Family Services (Mrs. Mitchelson) who stated earlier in her speech, the best social program is a job. I could not agree with her more, but I would suggest that her government's record speaks volumes, that this government may pay lip service to job creation but in fact it has done nothing.

In order to create jobs, you need a vibrant, growing economy. Statistics Canada has stated that Manitoba has finished last in the country in terms of gross domestic product growth in two of the last four years. In other words, our record as a province is dead last in the ability to create an environment for economic growth.

How is our population growth doing? Manitoba is a province that has a small population base, and it is a province that needs to maintain that base and increase it, if at all possible, in order to create jobs, services and an economic climate. From 1988 when the Tories came into government to 1994, this last year, Manitoba's population expanded by only 2.4 percent. Compare that to the New Democrat years with a growth of almost 5 percent in population growth. So double. The New Democrats saw a doubling of the population growth that the Tories have had under their regime.

I would like to suggest that not only have Manitobans been leaving this province, as is evidenced by the low population percentage growth, but people are not coming to the province, Mr. Speaker. One of the main reasons they are not coming to the province is our immigration policy.

While it is a federal-based policy, the provincial government, to my way of thinking, has not been doing enough to ensure that Manitoba is seen as a positive place for people to come.

I would suggest that the provincial government has done very little, if anything, to

try and counteract or get the federal government to retreat on its incredibly negative, nasty, narrow-minded immigration policy that they have put in place in the last two years.

\* (1730)

Mr. Speaker, job creation. As I said, the Minister of Family Services (Mrs. Mitchelson) said it was very important. We agree it is very important. What has happened, I have shown that the job creation record of the New Democrats while in government was twice as good as the job creation of the provincial Conservatives while they have been in government.

Everyone agrees that education and job training is important, is vital in order to have people able to get and maintain good, steady jobs throughout their lives.

One of the programs that has been shown in Manitoba and throughout Canada to have the best record of training for not only a job but a career has been the New Careers program. It was implemented by the New Democrats. It is a training program that has been used as the basis of virtually every other training program across Canada.

What has this government done? They have cut and cut and cut and cut and now they have virtually completely eliminated a job creation and career training program that had a 92 percent success rate in placing graduates in jobs and a follow-up rate three years later of 75 percent of those people still having jobs. Every one of those people that was trained through New Careers had a job and a career that they most likely would not have had had New Careers not been in place.

Virtually every aboriginal doctor and nurse and social worker that is working in the province of Manitoba today, most particularly in the northern part of this province, has been trained in whole or in part out of the New Careers

program, which this government is shamelessly and without conscience destroying. That is a job creation program? I think not.

Mr. Speaker, the other main area I would like to discuss in discussing the budget deals with the fact of a budget as a planning document. We all know and this government most particularly knows that a budget itself is a plan. It is a plan and a projection of what is going to happen both in revenue and expenditures over the next fiscal year.

No one would deny that those plans never come out exactly as forecast, because that is just not the way it works. This government most particularly knows that, because they have had an abysmal record in forecasting their budget projections over the eight budgets they have done. I see no reason, given this budget's basis in lottery revenue, for this budget to have any difference in its impact.

This budget is a really bad planning document as far as I am concerned, because it does not take into account several very important situations that have arisen and that should have been placed prominently in the planning and the implementation of this budget.

First and foremost are the federal cuts that are coming to the Province of Manitoba. The \$220 million or \$240 million that is going to be cut from our health and education and post-secondary and CAP funding.

The member for Pembina (Mr. Orchard), in his speech on Friday, had a very interesting paragraph which I would like to quote.

"Today, Lloyd Axworthy is the federal architect who has delivered to us in this budget \$220 million of reduced federal support to health and education. This is the Lloyd Axworthy who has closed Air Command. This is the Lloyd Axworthy who has closed Shilo. This is the Lloyd Axworthy who has closed the resource office at mining, the resource office in forestry.

This is the Lloyd Axworthy who has closed two-thirds of the program and the personnel at Morden research station supporting agriculture. This is the same Lloyd Axworthy who has taken all of the historic Crow benefit away from farmers in Manitoba."

Mr. Speaker, the reason I am quoting the member for Pembina is that he recognizes in his speech dealing with the budget the impact of the federal cuts.

### Point of Order

**Hon. Donald Orchard (Minister of Energy and Mines):** Mr. Speaker, on a point of order, in reading that fine, eloquent dissertation from last Friday, I want the record to show that I erred in saying that Lloyd Axworthy closed Shilo. All he did was preside over some 180 layoffs at that facility.

