



Second Session - Thirty-Seventh Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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Speaker*



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

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WOWCIUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 18, 2001

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

MINISTERIAL STATEMENTS

Flood Conditions

Hon. Oscar Lathlin (Minister of Conservation): I have a statement to make to the House.

I have the latest update here. Levels of the Red River from Emerson to Morris rose one third to one half a foot since yesterday. There was little rise from St. Adolphe to the floodway inlet due to lowering of the gates of the floodway structure. The forecast for the Red River remains unchanged although some minor adjustments have been made at St. Adolphe and Ste. Agathe. Further rises should be less than two feet.

A minor closure in the Emerson-Noyes area will commence later today. It is unlikely that closures will be required in other towns or that PTH 75 will be closed. Levels of the Assiniboine River rose in the Baie St. Paul area overnight due to increased flows coming from Portage la Prairie. Flows in the lower Assiniboine are being increased as the risk of ice jamming is now minimal. The reduced flows in the Portage Diversion will help ease the pressure on Lake Manitoba which has risen from 811.9 to 112.2 feet. Outflows at Fairford Dam will be increased from 1000 to 3000 cfs tomorrow. This should be enough to keep the lake from rising above 812.4 feet.

In 1996 and 1997 the lake rose close to 813 feet. Levels of the Assiniboine River are falling from Millwood to Brandon as a result of cool weather on the Easter weekend. Rises will resume next weekend as a result of renewed melt, but serious flooding is not expected unless heavy rain develops. Streams in the Dauphin

area are falling as a result of cool weather. Much snow remains in higher ground in the Dauphin area and Swan River area. A fast melt with some rain would create some flooding. This situation will be watched very closely for the next several weeks.

The Roseau River has crested, and no further difficulties are anticipated unless heavy rain develops. The Souris River is presently cresting at levels significantly lower than in 1999. Low-lying areas are flooded from the international boundary through Hartney. Flooding from Melita to Hartney should end within a few weeks, but flooding at Coulter will last through much of May. The crest on the Pembina River is approaching La Rivière today. Minor flooding of the valley from Swan Lake to Windygates will continue for the next 10 days or so. Flooding from Rock Lake to Swan Lake will continue until mid-May based on average weather conditions. Levels of the Whitemud River at Westbourne and the Fisher River at Peguis continue to fall. Overland flooding has subsided in the St. Laurent area but continues in the Ashern area. The weather outlook is still quite favourable although some precipitation is forecast over portions of the Red River Valley from Morris to Grand Forks late Thursday to Friday. At the present time it appears that rainfall will not be heavy enough to have a significant effect on the flood situation.

Mr. Frank Pitura (Morris): Mr. Speaker, I thank the Minister of Conservation for that statement, and of course the best thing about the story that he is sharing with the Legislature is that levels are down, levels are down, levels are down, that the impact of potential flooding is minimizing each and every day. Of course, that is the good news and I think that everybody throughout the entire Red River Valley is certainly much more relaxed now with respect to any kind of potential flood threat. There are the spots along the Whitemud, in the St. Laurent area and I understand in the Ashern area that of course are trouble spots yet, but they are also

having a positive downward effect, so those threats would also be minimized.

Of course, I also would like to, with my opportunity here to respond to this statement, register the concern that we do need to move quickly on the floodproofing for the communities in the valley, to make sure those projects are finished and that those communities are protected for the future, and I think it also demonstrates too that as a province we should also be looking and investigating and working towards an overall water management policy for the province of Manitoba. So I thank the minister for his statement and the reassurance that the flood is indeed minimizing. Thank you.

* (13:35)

TABLING OF REPORTS

Mr. Speaker: I am pleased to table the 1999 Annual Report of the Provincial Ombudsman with respect to The Freedom of Information and Protection of Privacy Act and The Personal Health Information Act.

Hon. Oscar Lathlin (Minister of Conservation): I am pleased to table the 1999-2000 Annual Report of the Manitoba Round Table for Sustainable Development and the Five-year Report to the Legislature of the Ecological Reserves, April 1, '94 to March 31, '99.

INTRODUCTION OF BILLS

Bill 200—The Electoral Divisions Amendment Act

Mr. Ron Schuler (Springfield): I move, seconded by the honourable member for Beausejour, that leave be given to introduce Bill 200, The Electoral Divisions Amendment Act (Loi modifiant la Loi sur les circonscriptions électorales), and that the same be now received and read a first time.

Mr. Speaker: It has been moved by the honourable Member for Springfield (Mr. Schuler), and a correction, seconded by the honourable Member for Lac du Bonnet (Mr. Praznik), that leave be given to introduce Bill

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

Mr. Schuler: I have the privilege of representing the residents of the Springfield constituency. My constituency encompasses the R.M. of Springfield and the R.M. of East St. Paul. Both rural municipalities feel that it is time for both R.M.s to be reflected in the name of my constituency. I ask this House to give careful consideration to this bill, and when the time comes give it your support. Thank you.

Motion agreed to.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have from Nelson MacIntyre Collegiate 25 Grade 9 students under the direction of Mr. Andrew Micklefield. This school is located in the constituency of the honourable Minister of Finance (Mr. Selinger).

Also, in the gallery we have from Maples Collegiate 18 Grade 9 students under the direction of Mrs. Roberta Garton. This school is located in the constituency of the honourable Member for The Maples (Mr. Aglugub).

Also, I would like to draw the attention of all honourable members to the loge to my left where we have with us Jim Ernst, the former member of Charleswood.

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

ORAL QUESTION PERIOD

Budget Business Incentives

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, last week the *Calgary Herald* was running stories about how aggressive Alberta is trying to court Manitoba businesses to their province. In fact, after hearing about the disappointment that Brett-Young Seeds expressed about this Government's Budget and their failure to provide meaningful

tax relief, the mayor of a small town near Calgary has gone full speed ahead to lure business to her community. Not only has she called officials at Brett-Young Seeds about relocating to Olds, Alberta, but she is also organizing conference calls amongst the board of directors. She is also planning a trip here to personally meet with the people from Brett-Young Seeds. In Manitoba, by refusing to provide meaningful tax relief and by failing to keep our province competitive, this Premier is building a one-way road out of Manitoba.

Could the Premier please tell Manitobans: What is his plan to keep businesses like Brett-Young Seeds, who have already stated, they have already stated, Mr. Speaker, that there is nothing in this Budget to keep them here, from moving to lower-tax, better-position provinces like Ontario and Alberta?

* (13:40)

Hon. Gary Doer (Premier): Mr. Speaker, in the articles dealing with the company named by the member opposite, the CEO mentioned that these issues had been raised over the last four years. I would certainly understand that in 18 months we cannot undo everything that the previous government has done.

Mr. Speaker, I met with a couple of CEOs from Alberta companies myself just recently. One of them was the CEO of a company from Albchem moving from Alberta to Virden, Manitoba, based on the cheap hydro-electric rates. Another CEO was coming in from Calgary looking at the expansion opportunities of Nexen, looking at Alberta, looking at Houston, and looking at Brandon, Manitoba, and they have decided to put their \$60 million into Brandon. Those are real successes. I would ask the member to be much more positive and optimistic rather than negative and gloomy in this Chamber.

Mr. Murray: Well, Mr. Speaker, once again the Premier seems to realize and failed to realize that he is taking this province in a completely different direction than the rest of Canada. The other provinces are finding ways to make their provinces more competitive by providing tax incentives and finding ways to support education

and health at the same time, including his NDP friends next door in Saskatchewan.

As businesses are leaving, Mr. Speaker, he refuses to accept that reality. Even more startling and disappointing is that he refuses to do anything to prevent our businesses from leaving or anything to encourage them to stay here.

Mr. Speaker, in that *Calgary Herald* story Brett-Young Seeds President Tim Dyck is quoted as calling the Premier's Budget anti-business. He is quoted as saying that he met with tax accountants who agreed with him that there was nothing in the Premier's Budget to keep them in Manitoba. The Premier made the choice not to provide meaningful tax relief, and he made the choice to make our province uncompetitive.

Mr. Speaker, will the Premier please tell this House why he has not offered Manitobans meaningful tax relief and why he is going in a completely different direction than the rest of the country?

Mr. Doer: Well, Mr. Speaker, last week I quoted CIBC, the world's bank operation for that operation, with the analysis of the Budget. I further quoted Nesbitt Burns. I have a further set of analysis prepared by accountants BDO who talk about the Budget being good news for individuals and corporations who both received a tax cut.

Mr. Speaker, I noticed in the Tory platform there was nothing about corporate income taxes. I notice that the corporate income tax reduction made by the Minister of Finance were the first ones made in Manitoba since the Second World War. Are they perfect? Nothing is perfect, but it is certainly a lot more than what they promised and certainly a tremendous amount more than they ever delivered when they were in government.

* (13:45)

Mr. Murray: Well, Mr. Speaker, the Premier likes to talk so proudly of his meagre tax cut in personal income tax, but he wants to quote the CIBC. Could I quote a Manitoban who said: We have to do \$10 million more in sales in Manitoba

to realize the same profit we would make if we were in Alberta? That is a Manitoban speaking.

Mr. Speaker, in addition, the *Calgary Herald* article of the CEO of Brett-Young Seeds said this Government's idea of a tax break, a decrease of one quarter of 1 percent in corporate taxes just does not cut it. He said, and I quote: It does not appear that tax competitiveness is an issue in this province.

Today the Province put out a news release with the headline: Tax cuts brewing for Manitoba business.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Murray: Will they be applauding the same way when Brett-Young Seeds picks up and moves?

Something is brewing for Manitoba business all right, but it is brewing in other provinces. It is going to take more and more business away from Manitoba.

In light of the fact that the Minister of Industry, Trade and Mines (Ms. Mihychuk) noted in her news release today that they supposedly recognize the tax relief measures in other provinces are an effective way to stimulate job creation and economic growth, will the Premier please advise the House and all Manitobans when his Government will start providing meaningful tax relief in Manitoba to allow the same to happen here?

Mr. Doer: I would challenge the member opposite to take the corporate income tax, go from 17 percent of tax to 15 percent of tax and come out with the same conclusion that he has just purported to have in the Legislature.

We intend on being truthful with the people of Manitoba, being straightforward with the people of Manitoba and keeping our promises to the people of Manitoba. I recall the ghosts of Tory governments past where they promised to eliminate the payroll tax in four years. But you know what, they just did not tell us which four years. Maybe it is 2015 and 2016.

We promised in the election campaign to reduce the property taxes by increasing the property tax credit, something members opposite call a spending increase. Most people when they see their property tax bill will see a tax decrease of \$75, building on last year's tax decrease of another \$75.

We promised to cut tuition fees, because when you talk about a learning society, an educated society, making post-secondary education affordable for our young people is part of our economic strategy, not having the Engineering roof leaking as we had with the former government.

We also said and we also delivered on more than we had promised by reducing income taxes, raising the threshold for small business and reducing corporate income taxes. By all evaluations, we have not only kept our promises, we have exceeded our promises. Brett-Young Seeds was talking about this issue, as they have been quoted, four years ago in the newspaper. We are going to keep our promises to the people of Manitoba, and we are right on target for exceeding those promises.

* (13:50)

Budget Business Incentives

Mr. John Loewen (Fort Whyte): The Business Council of Manitoba advised the Doer government that they had serious concerns about Manitoba's relatively sluggish economic growth rate. According to the Royal Bank's provincial and sectoral outlook for the spring of 2001, Manitoba's real gross domestic product will lag behind every province in Canada except B.C. and Prince Edward Island and will be well below the Canadian average.

Why in their Budget did the Doer government choose to ignore these warnings by sending the message to investors, employees and business that Manitoba is the highest-taxed jurisdiction outside of Québec instead of outlining a plan to lift Manitoba out of the GDP basement it currently finds itself in?

Hon. Greg Selinger (Minister of Finance): There are many economic forecasts, and what we do is we take the seven from the Conference Board of Canada and the six major banks and come up with an average, and then go off their number at a real growth rate of 2.4 percent. According to *The Globe and Mail* on the weekend, this moves us into the middle of the pack for provinces next year and even though we do not grow as fast as some of the hothouse provinces in the good years, we do not seem to slow down as much as some of the other provinces in the bad years. We tend to have a fairly stable and diverse economy, and that will stand us in good stead in the time forward.

Mr. Loewen: Mr. Speaker, I find it interesting that everybody is downgrading Manitoba's growth rate.

Tax Rates

Mr. John Loewen (Fort Whyte): I would ask the Minister of Finance, with the U.S. accounting for almost 80 percent of our exports, what is the Minister of Finance's plan to ensure that the economic slowdown south of the border that we are seeing right now does not have a significant negative economic impact on Manitoba?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, when you take a look at the plan we have in our Budget to make sure that Manitoba is well positioned for the future, when you see what we have done for education tuition fees, when you see what we have done to expand college opportunities for young people, when you see what we have done to reduce the small business tax rate by 37.5 percent and increase the threshold by 50 percent, when you see what we have done to reduce corporate tax rates for the first time since the Second World War, when you see what we have done on personal income taxes to reduce them by 10.5 percent and then strategic investments in education and health, you know we are well positioned for the future.

Mr. Loewen: If the minister really believes that, I would ask him why he raised income taxes and why he did not provide tax relief until next year instead of this year. I quote from the Royal Bank's 2001 Spring Report: consumer spending

and the housing sector in particular is still weak, while non-residential investment in Manitoba is anemic.

Why would the Doer government refuse to offer meaningful tax relief to Manitobans, the kind of tax relief that would allow them to purchase the goods and services offered by the province's business community? Why not now?

Mr. Selinger: There is something anemic in this House, Mr. Speaker, but it is not the economy of Manitoba or the direction this Government is taking.

What we have done to reposition Manitoba for the future is to take a comprehensive approach to making sure Manitoba will have a prosperous future. This is a government that put \$40 million into the Budget to expand the floodway, something no other government would do since 1997 when we had the tremendous scare we had. This is a government that put more money in the Budget for high-tech skill training for the aviation industry, something the other government had not done in the past. This is a government that has put money in the Budget for strategic investments in the health care system. This is a government that has a very favourable R & D tax credit for the future and has used its resources in Manitoba, including its Crown resources, to make sure that we can attract business and industry for the future.

Healthy Baby Initiative Accountability

Mrs. Bonnie Mitchelson (River East): Yesterday, the Doer government, when announcing the Prenatal Benefit program had its heart in the right place, I must say, Mr. Speaker, but its head in the sand by virtually gutting the Women and Infant Nutrition program that had in place measures of accountability and requirements for participating in nutritional and parenting programs.

Mr. Speaker, can the Minister of Family Services indicate whether he has incorporated any measure of accountability or personal responsibility into the Healthy Baby program to ensure that the money, and it is very important,

is put towards feeding moms and babies in the province of Manitoba?

* (13:55)

Hon. Tim Sale (Minister of Family Services and Housing): I am delighted that the Opposition supports the principle of the program, but they cannot quite bring themselves to support poor women. I am really sorry about that.

About 5200 women in Manitoba each year will enjoy the support prenatally that Dr. Brian Postl called for and 20 other studies of early intervention have called for, started in the 1950s in the Montréal Diet Dispensary by Agnes Higgins. These are programs that around the world have proven that if you spend a dollar now you save anywhere from two to eight later.

The member wonders about accountability. Every time a Manitoba woman applies for this benefit she will apply through her doctor or her midwife's confirmation of her pregnancy. Every single woman will be contacted by our programs and offered support. Because Manitoba women will make good choices, we trust them to make good choices, they will respond to the offers of program involvement. We believe in Manitoba women. We do not think you have to take a stick and beat them like the Opposition does.

Mrs. Mitchelson: Mr. Speaker, it all sounds wonderful on paper and coming out of this minister's mouth, but the proof will be in the outcomes that we see as a result of the programming.

Reserves—Service Duplication

Mrs. Bonnie Mitchelson (River East): Can the Minister of Family Services indicate or explain why his Government is duplicating the federal program, the Canada nutrition program already in place, by extending these services on reserves? Is it a duplication and an overlap of the same program that Canada has in place?

Hon. Tim Sale (Minister of Family Services and Housing): I am delighted that our Government is offering support to all children. Babies are babies are babies; moms are moms are moms, and we are glad that is something we are making available.

We have had the opportunity in the last year to work with a woman who worked very closely with the CAPC program. I am sure the member opposite is aware of that. We have designed this program in close collaboration with CAPC. We are expanding our WIN sites, expanding the reach of the WIN program so that it will become a Healthy Baby program and not simply a program targeted at one small group of low-income Manitobans, but all working-poor Manitobans. All low-income people who receive the National Child Benefit supplement from the federal government will be entitled to receive the same supplement prenatally from our Government, Mr. Speaker.

We are delighted that we have an integrated program now that Manitoba families with \$32,000 or less net income, line 236 of the income tax form, can benefit from that support, because to feed a growing child in the womb to prepare for birth is an expensive process—

Mr. Speaker: Order.

Reserves—Service Delivery

Mrs. Bonnie Mitchelson (River East): Can the Minister of Family Services clarify for all Manitobans whether in fact, when this program is extended onto reserves, the cheques will be written to the women directly, or will the money be flowed through the band councils, and will they be determining which moms and babes will receive the benefit and which ones will not?

Hon. Tim Sale (Minister of Family Services and Housing): That is a very important question and I thank the member for it.

All women who apply for the benefit will have the cheque in their name to them because they are the recipients. They will use the money for the best interests of themselves and their children.

Circuit Court System Closures

Mr. Leonard Derkach (Russell): Mr. Speaker, I have a question for the Minister of Justice. Unfortunately, rural communities in western

Manitoba are once again feeling the impact of this Government's mismanagement of issues as they relate to services to people in these communities. I obtained a memo from the Provincial Court of Manitoba stating that as of May 1, courts in Rossburn, Boissevain, Minnedosa, Russell, Killarney, Virden, Neepawa and Waywayseecappo will be cancelled until further notice.

I ask the minister: Would he please confirm this decision has been taken by the Provincial Court and indicate what hardships and delays residents of these communities are going to feel as a result of this change?

* (14:00)

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Mr. Speaker, access of all Manitobans to the justice system is very important to this Government. I can assure the member opposite that as a result of an unfortunate coincidence of the illness of two judges in Brandon there is a need to do some rescheduling in the Provincial Court system.

The member I am sure knows that the scheduling issues are dealt with by the Chief Judge of the Provincial Court. It is not done by the Government. However, I can advise the member that the Government does determine where circuit courts are located, and there has been no change in direction at all. It is very important that the circuit courts maintain their current locations.

I also can advise the member that, according to the Chief Judge, she now has a new proposal to deal with the Brandon judge issue. She will be dealing in concert with the Associate Chief Judge in Brandon to rejig what I understand were some tentative plans.

Mr. Derkach: Mr. Speaker, all I have in my hand is the memo that was sent out by the Provincial Court, and the memo cites "serious backlogs in Winnipeg and a shortage of judges" as reasons for cuts. The Associate Chief Judge Brian Giesbrecht states there is no extra capacity in the system.

Mr. Speaker, I would like to ask the Minister of Justice what impact these cuts will have to the dockets in other Manitoba communities as well?

Mr. Mackintosh: I do not understand the member's question in terms of cuts. There certainly have been no cuts. Indeed, in the 18 months since we have been in Government, we have appointed four new judges and it is my understanding that we now have a record level of full-time judges in the province of Manitoba. This is a matter of co-ordinating schedules across the province, which is the responsibility of the Chief Judge to manage. It is my understanding that she now has a new proposal she will be bringing to her counterpart, to the Associate Chief Judge in Brandon, to deal with this challenge.

Mr. Derkach: Mr. Speaker, I heard the Minister of Justice say there are no cuts. Can the minister then explain why, even though the Justice Minister's budget over the course of two years has increased by 12.4 percent, there has been a cut in the courts of 2.3 percent in this last Budget?

Mr. Mackintosh: Mr. Speaker, if the member wants to pursue particular lines in the Budget, we can look at that in Estimates. As the member should know, he cannot stand up in this House with his colleagues and cry more tax cuts, more tax cuts, more tax cuts and then find some item in the Budget he is not happy with and get up. He cannot have it both ways, but I can assure the member that this Government is committed to ensuring all Manitobans have access to our justice system and there will be no reduction in the location of circuit courts.

Circuit Court System Closures

Mr. Darren Praznik (Lac du Bonnet): Mr. Speaker, this is unbelievable today that this Minister of Justice is trying to deal with a serious problem in our court system by saying that there are no cuts. In this particular Budget, he has reduced the budget for courts by 2.3 percent when his own departmental spending is up by over 2.7 percent. So courts are obviously not a priority with him.

I want to ask this Minister of Justice, when he says simply that it is a scheduling matter, why Associate Chief Judge Giesbrecht says very clearly that there is a serious backlog in

Winnipeg and this is purely because this Government refuses to appoint the judges that are needed to do the job for Manitobans. Why is that, Mr. Speaker?

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Mr. Speaker, I am very pleased that the Opposition is interested in this issue of backlogs, unlike when they were in government.

It was under the former government that the prosecution service in this province did not have the support they needed to protect the safety of Manitobans. As a result of an independent review by Ernst and Young, we now are taking action on that. We are going to make sure that our prosecutors are out of the coffee room, are out of the file room and are in the courtroom to help to reduce backlogs.

Court System Plea Bargaining

Mr. Darren Praznik (Lac du Bonnet): Mr. Speaker, I want to ask the minister, although he has increased significantly that part of his budget, he has reduced the budget for courts. I want to ask him then if it will be the policy of his Crown prosecutors to increase plea bargaining in order to keep trials down and to keep people out of the courts? Will this minister be using plea bargains in order to reduce the demand on a court system he is depleting?

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Unlike under the former government, Mr. Speaker, we certainly have no plans to do anything of the sort, and unlike as the Ernst and Young report found that the pressures on prosecutions resulted perhaps in some cases not being appealed when they should have, our plans are to ensure that prosecutors have the supports from this Government to do the job that they want to do.

Mr. Praznik: Mr. Speaker, I would like to know what this Minister of Justice says to the McLaughlin family, whose son was beaten to death in our province and for which Crown attorneys plea bargained a second degree murder charge to manslaughter. Is this indicative of what will be happening in our courts? As we

have no judges, as those court dockets are reduced, will his Crown attorneys be plea bargaining in order to ensure that at least there is some semblance of justice? What does he say to the McLaughlin family?

Mr. Mackintosh: Mr. Speaker, I have answered the general question in my previous answer, but I find an extraordinary question now coming from the Opposition. The member knows full well the sub judice convention, which of course is designed specifically for matters currently before the court, and he knows full well that this matter is going to sentencing. I say shame.

Maintenance Enforcement Office The Pas—Payment Processing

Hon. Jon Gerrard (River Heights): Mr. Speaker, my question is for the Minister of Justice. It concerns the administration of his department in the context of the recent Budget with its emphasis on increased expenditures and lower quality service in a whole variety of areas.

In The Pas, for many years, the court office has collected and distributed the child support payments through the Maintenance Enforcement Program in a way that allows one parent to drop off the cheque on the one day and the same day for the other parent, the ex-spouse, to pick it up so that you have excellent service and it happens immediately. Why, I ask the Minister of Justice, is he changing the delivery of this program so that the fathers' cheques will have to go to Winnipeg and the mother will not receive the payment for probably about two weeks, giving poorer quality and higher costs?

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Perhaps the member should review the experience of maintenance enforcement collection in this province, the recent experience under the former government, when he gets up so quickly to judge the changes that are needed in collecting child support. There is no more debt owing that is more important than child support. That is why we are taking a comprehensive approach to changing the way that the maintenance enforcement system operates. We are changing the legal tools available to collect that support.

Mr. Speaker, what has happened under the former government is that there was a disjointed administration of maintenance enforcement in this province that was not serving the needs of those mothers and children who depend on this support.

The Pas—Relocation

Hon. Jon Gerrard (River Heights): My supplementary, Mr. Speaker, is to the Minister of Conservation (Mr. Lathlin). I ask the minister why he is failing to protect the interests of his constituents from the empire building of the Minister of Transportation (Mr. Ashton), who has been successful in moving the files and the administration of the Maintenance Enforcement Program from The Pas to Thompson, so that people in The Pas will have to drive four hours to Thompson and four hours back in order to get service, instead of having it locally.

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Mr. Speaker, the member opposite should be as concerned as I know the Member for The Pas is in the well-being of children and the mothers of those children in his community who rely on child support payments and who have to have a more effective way of supporting than what we saw under the former government.

* (14:10)

Budget Dépenses et Services

Hon. Jon Gerrard (River Heights): Ma question supplémentaire au ministre des Finances: Pourquoi, je demande au ministre, votre budget et votre gouvernement donnent-ils un gouvernement avec plus de dépenses que nécessaire, et moins de services?

Translation

My supplementary question to the Minister of Finance: Why, I ask the minister, do your Budget and your Government create a government with more expenditures than necessary, and fewer services?

Hon. Greg Selinger (Minister of Finance): J'aimerais dire merci au député de River Heights. Dans notre budget on a donné plus de services essentiels aux communautés qui en ont besoin. On a dépensé notre budget dans les domaines prioritaires des résidents, des citoyens et citoyennes du Manitoba, surtout dans le nord du Manitoba. Ça inclut bien sûr Le Pas, Thompson, Flin Flon et toutes les autres communautés du nord de Manitoba et bien sûr les communautés de Winnipeg, à l'extérieur, à la campagne et le sud aussi. C'est le premier budget depuis longtemps qui inclut les besoins de tous les Manitobains.

Translation

I would like to thank the Member for River Heights. In our Budget we have increased essential services to the communities that need them. We have spent our Budget in the priority areas of residents, of the citizens of Manitoba, particularly in the north of Manitoba. That of course includes The Pas, Thompson, Flin Flon and all the other northern communities of Manitoba, and of course the communities of Winnipeg, its environs and the rural and southern areas as well. It is the first Budget in a long time that includes the needs of all Manitobans.

Budget Cultural Industries

Ms. Bonnie Korzeniowski (St. James): Recently comments have been made about a film being shot in Minnedosa. I am really pleased to say that there are also parts of a film being shot in my own constituency in one of the older buildings. My question is directed to the Minister of Culture, Heritage.

The Budget mentions support for new media. Can the minister please explain why our Government is giving increased attention to the cultural industries sector?

Hon. Ron Lemieux (Minister of Culture, Heritage and Tourism): I would like to thank the Member for St. James for her question. I know the members opposite are very interested in this sector because it continues to be one of

the fastest growing economic as well as job creation sectors in the country.

We, as a government, want to ensure that Manitoba's participation in this expanding sector and global industry does not lag behind other provinces. I know that Manitoba's artistic community, whose creative energies drive the cultural industries sector, is recognized worldwide for its innovation and excellence. So we want to retain our talented, artistic community in the province of Manitoba. We are very pleased with the Budget, and they are very pleased with the Budget, as well, with regard to our support of this industry. Thank you.

Gilbert Park Tenants' Association Funding

Mr. Jack Reimer (Southdale): Mr. Speaker, the philosophy of tenant self-management in public housing has brought stability, community involvement, empowerment to tenants, and a low vacancy rate in Gilbert Park complex. The success of the Gilbert Park Tenants' Association should be undeniable, even to this minister.

How does the Minister of Family Services and Housing justify his elimination of the funding to the Gilbert Park Tenants' Association as of March 31, 2001?

Hon. Tim Sale (Minister of Family Services and Housing): Mr. Speaker, our Government supports the notion of self-management. We have over 17 000 units of housing in our department which are managed by community groups, and we are very pleased with the management services that those groups provide. The policy of self-management does not always mean that the actual effect of it is as beneficial as we would want.

The current Government, for example, we are working with Lord Selkirk Park towards self-management through a \$145,000 grant from the Winnipeg Development Agreement to help those tenants move to self-management. However, in Gilbert Park the experience over the last couple of years has not been as positive, and it was the belief of this Government that you have to be a careful steward with public funds. You have to spend those funds to get effective results. We were not getting the results.

We will be having a tenant annual meeting in June in Gilbert Park. Hopefully, they will elect a representative board and we can get back to work with that new board, Mr. Speaker.

Mr. Reimer: Mr. Speaker, I have to ask the minister: Is he working for the tenants of Gilbert Park or for the special interest groups that serve the Doer government that disagree with the association's policy of hiring community and tenants for the maintenance and the upkeep for this public housing complex? Is that the reason behind why he has pulled the funding on this group that was working very successfully without any problems or disagreements from the tenants? This was totally within their own department for the pulling of this funding.

Mr. Sale: No, Mr. Speaker.

Mr. Reimer: Mr. Speaker, will this minister meet with the Tenants' Association of Gilbert Park and explain to them exactly why he pulled the funding on this and also present them with the petition that he says is behind their willingness to take the funding away from this group? Will he meet with the Tenants' Association and clarify their position with the Government?

Mr. Sale: Our staff has met repeatedly with the two remaining members of that board. The other member does not live in the project anymore, so there are only two left on the board. We have worked to ensure that the more than 50 percent of the tenants who signed a petition opposing the current board and offering a great number of concerns about the current board's policy will have a chance at an annual meeting that is fair and free to elect a board, perhaps including some of the existing members, Mr. Speaker. We will work with that board, as we have worked with boards in the past and will in the future, to achieve effective tenant self-management.

East St. Paul High Voltage Hydro Lines

Mr. Ron Schuler (Springfield): Mr. Speaker, last night the Minister of Hydro did not find it important enough to attend the East St. Paul meeting where over 250 residents participated.

Can the Minister of Hydro explain why the families of East St. Paul were not allowed to attend the meeting held by his whitewashed Clean Environment Commission, or would that have been a waste of time as the answer was prepared before the questions were asked?

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): Well, first of all, the Clean Environment Commission prepared a report and developed a consensus statement, which has been endorsed by Dr. Margaret Fast and by Dr. Jim Popplow, both of Manitoba Public Health; Dr. Harry Johnson, the department head of imaging physics and radiation protection of CancerCare in Manitoba. This consensus statement was made available to the residents.

The Clean Environment Commission had tried to organize a meeting with the residents for April 11. The residents cancelled that meeting. I am informed today that the residents have again contacted the Clean Environment Commission, and they are looking at setting up a meeting towards the end of April.

I think it is very important that the residents in that area get accurate information about the risks that are not going to be visited upon them by these hydro lines and have accurate information, because there has been a lot of fear mongering going on here which does not serve the public interest.

* (14:20)

Mr. Schuler: Mr. Speaker, will the Minister of Hydro do the courageous thing and hold an open meeting with all the residents of my community? Will he listen to their concerns about his doubling the power towers in East St. Paul?

Mr. Selinger: Mr. Speaker, this project was initiated by the former government, and the former Minister of Hydro was not prepared to do anything over and above the environmental impact review being done by the Department of Conservation. That environmental review came back without any concerns about the project going ahead.

We went the next step and asked the Clean Environment Commission to hold an independent review of the literature, of the research that has been done on this very important topic. Their independent review, reflected in a consensus statement, signed by our public health officials in Manitoba, including experts in CancerCare here in Manitoba, indicates that they do not see any association.

The preponderance of evidence now indicates that there is not a cancer risk here, and I ask the member opposite when he will communicate that information to his residents rather than the scurrilous information he provided them last night.

Mr. Speaker: Order. The honourable Official Opposition House Leader, on a point of order?

Point of Order

Mr. Marcel Laurendeau (Opposition House Leader): On a point of order, Mr. Speaker. One should choose their words very carefully in this House, and I would only hope that the Minister of Finance would choose name-calling that would not render upon him.

Mr. Speaker: The honourable Government House Leader, on the same point of order.

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I would suggest that that particular word that is being referred to has been accepted in this House on an ongoing basis.

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

Mr. Laurendeau: On the same point of order, Mr. Speaker, *Beauchesne's* 492: "The following expressions are a partial listing of expressions which have caused intervention" by the Chair, and the word "scurrilous" is in there.

Mr. Speaker: Order. I would like to remind all honourable members that a point of order and matters of privilege are very serious matters. I would ask the co-operation of all honourable members, please.

On the point of order raised by the honourable Official Opposition House Leader, I thank all members for their advice. I will take the matter under advisement to peruse Hansard and consult the procedural authorities, and I will report back to the House.

* * *

Mr. Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Farm and Food Days

Mr. Frank Pitura (Morris): Mr. Speaker, I rise today to put a few words on the record about the Heart of the Continent Farm and Food Days that will be held July 26-28, 2001, at the Red River Exhibition Park. Sponsored by the Valley Agricultural Society and the Red River Exhibition Association, last year's first-time event was designed to promote agriculture and to increase awareness of agriculture and food production in Manitoba. Farm and Food Days provided an important opportunity for all Manitobans to learn a bit more about this province's agricultural industry.

The Winnipeg-area setting made it possible for a large number of school groups to visit Farm and Food Days. Students had the chance to see first-hand the many types of equipment being used on Manitoba farms. They also spent time in a barn and learned more about how cattle, hogs, horses and poultry are raised as well as some of the more exotic creatures. It was encouraging to see that many people from across the province came out in support of our agricultural community and to learn more about this diverse industry.

I would like to thank all those involved in seeing the inaugural Farm and Food Days through to fruition and look forward to this event this year being even bigger and better in 2001. Remember the dates, July 26 to 28, 2001. Thank you, Mr. Speaker.

Health Care Initiatives

Mr. Gregory Dewar (Selkirk): It is indeed a great pleasure that I rise today to bring attention

to some of our Government's many initiatives in health care, in particular this Government's most recent investment in state-of-the-art medical and diagnostic equipment.