**Mr. Speaker:** As the honourable minister is quite aware, he did not have a point of order. That was actually a clarification of the records.

\* \* \*

**Ms. Barrett:** Mr. Speaker, it is estimated to be 185 jobs at Shilo.

My point is that the member for Pembina reflects, in his speech in discussing the budget, the impact that these cuts are going to have on the province of Manitoba. Obviously the Minister of Finance (Mr. Stefanson) did not discuss the budget with the member for Pembina beforehand, because there is nothing in this speech except one little line in the budget as presented that talks about or reflects the impact that these federal cuts are going to have on the province of Manitoba. This is why this is an irresponsible document.

We have debated seven documents, seven budgets, before in my time since I have been elected in the Legislature. I have had major concerns with every single one of them, but this

is the most cynical and debased and almost, one could say, evil budget that this government has brought forward, because it is based on false premises. It is giving a message to the people of Manitoba that is not based on reality. The Minister of Finance knows it, and if he does not know it, then the member for Pembina is right now explaining the situation to him.

Mr. Speaker, the federal government changes in their transfer payments, the changes and the massive reductions that are going to take place over the next three years--and Mr. Martin, the federal Finance minister, and the Prime Minister of the country have said they are not finished yet, we have not heard the last. Heaven only knows what the medicare is going to look like if the Prime Minister has his way in saying that medicare should be nothing except for catastrophic illness. I find that a most horrifying statement brought forward by the Prime Minister of the country.

However, we have examples of the impact that the federal transfers and the federal cuts are going to have in health care, education, welfare, in jobs. I could go on and on, Mr. Speaker. I am not going to, because others will speak to these issues. I am just saying that it was a very irresponsible thing for the Minister of Finance (Mr. Stefanson) to do and the government to do, to bring in a budget that does not reflect the actual realities that the people of Manitoba will be faced with in the next three years.

Mr. Speaker, the only reason I can think of why this government brought in a budget that does not reflect the realities of even today, never mind 1996-97 and '97-98, is that they know they are not going to be sitting on the government benches, so they will not have to deal with the impacts of those budget cuts.

\* (1740)

Mr. Speaker, whoever does sit on the government benches after the next provincial election will have enormous problems facing

them. The people of Manitoba will have enormous challenges facing them, and this budget does not address, nor does it set a base for implementing the changes and meeting the challenges that are facing us as a result of this government's lack of ability to finance their basic requirements--this government's eight budgets, not one of which has been truly balanced, unlike the budget of 1988-89, which, in effect, as the Minister of Finance has agreed, provided the first Conservative budget with a surplus of \$58 million.

For the Minister of Environment (Mr. Cummings) to stand in his place today and say that the NDP government did not know how to deal in fiscal responsibility is very irresponsible on his part. The NDP years were nothing to the \$764 million deficit this government brought in two years ago.

Mr. Speaker, in closing, I would just like to say that this budget is a despicable piece of work, and every single member of the government benches is going to be held accountable very shortly by the people of Manitoba for the underhanded, inaccurate falsification that has taken place in presenting this budget.

I know that the people of Manitoba have seen through this government's actions in this budget and other budgets, and very shortly the people of Manitoba will be voting for a government that will take their responsibilities seriously and will deal, in a measured and effective way, not only with the challenges facing Manitoba but with the challenges facing the people of Canada, and will not be not afraid to stand up to the federal government and let it know what kind of despicable actions they have undertaken and how they have destroyed the things that have made Manitoba and the country great.

Thank you, Mr. Speaker.

**Hon. Linda McIntosh (Minister of Urban Affairs):** Mr. Speaker, I am very proud to be

able to speak in favour of this budget, the first balanced budget in over 20 years in this province, the largest budgeted surplus in Manitoba's history and the eighth consecutive budget with no increase in personal income tax.

You have heard this before; you are going to hear it again and again: no increase in personal income tax, sales tax, business tax or gasoline tax, a record unparalleled in North America, and with tax incentives for mining, manufacturing investment, aviation and first-time home buyers.

Manitobans really do enjoy a tax advantage, Mr. Speaker. There is one set of statistics that should be repeated each and every time the opposition members try to fool the public about where Manitobans really stand in relation to the rest of Canada, because after all is said and done, no one can deny that for a family of four earning \$40,000, Manitoba's income taxes after tax credits are \$425 lower today than in 1987. That is a fact. That Manitoba family of four, which was one of the highest taxed in the country in 1987, now enjoys the lowest overall personal costs and taxes in the country. It is very important that you recognize the lowest personal costs and taxes in the country, because that negates the argument that yes, their taxes are low, but all the other costs are high. Not true.