Mr. Speaker, as part of our commitment to enhancing the quality of health care in this province, our Government will be investing over \$22 million in diagnostic equipment that is critical to providing effective and accessible health care services to our citizens. This funding will be used to install a new MRI machine at Health Sciences Centre and to purchase three new CT scanners for facilities in The Pas, Steinbach and Selkirk. This funding is a significant step towards addressing a decade-long diagnostic equipment deficit.

The new CT scanner slated for Selkirk General will have many positive effects for residents of both the Interlake and the Northeast Regional Health Authorities as it will enhance services for a whole range of illness and injuries. Mr. Speaker, as well, the Selkirk Hospital will be receiving an additional ultrasound unit to handle increased demand.

Mr. Speaker, it is estimated that there were 5000 individuals in the Interlake and Eastman Health Authorities that are making this trip to Winnipeg each year for a CT scan. The new equipment in Selkirk will make a big difference for our region as we will have these tests that we need in the comfort and convenience of our community.

I want to congratulate the Minister of Health (Mr. Chomiak) for taking this very positive step. Thank you.

* (14:30)

Spending/Tax Cuts Ratio—Budget

Mr. Peter Dyck (Pembina): While my colleagues and I have expressed concern over the amount of new spending in relation to the amount of new tax reductions in the 2001 Budget, the ratio determined to be 6 to 1, members opposite have accused us of miscalculating these numbers and claim that spending only outweighs tax reductions by a ratio of 3 to 1.

Mr. Speaker, I would like to read from a recent news release from the Canadian Taxpayers Federation.

"A recent 'Fast Facts' release from Manitoba Finance is playing fast and loose with the truth by circulating inaccurate information on the ratio of program expenditures to tax cuts outlined in the 2001 Manitoba Budget.

"The government's 3:1 spending to tax cuts ratio is off by a country mile,' noted Victor Vrsnik, CTF provincial director. The Finance Department misrepresents the equation by including tax cuts announced from last year without balancing the equation with new spending increases from last year as well.

"According to the provincial government's 'summary of 2001 tax measures' and their 'operating expenditure estimates,' outlined in the 2001 Manitoba Budget, the Canadian Taxpayers Federation estimates that the new expenditure to new tax cuts ratio is 6:1."

Mr. Speaker, the numbers we have used to express our concerns are not only accurate but are echoed by independent agencies and independent examinations of this Government's 2001 Budget. It appears as though it is the Doer government that has been involved in some very creative mathematics. Thank you.

Red River College Expansion

Ms. Linda Asper (Riel): Mr. Speaker, today I would like to inform members of this Assembly that work has begun on the construction of the Red River College expansion. This \$31.5-million investment on Princess Street is an important part of this Government's strategy to enhance the education and training opportunities available to our young people. One of our key commitments to Manitobans is to restore hope and bring new opportunities to the young people of Manitoba.

The new campus for Red River College is a key part of this plan. This new campus will focus on information technology, media studies, and other disciplines related to the new economy. The 2000 students and 200 faculty that will be housed in the new Red River College

campus will be training for careers in information technology and media sciences, these being a perfect fit for the emerging businesses that are already developing in the Exchange District.

The new downtown campus is one of the most exciting developments to take place in the Exchange District in many years. When coupled with our Manitoba Bursary Program, the first since 1992, and the 10% tuition reduction realized by students last year and renewed again for this upcoming school year, we are making progress and fighting the legacy of chronically low college enrolment left by the previous government.

We are committed to providing the support that students need to succeed and are pleased to see work being done on this new campus expected to be receiving its first students by the year 2002. Thank you, Mr. Speaker.

Maintenance Enforcement Office

Hon. Jon Gerrard (River Heights): Mr. Speaker, I rise to speak on an important issue in The Pas. Since the inception of the Maintenance Enforcement Program in Manitoba, the court office in The Pas has collected and distributed child support through the program. People living in The Pas who were required to pay child support could go down to the court office and pay the support. The court office would receipt it and then either mail it out or hold it for the payee to pick up. Very often, men would pay their support on the same day that the women would pick it up; thus, no delay was experienced by the women and children relying on this service.

The legal profession has recently been informed that all the files under this program are being moved to Thompson. Men can still come to The Pas court office to pay the support, but the staff are directed to forward the support payment to Winnipeg. Apparently, the cheques will then be mailed to women in The Pas area from Winnipeg so that there will be quite a delay. The files are being transferred to Thompson to be administered from there so that people in The Pas can travel four hours there and four hours back if they need service.

As you can appreciate, Mr. Speaker, this new system will result in lengthy delays for women living in the area. Their ex-spouses will have paid the support on time, but they will be unable to receive the support until it is processed through an office in Winnipeg. The most frustrating thing about the new NDP system is that the old one was working quite well on a local level. The public, who the system was designed to serve, was able to go to the court office in The Pas and speak to the designated enforcement officer if there were any problems. Under the new system, women will be given a toll-free number in Winnipeg to call, and experience with this number suggests that there will be lengthy delays.

The local bar was never consulted about the change. The women who rely on the service were never consulted. There are extra expenses because of eight new positions in Winnipeg and two in Thompson. What an example of poor service and higher costs.

ORDERS OF THE DAY

House Business

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, on House business, I would like to ask the House for unanimous consent for the Standing Committee on Agriculture to meet concurrently with the House this afternoon.

Mr. Speaker: Is there unanimous consent for the Standing Committee on Agriculture to meet this afternoon? *[Agreed]*

Mr. Mackintosh: Mr. Speaker, I would like to announce that instead—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please. It is very difficult to hear.

Mr. Mackintosh: Mr. Speaker, I would like to announce that, instead of meeting this evening at 6:30, the Standing Committee on Agriculture meet today at 5 p.m. to discuss the organizational aspects of the committee's consideration of the agricultural resolution.

Mr. Speaker: It has been announced that, instead of meeting this evening at 6:30, the Standing Committee on Agriculture will meet today at 5 p.m. to discuss organizational aspects of the committee's consideration of the agricultural resolution.

Mr. Marcel Laurendeau (Opposition House Leader): Mr. Speaker, on House business I think, for the sake of the public, it should be made aware to the public that there will be no public representations at this meeting, that this is strictly a meeting to establish the ground rules of what the committee will be doing.

Mr. Speaker: For the public's information, this meeting at 5 p.m. is an organizational meeting and is not open to the public.

For clarification, the meeting at 5 p.m. will be open to the public, but the public will not have the opportunity to participate. It is an organizational meeting by the committee members only.

Mr. Mackintosh: Further to this business, I wonder if there is leave of the House not to call quorum between five and six this afternoon in light of the standing committee meeting simultaneously.

Mr. Speaker: Is there agreement of the House between five and six that no quorum count will be entertained or called for? *Agreed? [Agreed]*

BUDGET DEBATE (Fourth Day of Debate)

Mr. Speaker: On the proposed motion of the honourable Minister of Finance (Mr. Selinger) and the proposed motion of the honourable Leader of the Official Opposition (Mr. Murray) in amendment thereto, and the debate remains open.

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, I appreciate the privilege of putting a few comments on the record regarding the Budget that was brought down last week by the Doer government. I am disappointed to see, however, that it is a budget that has kept middle-income earners amongst the highest taxed in the country. This is a budget that will cause more of

our young people to move away to seek better opportunities in provinces and states that are by far more attractive places to live, work and raise families.

Mr. Speaker, governing is about making choices. Last week the Premier made a choice to keep middle income earners among the highest taxed in the country. He made a choice and decided to spend \$6 for every \$1 of tax relief. He made a choice to spend, spend, spend. The kind of spending we are seeing is unmanageable and unsustainable over the long run, particularly in the area of health care. We have seen health spending increase by \$469 million over the 1999-2000 Budget. That is 22 percent in two years. That is almost half a billion dollars. Half a billion dollars. Health spending is now 38 percent of Manitoba's total budget. It sits at \$2.6 billion. Because we have not seen a plan for health care, I have little comfort or little confidence in this Government's ability to manage the health care changes wisely. They do not appear to be looking for the efficiencies in health care. They do not seem to be looking for the innovations, which could help make our health system stronger. Instead they stumble from crisis to crisis and throw money at everything.

* (14:40)

It is so interesting to note, Mr. Speaker, that right after the NDP formed government the Minister of Health (Mr. Chomiak) said and I quote: We do not have any control over spending. The buck stops nowhere.

Mr. Speaker, it appears it still stops nowhere. The minister at the time said when the Budget was \$2.1 billion that spending was out of control in health care. He called it a disaster. Half a billion dollars later, I wonder what he calls it now.

The Minister of Health (Mr. Chomiak) also said that everyday he spends on the job is like a frightening ride on a runaway train. Well, it appears that train may now have derailed itself, Mr. Speaker. Where will the spending in health care end? How can it possibly be sustained at this rate? Where is all this money that the minister has now built into the baseline going to

come from if there is an upcoming economic downturn? After riding an election promise to eliminate hallway medicine and fix health care in six months with \$15 million, the Doer government has pumped half a billion dollars into health care and guess what? We still have hallway medicine. Health care is not magically fixed like they claimed it would be.

They thought it would be so easy. In opposition, they demanded over and over that the Tories put more money into health care. We added money to meet health care demands as they arose and as we were able to do that. Then they became government and accused us of reckless spending. Then guess what, Mr. Speaker? They built all this so-called reckless spending into the Budget and added 6 percent on top of that. Then they overspent that amount by \$75 million. While the Minister of Health (Mr. Chomiak) has said that the buck stops nowhere, he is wrong. Whether they like it or not, the buck stops at the desks of the Premier (Mr. Doer) and the Health Minister. They have choices to make, and in this Budget, they chose to spend, spend, spend.

As we unravel their spending in Estimates, it will be interesting to see where they have chosen to spend, why they have made those choices, and if it is actually making a difference to the patient. Are patient outcomes better? The evidence is saying no, Mr. Speaker, despite the fact that the Doer government has increased health care spending so that Manitoba spends well above the Canadian average and spends more than any other province in Canada on a per capita basis.

I am very concerned in particular, Mr. Speaker, about the economics of the deal of the Pan Am Clinic. There is no policy framework or business plan for this deal. There are a huge number of questions to be asked on this particular issue, and I do look forward to finding out the details of this deal. At this point in time, I will not dwell on this particular subject, but I can assure the minister that there will be a number of questions forthcoming on the whys and wherefores of that particular deal.

Has all of this extra spending in health care, half a billion dollars almost in two years, helped

them to keep their election promises? Mr. Speaker, the answer is a resounding no. *You Ain't Seen Nothing Yet* was the NDP theme song at their party convention held in February. We thought it was an appropriate kind of music given the NDP's long list of broken health promises.

We think the party is correct; we ain't seen nothing yet. We have not seen a darn thing from this party after a year and a half in office. We ain't seen an end to hallway medicine, and we ain't seen hospital waiting lists slashed. We ain't seen an end to the nursing shortage and we ain't seen an end to rethermalized hospital food. We ain't seen more full-time nurses. We ain't seen 100 more beds immediately reopened. We ain't seen better consultation with nurses. We ain't seen comprehensive recruitment and retention strategies for any of the health care professional groups. We ain't seen health care fixed with \$15 million. We ain't seen responsible health care spending based on a plan. We ain't seen health care being rescued.

Mr. Speaker, this Premier (Mr. Doer) and this Health Minister have got to grasp the simple concept that simply throwing money at problems is not going to solve them. They have to have a real plan to address the very real health care issues that are alive in our province, but they have failed to deliver that plan. Our priority as a province must be providing patients with quality and accessible health care services. Health care in Manitoba and throughout Canada is facing unprecedented challenges. To face these challenges, we need to take part in a dialogue about the kind of health care system Manitobans want for themselves and for their families. We need to develop solutions to the challenges facing health care to ensure a stable and sustainable system.

We commend frontline health care professionals, Mr. Speaker, who have been working beyond the call of duty to provide the best care they possibly can. They are telling us that the status quo is no longer sufficient. We strongly encourage this Government to listen to them and to listen to their suggestions for improving health care in Manitoba.

The challenges in health care are many, and they are mounting. They include unacceptably long waiting lists for appointments with doctors, appointments with specialists, treatment following those appointments, diagnostic tests, specialty treatment like radiation therapy and sleep disorders, emergency care, and that only names some of them.

Also among the challenges facing the system are staffing shortages, those which are growing and those which are just emerging. We see dramatic shortages in the area of nurses, family physicians, radiation therapists, physiotherapists, occupational therapists, neurologists, pathologists. Our health care system faces a number of fundamental serious problems. They need to be addressed so that Manitobans can get the treatment they require.

Mr. Speaker, patients who rely on health care services and who fund our system through their tax dollars should determine the health care system and the legislative framework that reflects their priorities and values. We have started this dialogue; it is called Connect Manitoba. A particular aspect of it held recently was the health forum called Health Options, attended by some 170 people who had valued this wonderful opportunity to get together and state what was on their mind.

Although we have just started this dialogue, it must continue to expand. This Government has got to engage Manitobans in a meaningful dialogue on the future of their health care system. Imposing their ideological-based will on Manitobans without first asking them how they would like their health care system to develop is absolutely unacceptable in my view. The Doer government has pretty much slammed the door on any public debate. Big Brother knows best for the people. Big Brother is going to decide.

Mr. Speaker, this Budget did not provide a comprehensive long-term plan for health care. This Government has not provided a plan to improve efficiency in both spending and management of health care. What this Government does provide is an ad hoc approach to health care. Indeed, they have even admitted that they failed to keep their commitment to end hallway medicine.

While we note that the Government reaffirmed the need for financial accountability from the RHAs, they did back off of the strong language they used last year when they stated RHAs would have to avoid deficits. Interestingly, when last year they approved the budgets for the RHAs, it was interesting to note that they allowed two thirds of the RHAs to present deficit budgets, and they accepted those deficit budgets despite the strong language used during the budgets that the RHAs would have to avoid deficits. It is interesting, on the one hand, they would say that, and on the other hand, they would actually then turn around and allow and accept deficit budgets to be put forward by two thirds of the RHAs. Mr. Speaker, an interesting one that I do want to take a moment to discuss and certainly set the record straight on is the whole issue of the NDP continuing over and over to say that the Tories fired a thousand nurses.

* (14:50)

Mr. Speaker, they continue to place false information on the record with their assertions that the Tories fired a thousand nurses. It certainly is a politically opportunistic thing for them to do to keep bringing this up over and over. They feel they score big points with the public when they do that. It is interesting, I am now starting to hear from more of the public that are saying: Why does the NDP continue to do this. The NDP knows that a thousand nurses were not fired. Why do they keep perpetuating that myth. The NDP knows full well that because there was no mobility clause in the contract, nurses had to be laid off so that they could be rehired during a time of health care reform. The majority of those thousand nurses were simply redeployed to different health care facilities. In fact, of those nurses, 830 were later rehired; 274 of those nurses originally laid off chose to retire.

Mr. Conrad Santos, Deputy Speaker, in the Chair

Mr. Deputy Speaker, this Government knows full well those numbers. They have been made fully aware of what happened during health care reform at that particular period of time. Despite the fact that I am sure they have

also had briefings from their department, this minister still chooses, this Premier (Mr. Doer) still chooses to perpetuate this myth that the Tories fired a thousand nurses. Well, that is absolutely bunk because those nurses, had they had an opportunity within their contract for a mobility clause, would not have gone through this particular system of having to be laid off in order to be later rehired.

I could ask the Minister of Health and I could ask the Premier then if they want to continue to go down this path, why then have they just fired 350 VON nurses in Manitoba. We have a nursing shortage here. We have a crisis here. We have a vacancy of nurses that has jumped from 600 to 1100 under their watch. I would have to turn around and ask the NDP, Mr. Deputy Speaker, why have they fired 350 VON nurses? I also want to know then why they are going to fire all the nurses from the Morden and Winkler Hospitals in the near future.

Mr. Deputy Speaker, it is a game that can be played. It is definitely a politically opportunistic game to play, and the NDP play it particularly well, but the fact of it is that 1000 nurses were not fired in this province during health care reform of the '90s.

Mr. Deputy Speaker, any comprehensive plan for health care would have to include a vision and ideas for the future. Clearly the NDP do not have a road map for the future of health care in Manitoba because they have not presented Manitobans with a plan that includes a mention, for instance, of anything to do with information technology. They certainly criticized us during our term in government, but we see nothing forthcoming from them. There is no mention of a plan to any degree at all for mental health improvements. There is no new plan for addressing our nursing shortage. They certainly do not say how they are going to attract or keep nurses in Manitoba. In fact, the two-year diploma program, although it is almost one year into its existence, still has not been approved.

There is no plan for attracting or retaining allied health professionals. Where is the plan for the physios? Where is the plan for the occupational therapists? Certainly groups that I have recently met with feel that this particular

Government has been bargaining in bad faith on their particular settlement. There is no mention of progress indicators to measure progress in restoring health care as promised in the Throne Speech. There is no mention of their election promise to put nurses in schools. Mr. Deputy Speaker, there was so much missing from this Budget in the area of health care and in terms of a plan and a vision for a future, it is really hard to support a Budget that does not do anything but spend, spend. There was no path to follow, and so money keeps getting dumped in, but we really at this point do not have much of an idea where that money is going or whether or not it is having any difference at all on patient care.

I want to talk now a little bit about hallway medicine, but it is actually hard to know where to begin. Considering the Finance Minister (Mr. Selinger) is the only member opposite with the courage to admit that his Government's election health promises were irresponsible in the area of hallway medicine, indeed in his Budget last week he admitted that his Government still has not ended hallway medicine. In fact, the NDP ran on a campaign of quick-fix solutions. There were no ifs, ands or buts about it during the 1999 provincial election campaign, and there should be none now.

The Health Minister indicated that he would end hallway medicine in six months with \$15 million, but he has failed. The problem now is far from being resolved. In fact, there are more patients in the hallway now this year than there was last year.

The NDP promised to end hallway medicine six months after the election, in fact by April 5, but hallway medicine is still practised in many Winnipeg hospitals. In fact, at a news conference at Red River College on September 20, 2000, the Premier (Mr. Doer) himself admitted that his Government did not fulfil the promise to end hallway medicine. The Premier claimed that the broken campaign promise is due to the nursing shortage. Well, what a surprise. Where was his head at prior to the election because he certainly knew even then that there was a nursing shortage? This nursing shortage has been in existence for some time now. The Premier knew it. The Minister of Health knew it. Despite that,

they made those promises in the 1999 election campaign.

Hallway medicine has again become an issue in recent months even though there has not been a winter flu outbreak. Had there been one, we certainly would have seen additional strain put on the resources and, I think, a much more critical situation than what we have seen because we have not seen a totally successful plan rolled out by this Government.

Something that particularly disturbed me in October of last year, an elderly man died in his wheelchair in the waiting room of an emergency department while he was waiting to be seen. The Health Minister last year blamed the summer bout of hallway medicine on bed closures due to holidays, but Victoria General Hospital said it did not close any beds this past summer. The truth is that the NDP government did not fulfil its promise to open a hundred new beds. They made it sound like they would snap their fingers, and they would have this miraculous cure. They would have more full-time nurses. They would have more nurses. They would have a hundred new beds. They would end hallway medicine. Certainly, like a bubble, it has burst on them, and they have not achieved any of the health care promises made during the 1999 election.

The Health Minister now says that the problem is going to be solved with some fine tuning. One has to wonder what that is going to mean. November 23, 1999, the Health Minister said: There will be no patients in the hallways. That is what we were elected on. The Health Minister (Mr. Chomiak) April 6, 2000, said: The phenomenon of hallway medicine has been largely eliminated. I believe we have lived up to the commitment we made during the election campaign. The Finance Minister, on the other hand—and we do have to give him credit for his courage and his forthrightness in making the comment on *Insight* in September of 2000 that their promise to end hallway medicine was indeed an irresponsible one.

* (15:00)

The Premier (Mr. Doer) in September of last year said: There is no question that we feel that the lack of nurses has been a major impediment in fully implementing all the commitments we

have made. We cannot just add water and mix to get a trained nurse. He certainly led Manitobans to believe that he could. In fact, Manitobans believed him when he said that he could end hallway medicine. He was convincing, despite the fact that he knew the challenges were insurmountable. He knew he would not have an opportunity to be able to meet those particular goals set forward, but he made the promises anyway.

Now, Mr. Deputy Speaker, probably the most insulting thing to Manitobans: Recently on *Insight*, the Premier has said that Manitobans have misinterpreted what he promised during the election campaign. He did not really promise to end hallway medicine. It is now Manitobans' fault, he says, because they misinterpreted the Province. That is absolutely unbelievable and disgusting and disgraceful for a premier to now make comments like that.

This now from the Minister of Health (Mr. Chomiak). The Minister of Health probably has one of the most interesting explanations for what was promised, and you have to listen to this one because this is what the Minister of Health said they promised. He said what his party pledged to eliminate was, now I quote: The persistent everyday someone in the hallway getting medical treatment on a regular basis all year round, unquote, situation we have seen in ORs. Mr. Deputy Speaker, can you believe some of this backpedalling? Can you believe how they are squirming out of the biggest promise they made during the election? It is disgraceful for a government to be behaving like that.

Manitobans are still going to the United States for treatment, and when one considers that the nursing shortage has doubled over the last 18 months it is obvious that nurses have not been hired either. It was revealed that although the Winnipeg Regional Health Authority was running a \$10-million surplus, two days later we heard that doctors at St. Boniface Hospital had to cancel revision surgeries for hip and knee replacement patients due to cutbacks.

In the House the other day, the minister said something that I find quite shameful. The Minister of Health indicated that we on this side of the House were passing around information

that was inaccurate. He indicated that we had told people that the fact that these doctors were cancelling their surgeries was a fabrication, I guess, of our imagination. In fact, these two doctors from St. Boniface Hospital were compelled. They felt that they had to mail out a letter to their patients notifying them that they could no longer provide service to their patients.

This was not an invention of ours. This was a situation where two highly trained, highly specialized, very, very good doctors in their field felt compelled to write a letter, and they said that it was with deep regret that they could no longer provide service to their patients. Sixty patients were sent this letter. This was not a fabrication of the Tories. For the Minister of Health (Mr. Chomiak) the other day to even suggest that we were circulating irresponsible information again is just some bunk, and it is absolutely shameful that the minister would even indicate that.

The doctors had indicated that the Winnipeg Regional Health Authority had placed extreme financial constraints on their program because of the program costs. The doctors go on to say that they have an 18-month waiting list for surgery and with the new cutbacks even further stress is placed on their clinical practice. They even went so far to say that they felt they could not provide their patients with safe, quality health care as they have previously promoted. They indicated that they strongly regretted their decision, and they did look forward to solutions.

It is so interesting that when we bring stories like this forth that the minister almost infers that they are a fabrication, a figment of maybe my imagination, when in fact we were dealing with some very, very clear facts and a letter that we had and numerous letters from patients and phone calls from patients. The Minister of Health tends to get so indignant when we put faces on the numbers, yet when he was in opposition he was a masterful person at doing that, and now becomes so indignant when he has to now face this kind of a situation himself. He certainly plays politics, and he was playing it with these patients the other day. I find that particularly shameful in a situation where we are talking here about patients that were in a considerable amount of pain, in desperate need

of surgery, and were being turned away by our health care system.

I would like to know how the minister could justify cancelling the surgeries when two days prior to the letter-receiving people there had been a news release from the WRHA indicating that it was running a surplus. If these surgeries have now been reinstated at St. B, as the minister indicated the other day, then I certainly would like the minister to tell us exactly what has been reinstated, where it has been reinstated, and if these physicians could carry on their good practice as they have been doing in the past.

Even though I do support the Health Minister's attempts to encourage fiscal accountability throughout the health care system, it should not be done at the expense of patient care, especially when the minister promised to slash waiting lists and guaranteed in last year's Budget that his Government sufficiently funded the health care system. Well, if he sufficiently funded it last year, why did they end up going over budget by \$75 million in health?

The nursing shortage has certainly doubled, but this Government does not deal with this problem in their Budget in any significant way. Even the Manitoba Nurses' Union stated they did not see anything in this Budget to address the nursing shortage, and it is interesting that this Government has tried to take credit for doubling nursing enrolment in this province.

I should remind all members opposite that while there will be 508 nursing grads in the year 2002, 418 of those grads enrolled under the Manitoba nursing education strategy, which was initiated long before they were in Government. Only 90 of those students are from this Government's reinstated two-year RN program. Again it seems they have a little bit of trouble with numbers when they are trying to take credit for this huge increase in enrolment and only 90 of those students they can truly take credit for. I think it is a real discredit to the people that are actually doing all the work out there. That certainly is the Faculty of Nursing at the University of Manitoba.

This Budget also provided no plan for addressing doctor and specialist shortage, and it

contained no plan to attract or retain any of the health care professionals in Manitoba. I would be interested to know, Mr. Deputy Speaker, if the minister does have any plans to add more students to the system. I would also be curious as to why this minister waited one full year before admitting more students into the medical school, because certainly the talks for that had happened while we were still in government. That program could have been implemented one year prior to when it was. I do wonder why the minister waited a year to do it and then why he only chose to put 15 med students into the system. Certainly he had an opportunity to do more, and not just rural spaces. Some of the propaganda that is out there right now, maybe the member from Dauphin would like to just pay particular attention to this because his name is certainly attached to obviously what must have been a news release from his Government, where he was certainly taking shots at our leader, indicating that we did not vote for their Throne Speech and therefore we did not support their physician recruitment and retention plan.

* (15:10)

Well, Mr. Deputy Speaker, their Throne Speech had absolutely nothing in it that addressed health care in Manitoba. So to have voted for it would certainly have not been in anybody's best interest.

Also, the Member for Dauphin has indicated that the Leader of the Opposition (Mr. Murray) rose in the House—this was in the fall session—and only brought up the issue of the number of doctors in Charleswood when he went on to say that our leader had said that there was nothing at all but the shortage of doctors based in our rural communities. The member from Dauphin also stated that there is currently one doctor per 2000 patients in rural Manitoba, one doctor per 5000 in northern Manitoba, and in Winnipeg there is one doctor per 600 patients.

I would like to inform the member from Dauphin that the reason the Leader of the Opposition stood in the House and asked that particular question on that particular day was because their recruitment and retention plan for physicians dealt largely with only rural issues and the rural physician crisis. While we support

that part of it, we also would have supported a more comprehensive approach that also addressed the urban issues. I am in a situation in my Charleswood constituency—and that is why this particular issue was brought up in the House, Mr. Deputy Speaker—where I have three physicians in Charleswood who each have 4500 cases. That is way above what this member put forward in his news release and in his quotes to the paper that in Winnipeg there is only one doctor per 600 patients. I have three doctors in Charleswood who have 4500 cases, and I do not think this is an isolated situation. I do not think that this is just happening in Charleswood.

Mr. Deputy Speaker, the other issue that certainly does need to be addressed right now is my wonderment, I guess, as to what this Minister of Health (Mr. Chomiak) is doing with the medical equipment fund of \$37.1 million that has come to this province from the federal government. We know that that money flowed into Manitoba in October of last year. We know that that money was sat on for six months rather than being put into needed diagnostic equipment, whether it was purchase of new equipment or repairs, and we know that with a lot of the pressure that has been on this topic over the last several months once we found out that they had the money, we note now in this Budget that the Minister of Health has committed first-year spending which is last year's spending and they are only going to spend it in this Budget of \$18.6 million. That money is now going to be spent.

I also, through a request from the department, have found out that the Department of Health, the Minister of Health, has only spent \$9 million of provincial money on medical equipment in this last year, half of it for repairs and half of it for new equipment, so that when the minister stood in the House the other day and grandstanded about buying all these CT scanners, well, of course, he should; that is what this money was meant for. This money was specifically earmarked for medical equipment only.

I have to wonder, Mr. Deputy Speaker, why that money came into that province, ended up, well, we are not quite sure where it all ended up because we still have not seen the second year's commitment at all. In fact, the second year, that should be spent in this budget year, is now put forward to next year. If this Government was so

committed to timely access to diagnostic treatment and care, then I have to wonder where is their commitment in terms of action. They certainly put forward in terms of language. It is easy to say things, but it sure is hard for them to follow through and come forward and address this appropriately by putting that money where it should be, and that is into medical diagnostic equipment.

Mr. Deputy Speaker, personally, I find it very, very unethical that they would take this money from the federal government, and they would sit on it for the time they have, knowing that it actually delays access to timely treatment and care in this province.

In the Budget, it indicates an expansion. There will be money used for the expansion of acute care services, dialysis, cardiac care. Well, I should hope so. I mean, it does not take a rocket scientist to know that these are issues that do need attention in this province. In fact, we heard about a cardiac care situation yesterday, where a Mr. Jack McDowell, who had a heart attack in January, has had to spend 700 of his own dollars and go to Regina so that he could get a test, an angiogram, and subsequent angioplasty. So with all these grandiose promises made during the election, we have to wonder why is Manitoba so far behind in ability to deliver its care.

Mr. Deputy Speaker, there are so many other issues that I would like to talk to. Ambulances, people are still wondering, after their grand announcement, where are the ambulances. Where are the dialysis supports in this system?

On a final note, something that has really struck me were remarks made by Dr. Albert Shumacher, the president of the Ontario Medical Association, in March, to the Canadian Club of Toronto. I would like to quote a few of his statements. He said there is a crisis in health care now, and the future looks even more daunting. I want to make my case by outlining three propositions.

These are his quotes. The first is that our health care system faces an unprecedented crisis. The second is the need for dialogue about the kind of health care system Canadians want for

themselves and their families, and the third is the urgent need to develop and implement the solutions needed to ensure a stable and sustainable system of care in future needs.

That is what the Tories are proposing in terms of addressing health care in Manitoba. We must invite and engage Manitobans into a dialogue. We have a health care system that we worry about the sustainability of it, and we do not support the fact that the NDP government has not promoted any dialogue with Manitobans. That is something we believe in. We feel that it is very important for self-examination, serious debate and ultimately meaningful reform.

I am sorry that I did not see any of that in this particular Budget. I think this Budget has been a major disservice in terms of health care. It has been a disservice to Manitobans. Thank you, Mr. Deputy Speaker.

* (15:20)

Hon. Scott Smith (Minister of Consumer and Corporate Affairs): Thank you very much, Mr. Deputy Speaker. It is really a pleasure today for me to stand and speak to a good balanced budget here for Manitobans. The member opposite mentioned a few of the attributes in her blather there that I will expand on a little bit.

The Budget was formulated by listening to Manitobans. The consultation that we believe in very strongly on this side was to balance and listen with an inclusive ear to all Manitobans here in our province. The extensive consultations that were done by the minister in many, many of the communities throughout the province proved to be very fruitful and to be part of our Budget for and with Manitobans, Mr. Deputy Speaker.

I believe this Budget truly reflects a balance that Manitobans have envisioned for a number of years. It reflects the priorities of families and communities and neighbourhoods and a rebuilding in our province that has not been seen for some 12 years. The Budget hits people at home at the kitchen table. It is a doable, realistic, balanced budget, and choices were based on what Manitobans felt was important to them and important for the Government leadership to do.

The overwhelming support on the initiatives we have done to improve and rebuild health care in this province was directed in this Budget to huge expansion in moving ahead with our health care, and we heard it very strongly from Manitobans, that health care is the No. 1 priority. We listened and it was reflected. Education, as well, was listened to by Manitobans, the vision of an educated population here in our province for an economic development strategy, and that is reflected throughout the Budget.

The competitiveness of our small business and large business here in Manitoba is one step forward again in this Budget, Mr. Deputy Speaker. The small business taxes have been reduced constantly both throughout our first Budget, now into this Budget, and as many have mentioned on this side before me, for the first time in some 50 years, since the second World War that the members opposite seem to be living in, has shown a leap ahead in corporate taxation here and an advantage here for Manitoba that is certainly a step in the right direction. It shows a commitment to the public services and the values that people put into their public services here in Manitoba while committing strong measures to debt reduction, reduction in pension liabilities and the significant tax cuts that we have seen, that most people here in Manitoba will see a 10.5% reduction in taxation by the year 2003.

We hear the members opposite, Mr. Deputy Speaker, stand and speak to not moving quickly enough in some of the reactions to the rest of Canada, and it astounds me that they have the audacity to get up and speak after doing nothing for a decade in many of the measures that we have taken the resources and put them toward and the reductions, putting us into an advantage here in our province. It just absolutely astounds me that they would speak against Manitobans' wishes on improved health care, education and to position ourselves for competitiveness here in the province of Manitoba.

They pick selective numbers and the members opposite have used different numbers and tried to confuse the public, but just in speaking to people on the doorstep and speaking to people generally since our Budget came down on the 10th, people are not fooled by it. They

know that a family of four with a \$60,000 income has total savings of income and property taxes on a balance by the year 2003 of some \$2,545. That is progress, Mr. Deputy Speaker, and people realize it.

The Budget reflects certainly the strong views, not too continuous with the previous government's ill-conceived and short-term vision, or should I say, Mr. Deputy Speaker, the lack of vision and irresponsible spending beyond our means. Many of the members opposite like to flog themselves as pretty good readers of the bottom line on financial plans and budgets. If that were truly the case, they would recognize the improvements that we have put into this Budget.