A single senior citizen with \$15,000 in income will find that Manitoba's income taxes after tax credits for them are \$297 lower today than in 1987. The situation for families and for singles and for seniors is improving in Manitoba. That is why personal disposable income per capita increased at twice the national rate and is second best in the country in 1994, with the Conference Board of Canada predicting a further \$637 per person rise in disposable personal income for 1995.

People in Manitoba are now able to keep more of their income in their pockets than they used to be able to, and that is a fact. It is not a wish. It is not a dream. It is not a fairy tale. It is a fact.

When I campaigned for Gerrie Hammond in 1988, taxes were the No. 1 issue at the doors. In 1990, they were still the No. 1 issue. People were saying in 1990, well, yes, you guys kept taxes down for two years, but you cannot possibly do it for another four years. You will break your word. Times are tough. You will end up raising taxes like politicians do all the time no matter what they say when they are at the doors. You politicians, they said, are all alike in the end. But we are not, Mr. Speaker. We are not all alike in the end, because we did keep our word. We were able to sustain that record over the next four years.

Do you know what is interesting? People now do believe us. People now believe that, when we say we are going to keep taxes down, we will in fact do that. When we say we are going to keep the overall costs down too, people do believe that because they have seen eight consecutive budgets do that for them.

That is very interesting. I tell you that if some of the people on the benches opposite came into government, taxes would immediately rise to become the No. 1 issue again, because people know about us but they are not so sure about my friends on the benches opposite. We have a credible track record on this issue. We are comfortable with the balanced budget legislation that is being put forward, because we know we can sustain this track record and at the same time continue introducing positive programs, such as the Home Renovation Program, which comes into my department's mandate.

That program has stimulated the spending of \$25 million in the construction industry and has seen the upgrading of older homes across the province. That program continues to receive over 125 phone calls a week asking for applications. Over 21,000 applications have now been mailed out. Approximately 4,000 households have already received their rebates. I note with interest, Mr. Speaker--and this should be of special interest to members opposite who

worry about the value of the homes that are being renovated--the majority of those renovated homes are homes that have been valued at under \$75,000. So we are assisting the group that we intended to target which, as Housing minister, gives me great satisfaction.

I am pleased this program will continue, as will be the hundreds of Manitobans who pleaded that this be a two-year program rather than a one-year program so that more of them could take advantage of it as they began to realize the program existed.

I say we have a credible track record on the issue of freezing taxes. My friends on the NDP benches have a track record too. We know what that track record is, and the people know what that track record is. They throw money around, or used to, like it is confetti at a wedding. They claim they would not do that any more, but their track record indicates that is what they did when they had the opportunity to do otherwise.

\* (1750)

I was always mesmerized by the fact that in six short years members in the official opposition had managed to rack up a very large portion of the debt that currently plagues us and that has plagued Manitobans since they left office.

For the record, the NDP more than doubled the provincial debt in six years. It took over a hundred years to accumulate the debt to a certain size in Manitoba. In six short years they managed to double that debt in an era when the revenues were flowing in quite freely, double-digit revenues, and they raised taxes 17 times during that period as well.

They doubled the debt. They raised taxes. They had double-digit revenue. I think they really did quite an amazing, incredible thing. That is an awesome feat. Not many people would be able to do that, but it is not a feat that we care to emulate. They have a solid track

record. It is not a track record that we care to emulate. It is not a track record that we have emulated.

So you know where we stand as citizens of Manitoba. You know where the NDP stands as citizens of Manitoba, and Paul, of course, some of Paul's friends stand for this and some of Paul's friends stand for that and Paul stands with his friends. So where he stands, nobody knows.

Policy by geography is the federal record, but then, of course, they have adopted the federal record because they have none of their own. So that does make sense, the Minister of Consumer and Corporate Affairs (Mr. Ernst) has pointed out to me. But taxes will always be important to the people of Manitoba. Manitobans are no longer walking around in a high state of anxiety over possible tax increases at the provincial level. They do not expect taxes to go up. I am not saying that they are taking the longest running tax freeze in history for granted, but I am saying, their comfort level about our money management, their comfort level that taxes will not continue to rise allows them to concentrate on other issues. If taxes start to go up, as I said, then taxes would once again be the No. 1 preoccupation of the people of Manitoba.

I think that is maybe why some of the opposition members turned a slightly ashen colour when they heard about our balanced budget legislation. When they saw and heard the penalties that were going to be inflicted upon a government that might not balance the budget, they turned a little grey, turned a little green, turned a little pale and then started to say, well, of course, they would have brought in balanced budget legislation had they had the opportunity. They recommended it in fact.