Previous administration and members opposite had a whimsical spendthrift mentality that saw terrible overspending to the point, even during our good economic years, of the huge draws that the members opposite used to take out of Manitobans' bank account, the fiscal stabilization account, to the tune of \$180 million that they took out and called it a balanced budget in their last year in office. That is not a balanced budget. People know that you cannot continue to overspend money out of the bank as the previous administration had done—*[interjection]* It certainly was a shell game. Members are right on at that. I know the members prior, I do not imagine they run their own family households that way, but they certainly were spendthrift with Manitobans' and other people's money. It was very, very unfortunate.

Our first year in reduced the dependency by a half, \$90 million. Absolutely incredible that it was cut in half just to actually show a true balanced budget, and then this year greatly reduced to the need of not needing to dig into the Fiscal Stabilization Fund that the members opposite had done. I reiterate, they had done that throughout some of the best years and some of the best revenues this province had and still could not stay within their means.

That type of irresponsible accounting certainly infuriated Manitobans and direct wishes were put into this Budget. There will no longer be that type of dependency on the Fiscal Stabilization Fund. We cannot, and Manitobans

know we cannot, continue to sell off our resources and sell off our companies that are doing so well such as Manitoba Hydro, and as a previous administration had done the Manitoba Telephone System that was undersold and let go for bargain-based prices just to put some money in the bank so they could squander it away over a short period of time. That will not happen. People realize that. They saw that in our Budget.

I believe you should look to a third party obviously and Manitobans have looked to a third party, certainly when it comes to jockeying around in the shell game that the members opposite had played. I know other members have spoken to this. The CIBC, the World Markets brief document by Mr. Warren Lovely, certainly exemplifies exactly the way the financial community is recognizing our previous Budget and again in the expansion on it with this Budget. Of particular note was Mr. Lovely's comments that note the 2001 Manitoba Budget reinforces a commitment to reduce taxes, pay down debt and the investment in programs, while maintaining a true, positive fiscal balance.

Mr. Deputy Speaker, that speaks volumes when you have a third party like Mr. Lovely, a very, very well recognized person in the financial community and certainly not noted for being left leaning or certainly fronting things that are not true. I think even of more note was that the true budgetary surplus of \$26 million actually exceeded the \$10-million target that we had initially thought and that speaks volumes for the efforts of our Finance Minister this side of the House.

Manitobans recognize that with last year's tax reductions and this Budget's tax reductions Manitobans will see double-digit personal income tax reductions by 2003, slow and steady and a movement forward. Manitobans recognize this. Continued cuts to small business tax, the increase in the income threshold from \$200,000 to \$300,000 by the year 2002. Many, many small-business people in the province here have mentioned the 50% increase in that area will stimulate and produce economic growth here in our province. They have been hoping for some movement in that area for a number of years. The business community is very excited about the positive steps forward of this Budget.

Manitobans now have the strongest disposable income growth in 20 years.

Mr. Deputy Speaker, that is the lowest that we have seen since I believe it is the year 1976. It shows the progression in this province. It shows the positives in this province. It shows why many people are starting to come from Alberta and make investments in our province in their small business.

* (15:30)

I know the Premier (Mr. Doer) spoke a little bit today about a few of those companies, and certainly one that is close and near and dear to the area that I come from was Nexen Chemicals. It is a company that is well recognized within our community. They have made substantial investments in and about the Brandon area for a number of years and again another investment of \$55 million with another increase in employment in the Brandon area. As well, within the Brandon area was Albchem Industries, another sodium chloride plant that has invested \$50 million and plans to open up a starting employment of 21 personnel.

The reason for coming to Manitoba has been the vision this side of the House has had for a number of years, the hydroelectric power that we have. It is a renewable resource. It is a clean, environmentally sound resource. Manitobans recognize that with this side of the House there will be a number of new incentives. In Alberta certainly some of the companies in Alberta are starting to recognize the Manitoba Advantage out here in the hydro rates.

The Budget also speaks to some of the investments in health care. When we look at the past administration, the promises made and unkept can be numbered from election to election to election. Prior to election, promises made; after the election, promises broken. Brandon Regional Health Centre is a good example of that. Right from somewhere around 1990 there were promises of expansion and dollars to be put into that facility. Certainly as a community member there, I noticed right after elections those promises continually broken. The last one that was broken, I think certainly people in the Brandon area had had enough of broken promises. We have invested substantial dollars

into what should be a regional health centre in the Brandon area. It certainly supports local areas, a large surrounding area in the southwest part of the province. Many, many of the people in the rural community utilize that health care centre, and it will be funded as such.

The criticism that can come, that is constructive criticism and suggestions, Mr. Deputy Speaker, this side of the House is certainly always willing to listen to that. However, uninformed lack of vision from some of the members certainly is hard to take. We mentioned fuel taxes and some of the things that members opposite had thought should be a reduction in fuel taxes. Quite frankly, the reduction that they had wanted, it is actually below that point already on fuel tax in Manitoba. Someone opposite had mentioned that the 13.5 cents per litre of fuel tax should be reduced. Well, totally inaccurate information, and I would suggest that some members opposite do a little bit more homework before throwing out numbers such as that.

The Budget continues forward the visions of Manitobans. Certainly with the initiatives of rebuilding health care, which was a priority in the Budget, education and many others, it exceeded the expectations that Manitoba had. I have had that coming back certainly to myself, and many of the members on this side of the House have mentioned it as well. When you look at the investment, members opposite like to claim the sky is falling and things are falling to pieces here in Manitoba, that is certainly not the case at all. Here in Manitoba there is a very good flavour out there. People know this is a good place to invest. They know that Manitoba is a quality province to reinvest in and as well to expand in and move their businesses here from other locations.

When you go down the list, Mr. Deputy Speaker, since September of '99, it is incredible the amount of investment that has come into the province on a large scale. Certainly another one that is in the Brandon area, I know both the Member for Brandon East (Mr. Caldwell) and myself are very proud of this company. It has been a company in Brandon for some 27 or 28 years. It continues over and over to make investments in the Brandon area, and that is the

J.R. Simplot chemical company. It is located in the Member for Brandon East's area, and it employs 230 direct employees with over 500 indirect and at-the-farm-gate jobs. They have invested another \$120 million in their phase-one expansion. Palliser Furniture, I know the Minister of Industry, Trade and Mines (Ms. Mihychuk) had mentioned this previously, the investment there of \$20 million over five years, with employment in the first phase 200. The total employment we brought up to 1200, to 1400, total jobs.

Kitchen Craft expansion, excellent Manitoba company that continues to expand here in Manitoba, the investment there \$26 million, with employment 300 to 500 jobs. Loewen Windows is another example, a good Manitoba company with an investment of \$20 million, 250 jobs. The electronics expansion, Vansco, the investment of \$12.4-million expansion was announced January 13 of 2000, employment 240 new jobs. Gage, investment of \$1 million, brought total employment up in numbers to 226. IBM, employment another 40; Hudson's Bay Mining and Smelting, the investment there continues, the poultry industry here in Manitoba, expansion of the industry by \$15 million, the list goes on and on.

There are some four and a half pages that I have here, with investments such as Air Canada adding to the accounting jobs here in Manitoba, bringing the number of employment up here in the city of Winnipeg. The Tolko industries, the expansion, their initial investment of \$35 million, employment 200, Warehouse One, the clothing production facility that they have will be an expansion of employment there to 100. The PeaCan Mill Producers, pea processing plant in Miniota, with an investment of \$850,000, there is new employment there again here in Manitoba.

The number of small businesses with 25 employees or less, we hear over and over again the expansion of the small business growth here in Manitoba and what they feel are some excellent incentives in this Budget to shape their bottom line even further than had been in the Budget previously last year.

Members opposite may not feel that things are going quickly enough in the direction that they would like to see, but certainly it has gone in a direction that business here in Manitoba has recognized as being extremely positive, in the right direction and making us very competitive with our neighbours throughout Canada.

The Budget as introduced this year showed a commitment to a well-rounded, balanced budget, not just to one sector of our society but certainly a little bit for everyone. When we think of the education advances that we saw previously last year in the Budget and we saw certainly this year in the Budget, really affects families. I know from the years 1990 continually up to 1999, certainly in the city of Brandon, we saw over and over again the underfunding of the educational system. You can steal from Peter, but sooner or later Paul has to pay. People recognize that, by not committing in the '90s to education and to the funding that was needed in the educational system, the money had to come from somewhere. People wanted to see the standards of quality of education kept up in their communities. They wanted to see the vision that we see, a well-educated workforce and giving all individuals the ability to have a good education and for that education system to be funded.

* (15:40)

The Tory tax credit was ripped away, reduced from \$325 in the mid-90s down to \$250. It was another reduction. It was out of the pockets of Manitobans here, and it seems that members opposite do not want to put a percentage or talk about that part of it, Mr. Deputy Speaker, but that is just another area where every homeowner in the province of Manitoba over these last two Budgets has seen an average decrease because of the \$150 that we have re-invested back into a property tax credit for Manitobans. It has been on average a 9.3% reduction in their property tax credits. Some people with higher property taxes will be less; others with lower property taxes, that number will be increased to the mid-teens. The one thing people recognize is the commitment of that \$150 to the bottom line, to their pocket, to their wallet, to their benefit, that this Budget shows.

The property taxes that I saw escalate in Brandon in certainly '97, '98, '99 issued by the school division because of a lack of funding in education during those years were in the double digits. Certainly the last year, going in '98 it was 9 percent on property taxation. So the incredible increases have stopped. It is being funded now properly, Mr. Deputy Speaker, to the point of inflation. The rising costs in schools have been recognized in this Budget, and they are seeing for the first time in a decade real funding back into the educational system.

The health care that we saw deteriorate over the period of the '90s, starting in 1999 when we came into office was by June of that year somewhat overspent, over \$100 million overspent by the previous administration, and that has been stabilized. It was stabilized in the first Budget and again restabilized, and certainly increases for regional health authorities to assist them with putting together their budgets with the funding increases and the support for some of the new and creative approaches in service delivery has been backed by this side of the House.

The conversion of the Pan Am Clinic as a recent example of the Government's commitment to preserve public health care while improving services to Manitobans has been very well received and very well appreciated. The fear that Manitobans have and I believe certainly all Canadians have is the two-tier health care system that is being flogged to our neighbours to the south. Certainly the Klein government has moved a step in that direction, and I believe that is why the members of the House here opposite who seem to always want to compare ourselves to Alberta, it seems to be one of the biggest reasons they would like to move toward that system.

We do not believe that is a system that Manitobans want. We have heard it over and over again, that Manitobans want quality health care here in the province of Manitoba. They want reasonable health services provided by the Government, not a two-tier health care system where only the very wealthiest will get the best of health care. That is not the vision of this side. That is not the direction that this Budget goes in, and many Manitobans recognize and appreciate

the efforts, certainly the positive efforts on the conversion of the Pan Am Clinic here in Winnipeg. We believe on this side that the future, universal, public, not-for-profit health care system is what Manitobans want, and they saw that reflected.

Given the incentive back to graduating doctors here in the province, certainly introducing incentives to keep doctors here in Manitoba after they graduate has been targeted. It is targeted in this Budget. Certainly adding 15 medical school spaces with 9 dedicated to training family physicians for rural and northern Manitoba is a step in the right direction. When we see our rural people here in Manitoba that in some instances are 6000 per physician, it is obvious that an initiative should be directed in that area. That initiative is being taken. Instead of cutting medical school spaces here in Manitoba, we are now going to build on our health care system here in Manitoba and add spaces to it.

The nursing task force will be providing resources for immediate action to respond to the report that they will soon be completing and be introducing. Certainly having those folks work towards some of the solutions in Manitoba as professionals as frontline people in the area knowing the issues is going to be incorporated. I know the internal medicine graduates certainly support a need to provide the added care, and that is initiated in the report as well.

The increase in funding for health care is certainly welcome. Our financial plan has incentives in health care funding to a new high of almost \$2.6 billion, or approximately 38 percent of the entire Budget in Manitoba, remains certainly on course and continued.

Mr. Deputy Speaker, Manitobans that we have spoken to previous to Budget and certainly after Budget have come back. You take all diverse groups here in the province. We can use the example of a larger family, by today's standards anyway, a family of five with two earners here in our province, the income averaging around \$75,000. In 2001, tax reductions will be \$882 and total projected savings from the year 2000 to 2003 will be \$3,361.

Mr. Deputy Speaker, \$3,361 is a lot of money to the pockets of Manitobans and certainly to their families. Parents of one child on the other end of the scale with an income of around \$30,000, the 1991 tax reductions will be \$455 and a total projected savings through the years 2000 to 2003 of \$1,617. You look at a senior in our province, a single senior with an income of \$20,000, tax reductions and savings of \$351 for the 2001 Budget. That is a lot of money to a single senior here in our province. Thirty dollars a month is a substantial saving and certainly can go a long way to assisting them. Total projected savings for them throughout the years 2000 to 2003; \$1,231. A family of four with one earner of an income of \$40,000, we see tax reductions in 2001 of \$582, with a total projected savings through the years 2000 to 2003 of \$2,259.

Mr. Deputy Speaker, Manitobans realize the progress of tax cuts that we can afford. I spoke earlier about not breaking the bank and overspending the dollars as the previous accounting we saw throughout this previous administration where you start spending your hard-earned money that is in the bank and overspending on your revenues and what you actually have. Manitobans know that this is affordable. They know that a 10.5% provincial income tax cut by 2003 is balanced. They know that it is managed. They are assured that it is dollars that we can afford to do with the many other incentives that are being done in what they have certainly let us know is the top priority here in Manitoba that we knew going into the election in '99 of health care.

They are seeing other expansion in education and knowing how important that is to people and families. We saw in our first year's Budget a 10% decrease in tuition fees in the province of Manitoba, and this year again, that being maintained. Mr. Deputy Speaker, that is a huge impact on families and for families having a vision of educating people in their families and giving them the opportunity and the legs to stand on going into their adulthood into whatever they choose for their field.

The health care incentives over the last 18 months as well as the number of patients in

hallways were something that was a priority set by this going in '99. It was decreased, and the reduction has been some 80% reduction on an 18-month basis that Manitobans recognize is a strong commitment to the health care system, a strong step forward, an 80% decrease in hallway health care here in the province of Manitoba. We know there is a distance to go to make that zero. We also know that that other 20 percent that are being counted certainly are not overnight stays in many, many cases. Many of it is people who are coming in and the triage being done in the hallways for an extended period of a couple of hours, however, not overnight stays and people spending days at a time, as we saw throughout the late '90s and into '99. People have seen a huge step in that direction.

*(15:50)

The diagnostic equipment was identified, certainly is undervalued here by the previous administration; \$22 million in this Budget to replace and upgrade aging diagnostic equipment, with a further \$18 million next year, Mr. Deputy Speaker, goes a long, long way to some of the problems that we have seen in waiting lists for our diagnostic equipment here in the province.

Our ongoing support for extended nurse training and recruitment programs, building on the enrolments that have already increased some 60 percent since our initial initiatives were introduced. The number of graduates here in the province will be up certainly almost double over what the previous administration would have done under their previous projections. That is well recognized by Manitobans here in the province.

The new initiatives and better care of co-ordinated emergency rooms, the regional health authorities can better manage, in a timely and predictable manner, their budgets by the new process. Disease and illness prevention becoming a stronger focus, adding to recent initiatives in the Health Check public information campaign, the meningitis vaccination program and the largest flu vaccination program in the province in Manitoba's history.

Many other points that this Budget touches on, Mr. Deputy Speaker, are certainly worth

mentioning. Health care has certainly been the priority. People notice the improvements.

Education. Over the last 18 months, on our first Budget and now into this Budget, we have increased funding to public schools by \$47 million, compared to an increase of \$15 million in the five budgets from '95 to '99. Manitobans recognize it. They recognize it on their property taxes, they recognize it in the classroom, and they hear it from the educators. The post-secondary students, we have heard from over and over again what a difference it makes to them on a personal level. We are seeing the increase of enrolment certainly from our first year to this year expand in a huge amount of enrolment increase. It is obvious that this incentive is well received. It is obvious that this makes an impact to people's decisions on whether they can afford to go to school.

Previously, we had seen a 10% increase yearly, on average, from 1990 to '99. Brandon University, I will use it as an example, saw a 102% increase over those years, at roughly 10 percent per year. Assiniboine Community College saw a 214% increase throughout those years. What they have seen in the last two years is that has stabilized. They have seen that not only not increase by 10 percent; they have seen it remain a decrease of 10 percent for the second year in a row. It gives families and it gives young people in our communities the feeling that this Government is behind them, that this Government supports them and that this Government sees value in their continuing their education here in the province of Manitoba.

The \$100 million in capital funding to colleges and university was obviously well received. We saw deterioration in the infrastructure in our education facilities here that was unprecedented since most of them were built, and now they are seeing a reinvestment in some of the capital needs that have been long overdue, certainly a commitment by this Government with considerable dollars and a hope for the future that this can be kept up and maintained and not let slip into the cracks as it did from '90 to '99. The academic year of 2001 will see approximately 10% more Manitobans attend community college and a thousand more spaces made possible throughout this budget

year of 2001, which is an incredible step forward.

Mr. Deputy Speaker, education and health care and also when we look at putting families first, I think many, many of the people in the community recognize it. When we put families first with initiatives like child care funding increases of 7.7 percent, building on last year's 18 percent, it certainly hits a broad spectrum of families that are out there. The child care facilities in the province certainly have recognized the increases and the support that they have seen over these last two budgets; 7.7 percent is a large increase. Our first Budget tried to stabilize and bring back 18 percent. They recognized as well that it could not be continued at that level; 7.7 percent was certainly well received.

The 42% funding increase for Healthy Child Manitoba was introduced last year to better focus resources on early childhood development. The new Budget completely ends clawback of national child care benefits for hundreds of families on income assistance here in our province and for children aged six years old and under.

The new prenatal program helps more low-income mothers meet the special nutrition needs of pregnancy. These initiatives are extremely well received and funding has been put into place in this Budget to meet those needs.

The Neighbourhood Alive! program that was certainly targeted here in the city of Winnipeg, Brandon and Thompson has seen rejuvenation and revitalization of many of our neighbourhoods. Certainly the funding there has been continued into this Budget. It is people in place in the communities doing some of these pilot projects, if you will, Mr. Deputy Speaker, and looking at the expansion of this program throughout Manitoba possibly into the future but certainly seeing the funding back into place again into our Budget this year. The Neighbourhood Alive! and Lighthouse program is positive, it is stronger and it certainly builds safe and strong communities.

The support for family violence prevention certainly puts families first. The programs in the

women's shelters and the investment that we have put into those programs are well recognized.

Certainly of incredible importance to Manitobans both in the urban area here in the city of Winnipeg, city of Brandon, Thompson and some of the larger communities is recognized very, very strongly in the agricultural initiatives we have put in and built into our Budget, well recognized. We had a debate here that saw a lot of tension yesterday on agreement from both sides of the House that quite frankly was very impressive. I think most members recognize that the federal government has to get into the game and be part of the solution for us, but we continue to fund agriculture, we continue in this Budget, a 6.3% increase over last year. *[interjection]* The member opposite says: Why do you not decrease it? I cannot go along with the member opposite. We increased the spending on health care and are very, very proud of it, Mr. Deputy Speaker.

Just in closing, I know my time is quickly up. The positives of this Budget Manitobans recognize are tax cuts we can afford. It is a balanced budget for families, communities, and neighbourhoods. It is well recognized that our vision is for people in Manitoba. We want to expand our economy and do well. Thank you very much.

* (16:00)

Mr. Harold Gilleshammer (Minnedosa): Mr. Deputy Speaker, it is always a pleasure to speak to a Budget. I am pleased that the person who is charged with crafting the Budget is with us today, and I would like to give some credit where credit is due and make some comments that maybe he would take to heart in terms of the direction he would go with the next budget.

It is a monumental task to put a budget together, and few people understand the time and the energy devoted not only by the Minister of Finance (Mr. Selinger) and Treasury Board staff but also the Treasury Board people and the Finance people who bring forward options to the minister and to Cabinet and right through the departments that are asked to look at ways that they could spend less and also to bring their wish

list forward. So having the job completed is certainly a satisfying one I am sure for all of those people, and I acknowledge that this is a tremendous task.

There are imperfections in the Budget, however, and I guess our job is to try and point some of those out and have government members think more carefully about them. I would like to start by saying thank God for balanced budget legislation. It was harshly treated by members of the current government when it was first brought in, I believe in 1995. Virtually every member of the Opposition of that day spoke negatively about it, that it could not be done, that it would handcuff them, that it was a draconian way to approach budgeting. I am so pleased that they have now accepted the legislation and abide by it to the best of their ability.

I would suggest to the Finance Minister that their same reluctance to cut taxes more dramatically is probably the same thinking and the same reasoning that they used when they opposed that legislation. It is a concern, I think, to many Manitobans that the Finance Minister and Cabinet did not find a way to make more dramatic tax reductions to keep pace with other jurisdictions. The member from Brandon West talked about burgeoning revenues in the early '90s, and I would just like to point out that he is wrong. We went through a recession of the late '80s and early '90s probably second only to the Depression years of the 1930s. Revenues were not growing at that time. Revenues were not of the magnitude that they are today.

Also, compounded at that time was the fact that the federal government abandoned the field in terms of spending on social services. I believe that they took out some \$7 billion annually across the country, money that would flow to provinces, and governments right across this land had a difficult time backfilling for true priorities as they tried to maintain those services. *[interjection]* The member from Thompson calls these excuses, but I notice that the Minister of Finance (Mr. Selinger) is nodding his head in agreement that those were difficult times. I am pleased that the federal government has come back to the table, and the federal government has

made some substantial improvements in their funding for social services.

I would suggest that members would look at the tax situation and I believe know that they could have done better, that they could have kept up with other jurisdictions. Many third-party pundits are now saying, you know, while we are not into a recession at this point, there are certainly storm clouds on the horizon. What you have done is created a spending binge that gets built into the base of the Budget, and it becomes very difficult to deal with when you have revenue which slows down. I would like to just point out the revenue from the last two budgets. These were both brought down by the current Government. They made some adjustments to revenue in '99-2000, indicating that total revenue was around \$5.9 billion. The revenue that is projected in this Budget is \$6.8 billion. So there is at least \$850 million of new revenue that has come into the system through the fact that there has been a buoyant economy. There is momentum in the economy, and virtually every area of provincial revenue is increasing. *[interjection]*

Yes, we had projected in 1999 that there would be probably in excess of a billion dollars in new revenue over five years. They have already reached that in two years, or nearly reached that. Again, what is lacking is a balance of how you deal with that \$850 million, close to a billion dollars of new revenue. Virtually all of it has gone on the spending side and it has been built into the base of departments. Once you have done that and created programs and hired additional staff, it is very difficult to deal with that when you have to look at adjustments in the expenditures of government. I think I will look at some remarks made by others a little later on in my speech, indicating how difficult that is going to be.

As well, I think the minister is taking more money out of Manitoba Hydro this year than has ever been taken out before in water rental rates. He talks about changing the formula, comparing it to other jurisdictions, but the fact of the matter is he is reaching into a Crown corporation and taking \$102 million from that Crown corporation through the water rental rates and moving that across to general revenue.

The Government also was going to do the same with MPIC, maybe in a more modest way, and after five days of reflecting on that decision, changed their mind. It was probably one of the better decisions that Government has made, because there is something about MPIC dollars, whether they are in surplus or whether in difficulty, that people really hold near and dear to their heart, and even though we have low insurance rates in this province, it is very difficult to convince drivers that that is true. They have always felt that insurance rates elsewhere were lower. The fact is we do have low MPIC rates, but that money is very much dedicated. It is a rate-based form of collecting revenue, and people will guard that very jealously. But I am concerned that the minister is taking more out of Manitoba Hydro into general revenues. Again, when the crunch comes and other forms of revenue are not as buoyant, he is going to further adjust that formula and take even more out of Manitoba Hydro.

Third-party watchers of the Budget have called the tax reductions modest. That certainly is an appropriate term. These tax reductions were extremely modest and probably the major criticism I have seen of the Budget from all of those people who look at it, who study it, are indicating that he could have gone much further in this way. He also has adopted, I think, something that Paul Martin has used effectively over a number of years: he projects the savings over three and five years. The fact of the matter is, I think you have to look at your expenditures and your tax reductions on a one-year basis, compare it this year to last year, instead of saying, yes, over five years we are going to save so many millions of dollars. It is a mug's game to do that, and people are not fooled by it.

I think that this Budget largely, to me, represents a missed opportunity, that there have been tremendous increases on the revenue side, and there could have been a balance between expenditures and tax reductions. This is an opportunity that may not come along again for a long time, and your ability to increase spending and reduce taxes in the future is going to be made more difficult.

The federal government transfer payments, because of what other jurisdictions are doing,

certainly have increased. Prior-year adjustments very much went in favour of the Manitoba government in the latest re-assessment. Those prior-year adjustments will happen again, and they could have a negative impact the next time that happens. Equalization again is up because of other jurisdictions, but if there is a slowdown in the economy in other provinces, this will negatively impact on Manitoba in its ability to maintain these programs.

I think I would like to reflect for a moment on the interprovincial tax rates. We have moved from a tax on tax to a system now that other provinces have also moved to, which is a tax on income. I want to point out specifically the middle tax bracket which across the nation usually impacts on people who are making \$30,000 to \$60,000 of income. Manitoba has nearly the highest rate of taxation in any jurisdiction. It is 16.2 percent, and it is going to be adjusted downward to 15.4 percent which is a very small adjustment. It is still completely out of line with Saskatchewan, with Ontario, with Alberta and even some of the Maritime provinces. This is the group of taxpayers, those people who are in the middle earning that \$60,000 income, who are going to be impacted the least and who pay by far the largest portion of taxes in Manitoba.

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In the Budget Papers, this is indicated very clearly. For a family of four earning \$60,000 comparing B.C., Alberta, Saskatchewan, Ontario and Manitoba, Manitoba pays the absolute highest income tax. Similarly, with two-earner families earning \$75,000, it is more dramatic. Comparing the western provinces and Ontario, Manitoba has absolutely the highest income taxes of any of those jurisdictions. Now, members of the Government say, well, you should not mind paying higher taxes because the cost of living in Manitoba is lower. Because the cost of living in Manitoba is lower in terms of mortgages, in terms of home heating, auto insurance, that does not give the Government licence to impose higher taxes on Manitobans, and I think it is wrong.

Members opposite are fond of saying what are the options if you do not want to have this level of expenditures? Every department in government brings those options before Treasury

Board and before Cabinet to look at. Clearly, there are options in terms of hiring new staff. There are in the neighbourhood of 500 more civil servants working for the provincial government today than there were a year and a half ago. Obviously, this is a cost. It is an area where you could have saved money. Reclassification of civil servants: There are a higher number of reclassifications today, this Budget year, than have taken place in previous years; again, an area where this Government could have saved money.

The Finance Minister and the Premier have painted themselves into a bit of a corner where they will not have the flexibility to deal with income reductions in the future, and I think that is one of the major points that I would like to make.

The *Winnipeg Free Press* in an editorial in March of 2001, this was before the Budget but after the Third Quarter Report, and their headline is: Easy Come, Easy Go. I think it makes the point very clearly that the federal transfers that were announced at that time, the Province received \$351 million more in these prior-year adjustments, equalization and federal transfers, and the Government virtually spent all of it. All of it was spent. There was an opportunity there to pay more down on the debt, to put more in the Fiscal Stabilization Fund for the previous year and also position yourselves to reduce taxes more dramatically. There is a \$96-million payment on the debt. That is in the legislation that was passed. I would point out that about four years ago when we had additional revenue we doubled the payment on the debt, so there was an option there of paying down more debt which would put you in a better position in future years.

The *Free Press* in this particular editorial also indicates that the Doer government will have to substantially reduce spending, perhaps cutting services to protect tax hikes. Its record so far shows it will be a hard task for this Government. Again, the example is that you have no trouble spending the money, a very difficult time in cutting taxes and showing restraint.

The *Brandon Sun* from the same month, March 22, 2001, indicated that income tax cuts

are needed. The editorial board of the *Brandon Sun* was calling for the Finance Minister and the Premier (Mr. Doer) to do something more dramatic than they did. They indicated similar leanings to the *Free Press*: Admittedly, tax cuts will lead to some tough decisions at budget time, but even tougher decisions will have to be made if Manitoba loses ground economically because it cannot compete for jobs and opportunities with other provinces. Again, recognizing that competitiveness on the tax side is very, very important and we have indicated that in all probability you are not able to keep up with Alberta and Ontario, but we should not be falling behind Saskatchewan in such a dramatic fashion.

Ms. Bonnie Korzeniowski, Acting Speaker, in the Chair

I would like to also mention some other directions I think the Government is going. It was raised yesterday that this Government has not yet responded to the Rose report. The Premier seemed to indicate with farm producers in the gallery that money could have been taken out of the infrastructure program for paying down other activities of government. That simply is not true. Government is not able to use infrastructure funding to pay for agriculture, to pay for other activities of government.

The Premier has traveled recently in rural Manitoba and had his photo ops in places like Shoal Lake, Minnedosa and Souris, where he breezes into town, meets with an invited group of people and has his picture taken for the local paper, indicates he is listening. I can tell you, if he did listen in Shoal Lake, Minnedosa and Souris, there are unresolved issues with the excess moisture situation of 1999 that have not been addressed. Yes, the debate yesterday I think led us to a consensus and a process whereby we are going to put more pressure on the federal government, but the Rose report, which has been in the possession of the Government since they took office, is being ignored by this Government.

There are things that this Government could do to assist producers in the southwest, businesses in the southwest who were impacted by that excess moisture, and the Government is not taking a strong leadership role here. They have not addressed the recommendations of that

report. It is gathering dust and I can tell you people will not forget that. I think it is absolutely imperative that it be addressed. There is a sense of unfairness that report has not been addressed. I am hoping that the Finance Minister and the Minister in charge of Emergencies in this province and the Premier will bring out that Rose report and do something with it.

Another direction this Government is taking, which I think is having a negative impact on rural Manitoba and where the recessionary times are going to be felt first, is in rural Manitoba. I think that they led Manitobans to believe that they were combining the Department of Rural Development and Urban Affairs into Intergovernmental Affairs to reduce the number of Cabinet positions there are but that nothing would change.

Well, I can tell you there is a growing feeling in rural Manitoba that the momentum that was created by the Department of Rural Development over the years of its existence in the middle to late '90s is now missing, that the direction that Rural Development gave to our communities, to our R.M.s, to our people, was that you could do anything from anywhere in Manitoba, and there was definite leadership given. There was leadership given by that department, by the staff members of that department across this province which was helping to diversify our economy. It was giving hope to our small towns that there were small industries, there were businesses that could be created there.

* (16:20)

That momentum is dissipating. It is partially because of the excess moisture problems of 1999. It is partially because of the economic situation with rural producers, but it is also in the businesses, in the communities, in the local governments that are out there that there is no longer anyone who is providing leadership for them. There is no longer a government department that seems to care about them, to assist them, to provide programs, and while the programs have not disappeared, activity within those programs have. I think there has only been one Grow Bond that has been announced since this Government took office, and it was one that

was in the chute when they took government. That has virtually disappeared as an option for our communities.

The REDI program, the rural economic initiatives, no longer seem to be coming forward from our communities, and there is a feeling out there that their provincial government has forgotten about them. *[interjection]* Well, the member from Transcona seems to be taking great glee that the Isobord factory in Elie is going through difficult times. I can tell you that the concept was a good one, that it was well supported by Manitobans, by producers, and that they have had some cash flow problems which has thrown them into a receivership, but the plant is still open. It will be resolved. It will reopen, and that plant will make money. It will allow for the collection of straw again, which was such an important side benefit of that plant. So I would not be too gleeful that he sees this as a failure that he can point his finger to.

There were problems with design that will be overcome, and again you have jobs that have been created out there. You have the correction of a straw-burning problem that was in existence before. That was a good plant, and it will be successful in the future. So I would caution my honourable friend from Transcona not to take too much glee in the fact that they have gone into receivership and are going through some difficult times.

The other day I was able to listen to a talk radio program where the manager of Brett-Young Seeds was on there. I think that here you have a company with 60 jobs who are looking for a reason to stay in Manitoba. They are, for the most part, born and raised in Manitoba, like the quality of life here, like the fact that they have grown up here and have become a successful company. But this Budget where they were looking for a new direction from this Government, this Budget where they were looking for some more dramatic tax reductions, this did not appear in this Budget and is one of the main criticisms that businesspeople have of this Budget.

This firm is looking at relocating with their 60 jobs to another jurisdiction, and I think we should be very, very concerned about that. We

should be concerned that young graduates coming out of our community colleges, our nursing institutions and our universities are also looking for other places to work after they have been born and raised here and trained here. They want to stay in Manitoba, the majority of them do, but they are being lured away by the fact that the cost of living, when you take taxes into consideration, is lower in other jurisdictions. They will put more money in their pockets and bring more money home at the end of the day.

This Budget was not what business people were looking for. It was not what young people were looking for, and I would be more than a little bit concerned, if I were a member of the Government, that this is taking place.

Another example that is used, Medichair Ltd., who is a small company, two former students of mine from rural Manitoba were the principals of the company that operated it out of Brandon, very, very successfully. They have relocated and taken their jobs to Calgary. They say very clearly that the reason that they went is it is a more competitive environment, and we have done nothing in this Budget to entice them back. Similarly, other larger corporations have also been mentioned.

Schneider's have already made their decision to cancel a substantial \$125-million investment in this province, 12 000 jobs. These were promised for the city of Winnipeg. I recall the sod turning. The Premier and the mayor of Winnipeg, with shovels in hand, were touting this great new plant that was going to be built here. Well, they understood very well the economics of Manitoba. They could foresee the lack of competitiveness, and they have decided not to build. I mean, that is a major, major blow for the city of Winnipeg.