They told us ages ago, they told us a year ago, they told us months ago that we should have brought in balanced budget legislation. A lot of us know that they can talk the talk and not very many of us are sure that they can walk the walk, because the track record of one shows no

indication that they understand what we are doing here, and the other has no track record, none at all except the one that they have borrowed from their federal cousins. A Liberal is a Liberal is a Liberal.

I can tell you as a Treasury Board member that I sincerely and truly do not believe that they can walk the walk. I think the NDP might have the stamina to try. I think they would be willing to put the hours and the effort into trying.

I think they would be willing to spend months around the Treasury Board table as we did until little beads of blood appear on their foreheads trying, but I do not think they could succeed unless they change some of their basic ideology and remove some of their radical left-wing caucus members. But as for the Liberals, as I indicated, they have no track record. So they do have to borrow one, and they have chosen to borrow one, but they do not really know what it is that they are asking to borrow.

All of us on this side of the House and in the official opposition can see that the Liberals are seeking on-the-job training. They are inexperienced. They are ill prepared. They show lack of interest in their work, and they tend to be error prone. Manitobans cannot afford to have a premier and a government that needs on-the-job training or one that does not even know yet what it does not know.

Now let me give you one example of what the provincial Liberals do not know. Some months ago the Winnipeg Free Press had a great front-page headline saying that Manitobans were going to get a \$180 million windfall from the federal government--\$180 million windfall from the federal government for the provincial government. It was on the front page of the Free Press. The Leader of the third party (Mr. Edwards) started jumping up and down just like he was on a pogo stick, all excited, voice rose two octaves: Oh, goody, goody, he said; we have got \$180 million and here is how I am going to spend it. I am going to spend it, and I

am going to spend it on this, and I am going to spend it on that. He did not know what he did not know. He did not know yet the extent of what he did not know, because what we essentially said was, we will do what we are going to do with that money when we have that money in our hands because, quite frankly, we are not so sure we are ever going to set eyes on that money. Indeed, we never did.

I find it just a passing matter of interest that when the \$180 million windfall--when it was announced that it indeed was not coming to Manitoba, there was nothing on the front page in the Winnipeg Free Press to let us know that.

The provincial Liberals did not run around--the Leader of the third party did not jump up and down on his pogo stick and let his voice go up two octaves and say: Oh dear, oh dear, oh dear, we are not getting the \$180 million windfall. He said nothing.

**An Honourable Member:** No, he has since been saying, cut back, cut back. The federal government cut back.

**Mrs. McIntosh:** Oh, but he could not say cut back, cut back, cut back, because you see it is Chretien, not Mulroney. That is why. You cannot say those things. You can say those things about the walking chin, but you cannot say it about the cute guy with the grin. He did not understand that an announcement of anticipated transfer payments does not mean that transfer payments are going to come. We understood that. They did not.

The Leader of the Liberal Party had stated, incidentally, and this is a very interesting figure and I think that the lone Liberal member sitting in the House might like to hear this interesting statement and pass it on to his colleagues because they might be interested in hearing it too.

They could read Hansard tomorrow if they want to, but the member for Inkster (Mr.

Lamoureux) may wish to tell them about this figure. The Leader of the provincial Liberal Party stated that he would allocate \$144.5 million from lottery funds and projected transfer payments to the deficit, Health and Education.

Does that amount sound kind of close to another amount you have heard recently, \$144.5 million from lottery revenues and projected transfer payments? He is going to put that right on the deficit in health and education.

Given that there was no \$180-million transfer payment, given that that transfer payment subsequently shrank like spring snow under a hot sun, his commitment, if he kept it, would have had him transferring a large portion of Lotteries revenue, \$144.5 million from Lotteries revenues to keep that commitment, since the transfer payments did not come, and our special Lotteries

transfer was \$145 million. They sound fairly close.

Either the Leader of the provincial Liberal Party is a hypocrite, or as I said earlier, he is too inexperienced to know yet what he does not know. The official opposition, we know and understand their track record on spending. The Liberal Party, we are trying to discover what it is they are all about, and it is a little difficult some days, but it is a fascinating exercise trying to determine that.

**Mr. Speaker:** Order, please. The hour being 6 p.m., I am leaving the Chair with the understanding that the House will reconvene at 8 p.m., at which time the honourable Madam Minister will have approximately 25 minutes remaining.

# LEGISLATIVE ASSEMBLY OF MANITOBA

March 13, 1995

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