Buhler Industries, for more than one reason, are having some difficulty, but again, whatever happens with Buhler Industries, one of the things that is not keeping them here or enticing them to stay here is the lack of competitiveness of our tax system. I acknowledge there are other issues, but again, this is a company and a principal owner who has been a very, very successful businessman in Manitoba, a very generous person. I know the Premier (Mr. Doer) probably

wishes he had not spoken so disparagingly about him. He has been a very generous contributor to the arts. He has been a very generous contributor to the health care system, and he has been a very, very successful businessperson in this province and in the communities in which he operates. You know, it is not only Buhler Industries and Versatile that I think you put at risk when you treat a businessperson like that; others of his companies may also flee because he does own property in another country.

Investors Group Securities moved 49 jobs to Toronto, again, a major employer in Manitoba, a major growth industry, a very successful company. They, too, are finding that it is better to have their head office in another jurisdiction.

I know the Premier (Mr. Doer) mentioned today the possibility of a couple of small companies coming the other way, and that is true. That is because we benefit from our energy rates here in Manitoba, but if you want to do the mathematics, do the arithmetic on the job losses and the jobs gained, I think you will see Manitoba as a net loser. So these are concerns that Manitobans have.

Again, this Budget is very much a missed opportunity, one in which the Government could have made a very much stronger stand on taxes than they did, and many, many Manitobans are disappointed.

The mathematics of this Budget is for every tax dollar that is being saved by Manitobans, this Government is spending six times that amount, and many, many third-party objective commentators on this Budget are warning that you cannot sustain that level of spending, that you will not be able to sustain it when there is a downturn on the revenue side, and that downturn will come, that no government in the history of Manitoba ever benefited from such a buoyant revenue stream as this one did in the last two years where the Budget documents show in two budgets alone an \$850-million increase on the revenue side. That is unheard of and unbelievable, and the sad part is that most of it is being spent rather than reinvested in the people, giving people a chance to keep more of their own money and make their own decisions on those expenditures.

* (16:30)

So, Madam Acting Speaker, it is for that reason that members on this side will not be supporting this Budget, that there has been an opportunity to do something very, very dramatic that would have put this Government in a strong position with the business community and with taxpayers across this province, and they have failed to do that, that the tax cuts are minuscule compared to the expenditure side of the Budget, and this leads to an ongoing failure to make Manitoba more competitive with other jurisdictions.

Unfortunately, governments do not get another chance until a year from now to try and correct their mistakes. You can only hope that transfer payments remain buoyant, that income tax and sales tax and gaming revenue continues to grow, because you have built into the Budget expenditures that are going to be there year after year after year. There is also a built-in increase in those expenditures. As salaries go up, you are going to be facing a number of union agreements that come open 12 months from now, and you have created an expectation out there that salaries will rise by 2 percent, 2.5 percent, 3 percent or 4 percent. Again, that is going to be difficult for you to manage as a government.

I know that the Minister of Education (Mr. Caldwell) and the Minister of Finance (Mr. Selinger) have announced new funding for education. In my particular school division of Rolling River, the increase is 1.2 percent, and however you do the numbers, that increase is not enough to cover the cost of the energy used to drive the buses, the energy used to heat and cool the schools. So you have got that against the backdrop of high expectations of upward salary adjustments in the next year, and it is going to be very difficult to balance that. What is going to happen is the property taxpayer is going to have to pick up that difference. For all the members opposite are saying about increased funding for education, property taxes are still going up quite dramatically across this province. It is an issue that could have been dealt with by the Government but they chose not to, and I think that is going to come back to haunt them. People were looking for dramatic changes on the property taxes. That has been offset by the

additional costs that the education system is going to visit on them.

So those are reasons that members on this side are not supportive of this Budget. It is unfortunate that this is a spending Budget and not a tax-saving Budget, and I will be joining my colleagues in voting against it. Thank you very much, Madam Acting Speaker.

Hon. Steve Ashton (Minister of Transportation and Government Services): I want to start, as I always do, by thanking the people of the Thompson constituency for the opportunity to be here to once again speak on the Budget debate.

I really enjoy the Budget debate because it gives us an opportunity to put on the record our views not only on the Budget document itself but the direction of government in this province. I am particularly pleased with this Budget. You know, I could swear that members opposite are talking about another budget. I mean, let us be realistic here. I have seen a lot of budgets. I have seen budgets that are good budgets in good times, and I have seen some tough budgets in tough times, and, Madam Acting Speaker, this is a good Budget. It is a good Budget; it is a good Budget.

I heard members opposite. I realize it is a challenge for them. They have to come up with reasons to oppose the Budget. I must admit they are being, what is the word, creative? They spend the first half of their speeches saying that it is a spending Budget; it is spending too much. Then they spend the last half of their speeches saying, well, we are not spending enough money in this area; we are not spending enough money in that area; we are not spending enough money in the other area.

Well, there are certain words I will not use here, but "creative" is the word. *[interjection]*

The Member for Lakeside (Mr. Enns) is reminding me of, I know of what a former member of this House, Abe Kovnats, did put on the record, and, you know, really, I mean, what was his statement again: In Opposition, you can have it both ways. But you know, in the same speech, I think one of the reasons the Member

for Lakeside has been representing that constituency as long as he has is—I mean, the Member for Lakeside normally does not do that. You know, he may have one speech where he says spend more and then he will make another separate speech where he says we should be cutting expenditures.

Let us be up front here. The bottom line is what we have done in this Budget is something that governments are rarely able to do. Yes, we have increased expenditure. Where have we increased expenditures? I just want to put this on the record because when they argue against the spending, they have got to understand where it comes from: health care. Are they suggesting we not invest in health care? I get a kick out of them getting up on a daily basis for attacking us for not having fixed the problems they created in eleven years quickly enough. I talk to my constituents, and I can tell you, I encourage members opposite to get up on health care on a regular basis, every time the Member for Charleswood (Mrs. Driedger), or any of the members opposite get up and talk about health care, about waiting lists, about hallway medicine, you know what, it just reminds them. It is like a bad dream, a flashback of 11 years of neglect of our health care system. I encouraged them to do that.

I have news for members opposite. People do not have fond memories of the 11 years of Conservative government. We have not been able to solve all the problems overnight, but I can tell we made a substantial difference. I will just give you a few examples: nursing, nursing shortage.

The Leader of the Opposition (Mr. Murray) in his speech talked about we have not solved the nursing shortage. Madam Acting Speaker, give me a break here. You know, they were the ones that eliminated a thousand nursing positions. They were the ones that got rid of the RN program. They were the ones that cut back on nursing training. You know what we have done? We, in a very short period of time, not only reinstated the RN program but we virtually doubled the nursing training that is taking place, in a year and a half. Now, that is not going to fix the nursing shortage overnight, but I can you tell

you one thing: over time you are going to see a significant increase in the number of nurses.

They talk about medical shortages. Guess what they did in terms of doctors. They cut the intake at the University of Manitoba. I remember because I was the Health critic at the time and I kind of suggested to them that there was some lack of logic here because there was maybe considered to be a surplus of doctors in urban areas at the time.

Well, you know, it never did occur. Outside of the perimeter, in rural and northern Manitoba, there was a shortage of doctors. Well, we have increased the intake. What I am particularly proud of is the fact that we have targeted a significant part of that increased intake for rural and northern doctors, trying to get more people from rural and northern Manitoba into the system because we know they are going to stay in rural and northern Manitoba. That is not going to solve the problem overnight either, because you cannot turn out instant doctors. But one thing we will do over time is make a difference. So anyway, there is health care.

Now, education, I love listening to Conservatives on education. We just saw the Member for Minnedosa (Mr. Gilleshammer) get up, and after criticizing us for spending too much money on education was crying about a situation that involved a school district in his area. Well, let us put on the record what we have done in education. In 18 months we have increased public school funding by \$47 million. That is triple what the Conservatives put in in their five budgets from 1995 to 1999. If you combine the increased property tax credits, because the member expressed concern about property taxes, well, I can tell you, with the announcement in this Budget of a further \$75 tax credit, public education is being either directly or indirectly funded by \$100 million extra.

Now, members opposite talk about spend, spend, spend. Which public school program would they like to see us cut back in order to meet their demands that we spend less? Which school district would they cut? How many teachers would they cut? The bottom line is, yes, you may be able to have it both ways in one

way, shape or form, but people are not going to take you that seriously.

Talk about education, let us talk about post-secondary education, because we made a significant difference. I am really proud of the fact that we reversed the trend we saw under the Conservatives for more than a decade. We saw a virtual doubling of tuitions. What we did is we announced a 10% cut in tuitions, and we have maintained that 10% cut. I say to members opposite, talk to young people in your constituency, talk to students of all ages, because I have heard this from people. They have said to me that it is really a breath of fresh air to see a government that is committed to post-secondary education.

We have increased funding for ACCESS programs. We put more than a hundred million dollars into capital funding for colleges and universities. We have increased the operating grants to universities this year by a very significant amount. I mean, the bottom line is, yes, they are expenditures, but we are making up for more than 10 years of neglect in terms of that increase in tuition fees, 10 years of neglect in terms of capital expenditures.

I can tell you I am really proud to be a part of a government that has the kind of vision that has seen the development we have seen with the Red River downtown campus. Once again something that is an initiative of this Government shows our vision for the future.

I could continue, but what I want to do is reference just how desperate the members opposite are getting. I actually had the opportunity to read the Leader of the Opposition's speech, and, well, it is interesting, because I want to suggest to the Leader of the Opposition here, and I have seen these debates a few times in the past, one expects that Government is to be a little bit more positive about developments in the province and Opposition is to be a little bit negative at times. That is very much what Opposition and Government are all about. Her Majesty's loyal Opposition has to put forward a critique, but then I read the Leader of the Opposition, and I realize he is new to this House, new to elected politics, but when I read a statement staying that

it is truly a sad day for the constituents of Kirkfield Park, indeed all Manitobans, because today every single one of them woke up in a province that is on its way down the road to decline.

Madam Acting Speaker, the Opposition at times has been accused of being into doom and gloom, but you know what, I would suggest the Leader of the Opposition get a reality check, because I do not know what province he is talking about, but it is certainly not the province of Manitoba. Look at how we are performing economically, with the most significant increase in disposable income in close to 20 years, the lowest unemployment rate in the country, the lowest unemployment rate amongst young people.

It is one thing to talk about the state of the economy, but on the way down the road to decline? When I saw the member opposite today in Question Period, I say to members opposite, because I have seen a pattern, there are two things that I would suggest to members opposite. One is when it comes to issues, and I take the meningitis vaccine as a good example in that particular case. They should perhaps take the time to talk to the experts, because the decision in terms of the provision of the meningitis vaccine was based on that. You do nobody any kind of favours, and particularly in rural Manitoba, if you push and you—the words fear mongering come into play—the suggestion somehow the vaccine should be provided to everybody in the province.

I understand that is the reaction that people have, but the bottom line is do members opposite not stop to consider the fact that, for example, if you give the vaccine and it is not necessary in terms of the public health, if you do have a meningitis outbreak in that same area down the line a number of years, you have reduced the effectiveness of that vaccine? So it may be a very easy short-term political thing to jump up and say provide it across the province, but if you are going down the line to impact on rural Manitobans' health, I would suggest to members opposite listen to the experts, because our decision was not political. It was based on medical advice.

I say to members opposite, today, when we had the Leader of the Opposition (Mr. Murray) virtually promoting the efforts of a mayor in Alberta to attract business from Manitoba to Alberta, I say to members opposite, as much as they may disagree with our policies as a government, I will say that Manitoba is a good place to do business, and I can point to business after business that has located in this province because we are competitive and we will compete with Alberta. I tell you, compare our hydro rates to their hydro rates and you will understand why. I consider it the height of irresponsibility for the Leader of the Opposition to get up and make those kinds of statements in this House.

* (16:40)

Now, I realize the Leader of the Opposition has a bit of a different view on the world. Back in the Throne Speech, in his opening speech in this House, his version of the election is that they hit a detour. Of course, you mention the word "detour" and being Minister of Transportation I remember at the time it came to mind that I really think what happened with the Conservatives in 1999 is they basically got hit by a semi, okay, and before they could recover from that there was a road washout. I think the bridge has disappeared. I tell you, this was not a detour. They did not really understand that people were upset at them, that they wanted a change in government. But that is okay.

I should not give free advice to members of the Opposition. I know they are not going to listen. They really have a tough time dealing with it. Actually, I give the Leader of the Opposition some credit. He is known for his background in the music industry, but he has now become a film critic. Have you seen his speech? He rattled off all the latest films, you know, *Traffic*. I ran through it here and I know our Minister of Culture (Mr. Lemieux) has probably run through this as well. It was kind of an interesting ploy. Yes, *Traffic* was one he referenced. Oh, there are a number in here, I tell you. *Crouching Tiger, Hidden Dragon*, a very well-reported movie. He even put ministers into various movies. I could not resist. I do not have quite as much time as the Leader of the Opposition to go and watch movies, but when I have seen the Leader of the Opposition recently,

there was a movie out a few years ago *Dark Man*, I have seen it in the 7-day rental section in the video store, and we have seen various things on that theme, you know, *The Invisible Man*.

Now, here is the Leader of the Opposition for you, and it is actually a good script for a movie. You see him on the steps of the Legislature. There are hundreds of farmers and he is just giving it; he is right into this, right. So you think he is there. Then you see him getting interviewed afterwards: Now, our position on the farm package was we are in. We think it would be irresponsible to turn away that kind of support for Manitoba farmers.

Yes, it should be more. We took a position. Now, what did the Leader of the Opposition do? The invisible man here, his position was, well, he did not really have a position. He was not necessarily saying we should be in or we should be out.

An Honourable Member: That is our privilege.

Mr. Ashton: The Member for Lakeside (Mr. Enns) says that is his privilege. I can tell you, if the Leader of the Opposition continues in that fashion for as long as that party keeps him in that position, he will be Leader of the Opposition for a long time exercising that privilege.

You can tell me you can have it both ways, but the bottom line is, on key public issues, the people of Manitoba want to know where you stand, and where we stand, I am not sure members opposite know, if they know where they stand.

I am not sure how communications are going on. I see one member of their side at a press conference with Reg Alcock on the underpass. I do not know, is that their official position? I understand it is an issue of concern in Winnipeg with the underpass. You know, it is interesting again because members they want to cut, cut, cut in expenditures, but they want \$37 million for that underpass, okay. Maybe they are going to get rid of that farm package, which is about \$38 million, to pay for it. I really do not know. Maybe they do not want the floodway. That is about \$40 million. Once again, I am not sure where members opposite stand.

You know what though? I finally figured it out. I have finally figured out what is really eating away at members opposite. We heard it from the Member for Minnedosa (Mr. Gilleshammer) with his rather snide, cutting remarks about the tour the Premier (Mr. Doer) took to 20 communities throughout rural Manitoba.

I have made a real effort as minister for a couple of departments that are pretty critical to rural Manitoba, the transportation side, Emergency Measures, to get out and talk to people, not just during the flood period, but I went around to actual potentially flood-affected areas in southwest and southeast Manitoba, along with my colleagues, including the Minister of Intergovernmental Affairs (Ms. Friesen). I take that very seriously, coming from a community that knows what it is like to be forgotten by governments. We had one for 11 years that forgot our existence. I take it very seriously.

You know what is interesting, though, I really, really understand now what the problem is. For a long period of time, you know you have heard about yellow dog country, right. It used to be that there were whole parts of this province that the Conservatives felt that they owned politically. You could run a yellow dog, and they would get elected.

Well, you know what, I can tell you, and I look to my colleague the Member for LaVerendrye (Mr. Lemieux). You do not know how much it bothers members of the Conservative Party to see somebody representing south of Highway 1 in the Manitoba Legislature. Not only that, when it comes to important local issues like Highway 59, the twining, guess what? He is not only in the Legislature, within a year and a half, he has been able to do what the Conservatives could not do for 11 years. Now really that bothers them.

You know, Brandon West, I mean, they were used to that little island of sanity in southwest Manitoba called Brandon East. I tell you, when you have the Member for Brandon West (Mr. Scott Smith) sitting on the Government side and delivering, you know, I want to run through the list of things we

delivered in Brandon. BMHC, I mean, the support we are seeing for Brandon General Hospital, they are starting to get a little bit concerned, but you know it is more than that. It is more than that because I have been throughout rural Manitoba, and what is interesting is I am getting lots of comments from people. They are saying, you know, when the Conservatives were in government, we had to go to them. I talked to one reeve, and this reeve is certainly not a Conservative, and he said, you know, "arrogant" was the word. We had to go and have audiences with ministers. We never saw them getting around talking to people.

Not only that, what is interesting is the response we are getting on some of the substantive issues, and we take a stand. I will give an example. We were just in southern Manitoba travelling around looking at the flood situation. Do you know how many people commented on the fact that we are prepared, when it comes to the floodway, to put the money up front to do the due diligence, yes, but also to recognize the Ste. Agathe dam proposal would have significant human impacts, and that has to be part of the equation, not just the engineering but the human impacts? I can tell you, that is the kind of feedback we have been getting on the rural situation in terms of farmers.

I remember, and this is, I think, a real comment on rural Manitoba. The first six months that we were in government, I had a lot of people saying, well, it was nice to have the Minister of Agriculture (Ms. Wowchuk). I mentioned this to the minister, and she will know what I am talking about here. I remember a couple of people saying, well, it is nice to have a woman Minister of Agriculture, I mean, a breakthrough. You know what, after a couple of months, I did not hear that anymore. I heard from people, it is nice to have a Minister of Agriculture who has been able to deliver on the kind of aid that we did not see. We have doubled farm aid in the two years that we have been in government. You go back to 1989 and '90, this is the Minister of Agriculture delivering.

You get a kind of a theme here that maybe people in rural Manitoba are starting to notice up on this. I know we in our caucus developed a, it is not quite a David Letterman here, but sort of a

top ten list of the things that we have been doing in rural Manitoba.

* (16:50)

Water management, you know what, I have seen the kind of damage that has been done by the neglect of the Conservatives of our drainage system. You go out and look at the provincial drains. You know, they cut 43 percent out of our drainage maintenance budget. You know why we have problems right now in rural Manitoba? One of the problems we have in terms of the flooding of fields and with communities is because of that neglect. Well, what we have done is we have committed \$25 million for flood protection, and an 11% increase in this Budget for water projects. Perhaps that is where they want to cut, cut, cut, which we saw earlier.

Drinking water, what did they do? They privatized water testing. We have instituted a subsidy for private drinking water tests. I mean, you just look at Ontario, you look at the Conservative legacy in Ontario, Walkerton. We all know the importance of drinking water. We have done what the Conservatives did not do. We reversed that situation.

Crop insurance for excess moisture, protection of water quality in terms of livestock, I mean, you know, the Tories cut planners and water engineers that were put in place to protect the environment. I mean, why did we not have proper data on the Assiniboine River? Because of those kinds of cuts.

I mentioned already the agricultural funding. Let us take Hydro rates. Let us look at Hydro rates. You know, it is interesting with members opposite. I remember around 1992, 1993, the former Minister of Hydro, Don Orchard, actually after we had pressed the issue said he was going to equalize hydro rates. They did not do it. The party that represents so much of rural Manitoba continued a system that saw rural and northern Manitobans pay more for Hydro than people living in the city of Winnipeg. Guess what? The NDP government is elected and within six months we announced that we are equalizing Hydro rates, not talk, not lip-service, action, a major benefit, \$15 million in savings for rural and northern Manitobans.

I could run through what we have done in terms of rural emergency services or with ambulance. I mentioned about rural doctors, you know, the farm stress line. How about the grain roads program? I have got a little bit of a bias on this one. I will tell you, we are going to see the first federal money in the province of Manitoba for roads since 1996 under the Grain Roads Program, something we have negotiated with the federal government, and we are going to see the first federal money going into the National Highway Program next year. Now, once again, not lip-service but action. We took the time to go down and work with Ottawa. We are delivering the goods, and it is going to benefit rural Manitoba.

You know, I say to members opposite, I understand their frustration. They are not used to, and it bugs them, to having NDP Cabinet ministers, NDP MLAs in their backyard. They are not used to hearing people say: You know, they are working hard, they are trying their best.

They are not used to that because they still have this idea that large parts of the province are somehow a private Conservative domain. Well, you know what? I mentioned about yellow dog country. Remember that term? They used to use that term to refer to federal Conservatives. Remember them? They are sort of on the endangered species list. There is still one in Manitoba. Yellow dog country. You know what? They got arrogant. They did not listen.

You go across western Canada now, you will not find too many Conservative members, and I say to members opposite, because, you know, this is not meant as free advice here and it is not meant to be anything other than an observation of what is happening. If you think that rural Manitoba is some private domain for the Conservative Party, you better get out and talk to people in rural Manitoba, because they are prepared to give this Government a chance. They are seeing that in 18 months we have done more for rural Manitoba than they did in 11 years. I have got news for members opposite, because we are going to continue that, and you are going to have to fight, this may be news for you. In 57 constituencies, every last one, because our message to people in the next election is going to be: you have a choice. You have got Conservative lip-service on the one

side. Oh, yeah, they will give you all the lip service you want for rural Manitoba, or you have got a choice of the NDP, which in just 18 months, and we have a couple of years yet to go before we get into an election. Mind you, I tell you, I wish we could call an election right now, believe you me, but they will have a choice between a party that does not take things for granted, that is willing to invest in rural Manitoba, is not going to pay lip service but is going to tackle the issues of real concern to rural Manitobans.

I want to finish with that because, you know, I think most people in my area, in terms of northern Manitoba, are used to being ignored. My message to rural Manitoba is you have been ignored for too long when you have had Conservative governments in power. Not only do I ask rural Manitobans to give the NDP a chance, but work with us, because if we were able to do this in 18 months, just watch what we can do in the next couple of years.

I say to people in rural Manitoba we need a lot more members for La Verendrye in this House. After the next election, if we continue on this path, we are going to see a lot more members like the Member for La Verendrye (Mr. Lemieux) sitting on the NDP government side in the Legislature.

Mr. Jim Penner (Steinbach): Well, that was quite a diatribe, Madam Acting Speaker, but sometimes you just simply have to tickle yourself to laugh. There is just not enough humour in there. I was looking at a definition the other day of politics—and I do not like it because it would refer possibly to me as well—but politics, the first part is poli-, that means many, and the second part is tics, that means a bloodsucking insect. Now I am starting to realize why people say this about politicians.

The arrogance of the member opposite, who just finished speaking, will stir our memories for the next couple of years, and I think that is just wonderful. I needed all the instruction. The instruction was wonderful. I think it is going to be inspiring, and it is challenging. I admire his ability to speak, to stand on his feet and just speak and speak and speak even when he, you know, repeats himself occasionally. But I keep

thinking that he is not in opposition anymore. Why does he not speak as if he is in government? He is talking as if he is in opposition, and then he actually believes some of the stuff that he is talking about. I think it is just the most interesting—*[interjection]*

So, Madam Acting Speaker, it gives me great pleasure to speak briefly this afternoon on the topic of the residents of the Steinbach constituency. You know, sometimes they have called that a yellow-dog riding. I think that is a little bit slanderous and deplorable because, first of all, the two dogs that bit me during the last campaign were both brown, and, secondly, I just think that the slanderous intonations about the concern, about the dedication of the voters is unnecessary. If people decide to vote a certain way, we have always said that we respect that. We respect that the NDP were elected. We respect that the people wanted them, and we say that this is a time when we should be all working together for the province of Manitoba, as we did on Tuesday when we had 100% unanimity on an issue regarding agriculture.

So, Madam Acting Speaker, I would say that I am very happy this afternoon to have the opportunity to represent the Steinbach constituency and to speak on their behalf and mention what they want from the Government in the way of budgetary policy and in the way of priorities.

Of course, this is not the first time that I have spoken in the House about the priorities of my constituents. I only wish that the Government had taken the opportunity to listen and to act upon some of what has been brought to their attention regarding the concerns and views of the southeastern part of the province.

Now it has been said by the party in Government that they are heeding the concerns of rural Manitoba, but at the same time when they reorganized after their election they have eliminated a position which would be responsible for the affairs of rural Manitoba. So we can hardly believe what is coming out of both sides of their mouth. In fact, I would invite the Minister of Finance (Mr. Selinger) to consider coming to my constituency next year and to hold a pre-Budget meeting so that he can

hear first-hand some of the ideas and vision of a very successful region.

* (17:00)

In the two rounds of consultations the Government has held since assuming office they have failed to hold such a meeting in the Steinbach constituency. Perhaps they are concerned that they will hear ideas that do not accord necessarily with their own. We have a fairly aggressive bunch of people living out there who pretty much look after themselves and do not really depend a lot on government help. If the Government is simply looking for confirmation of their own ideas, of their own tax-and-spend agenda, it is true that they will not find overwhelming support in my area, and yellow dogs included.

However, I believe that a great deal can be learned from listening to the residents of communities such as we have like Grunthal, Kleefeld, Niverville, Mitchell, New Bothwell, Blumenort and Steinbach. I really like representing that area. It is a bunch of people that I am proud of. It is a bunch of people that are hardworking. They are independent. Maybe it is wrong to be successful. Maybe it is sin to make a profit, but these people are successful and they profit in their industries. I would really love for the Minister of Finance to hold a pre-Budget hearing in the Steinbach constituency. I think it would be a great awakening and possibly a chance for some people to express themselves who often feel that they do not have that opportunity to express themselves.

These communities I just named, including many, many wonderful farm communities, are places where people are proud of their work. We have a community such as Niverville who work hard to develop growth. They have a very active Chamber of Commerce and have undertaken creative steps to promote their communities. I believe what I am saying is correct, but I also know that when people repeat inaccuracies in their speeches often enough they actually come to believe it. Well, I really believe that it is accurate to say that towns like Grunthal which continually strive to expand and develop local business and to be a service centre for the

surrounding farm community will continue to survive.

Mr. Conrad Santos, Deputy Speaker, in the Chair

In Steinbach, local business people, like Peter Barkman from Barkman Concrete just came back from three weeks in Germany buying equipment to make bricks. Milton Penner from Penner International, a long-term developer in the freight business. Even Reimer Express was started in Steinbach. Charles Loewen from Loewen Windows, international in their business scope, they have developed a business that is among the finest in the world. Of course, this is something I have mentioned before and which was stressed by my predecessor, Mr. Driedger, the residents of my region were some of the strongest proponents of the balanced budget legislation. That has served our province so well over the past several years.

So, Mr. Deputy Speaker, I must admit that I am somewhat disappointed that this Government seems unwilling to listen to the ideas and the vision of residents of my region. It is an old saying and perhaps a very simple pearl of wisdom that if you want to be successful you listen to people who are successful. The Steinbach constituency is a home of such people, and this Government needs to take its time to listen to these people. We feel ignored right now, and I guess it is justified.

So, Mr. Deputy Speaker, I would invite the Finance Minister to take the time and to listen to the residents of the southeast who have worked so hard to build this province and to make its economy grow. I have often spoken of the history of the southeast and of the beginning of Steinbach, which occurred in 1874 with migrants from the former Ukraine-Soviet Union area. These were German-speaking migrants seeking freedom of religion and freedom of expression. They often were punished for their diligence and for their hard work, because they became leaders in the community around the Caspian Sea. When they came to this land they once again became leaders in productivity, and this is, of course, being punished today by an unrelenting tax-and-spend government.

Until the day the Finance Minister is willing to listen, I will work to ensure that the views of southeastern Manitoba are heard in this Legislature and that the Government receives the message.

Mr. Speaker in the Chair

Mr. Speaker, when I listen to the residents of my area tell me what they want from their Government, over and over a common message is heard. This may come as a surprise to some members across the way who have expressed publicly the difficulty of meeting the various demands they receive, but to a large extent the residents of my region are not asking this Government to spend more money. They are not asking them to squeeze every tax dollar they can from Manitobans within the legal confines of The Balanced Budget Act so that they can redistribute that money as they wish. It is amazing how often governments treat the money as if it was theirs. It is not theirs. It belongs to the taxpayer.

Generally, business and local residents in my area are saying give us an environment where we can compete and be competitive, and we will do the rest. This should be a great relief to members of the Government. What the businesses of my area are saying—and I would guess that this is reflective of the view of many Manitoba businesspeople—is you provide us with a competitive place to do business and we will ensure its success. We will create the jobs. We will create the opportunity for Manitoba's young people. This is not a unique formula or a particularly novel idea, Mr. Speaker. It has been proven to work both right here in Manitoba and in other jurisdictions. Yet, this Government responded with a Budget that is asking Manitobans to remain content being among the highest taxed in Canada and with no long-term vision to close the competitive gap that exists. In essence, it is asking the residents and businesses of our province to subsidize this Government's excessive spending. It is a lot to ask. It is like punishing people for their success.

We have known when we have read about other countries experiencing near bankruptcy, that when they offered tax relief the income from

taxpayers actually increased to the Government because the money was put to good use and became productive. So we need to leave some money with the people who are earning it, so that they can develop the businesses that will make our province successful. This Government has sent a clear message to Manitobans that says we believe we know best how to spend your money. It is reluctant to return the money to the residents who earned it and to allow businesses to compete in a competitive tax environment.

In fact, when they talk about the failure of the Progressive Conservative government over the last eleven and a half years of governing, they actually have inherited the tremendous benefits of good planning and a balanced budget. Of course, when they repeat their inaccurate views so often, they actually begin to believe them. This is going to create a problem in the next two years.

I said before that the speaker before me talks like he is still in opposition and maybe some of the Opposition members still talk like they are in government, but I believe everybody here needs to work in the best interest of our province.

* (17:10)

Over the past decade, Manitoba has proven that it can be a competitive province. It has moved from an attitude of have-not to can do, but make no mistake that was not an easy transition. It was achieved by a previous government that had a vision for what our province could be and for what our residents could become. It was not a quick transition. I am sure that many members on this side of the House and the Member for Lakeside (Mr. Enns), for example, could speak at length about the long and difficult task it was to bring our province into a situation where it was once again moving forward and not borrowing on the hopes of tomorrow.

We do not want to see this new Government waste the opportunity that was handed to them when they took office. Unfortunately, I am not sure if the current Government truly understands just how easy it is to let an advantage slip away and how difficult it is to get it back. They had the good fortune of being elected into a situation

where revenue streams were strong and there was money in the bank. I hope they do not think this will simply continue regardless of the policies they put into place, but I question whether they understand that the economic turnaround that Manitoba has undergone over the past decade was not simply the result of happenstance.

I wonder if they truly appreciate that it was the result of many difficult decisions and the creation of an environment where Manitoba entrepreneurs could find success and be competitive. During the last election, this Government told Manitobans that they would keep the things that the previous government got right. I can tell you today that one of the things the previous administration got right was the knowledge that a competitive economic environment is the foundation to the growth that benefits all Manitobans. Like so many other promises made it has been broken and long forgotten by members opposite.

Today the progress and momentum that we had has been halted. Today we have a government that is not committed to keeping Manitoba competitive and that is not committed to ensuring that our children have opportunity right here at home. If there is not a commitment to ensure that the economic climate in Manitoba is competitive and strong, the only use we are going to have for our highways is for our young people and our businesses who are using them to go west and east.

It does not have to be this way, Mr. Speaker. Thanks to the foresight and work of the previous government there has never been a better opportunity in this province to reduce taxes and to chart a course for long-term economic growth in Manitoba. Ultimately that is what the residents of my constituency expect from this Government. They are looking for the Government to foster an economy that will provide them with a competitive tax environment and that will foster economic growth which brings with it opportunity.

As a member of this Legislature, I must express that we have a deep concern for the future of this province. This Budget, presented on April 10 by Today's NDP, is a stirring

reminder of how similar they are to yesterday's NDP of the '80s. As citizens begin to grasp the seriousness of our happy spenders they have expressed a loss of confidence in Manitoba's government. Spending habits are extremely difficult to change, and when the purse strings are being held by people who have not had to handle money before it gives us all a little bit of a scare.

The challenge and requirement of people in business is to earn sufficient money to operate their business. The after-tax portion of their earnings must be sufficient to provide for proper facilities, replacement of worn fixtures or equipment, modernization and remodeling, research and development. In the end, a business survives because of good management and entrepreneurial skills. Business must work constantly at planning and constantly plan their work. However, in government, there is often a lack of initiative to provide good planning since all they need to do is collect the revenue and to cover their initiatives with spending. Planning that would reduce the need for tax dollars, I think, should be included in our Budget in that Manitobans would benefit from a longer-term plan.

This Government may not have planners who have had to meet payrolls, who have been involved with risky investments, who have had to create innovative systems to be competitive or who have had to exercise frugal management of limited resources. Risk takers need a strong stomach and a firm resolve. While there are numerous similarities between skills needed in managing business and the business of managing taxpayers' dollars, in a business, all the money comes from the customers. It goes to wages, suppliers, overhead, debt repayment and, hopefully, some goes into taxable income. In government, all of the money comes from the people as well. Hopefully, it leaves taxpayers with sufficient funds to grow the province's employment and trade. Taxpayers' money must be well managed to effectively and efficiently provide citizens with needed services like health care, education and social programming.

The main issue is managing money. Governments can tax and spend as if there is no tomorrow, but citizens, taxpayers, productive

people must manage to create wealth, to be efficient so as to compete and be good stewards and prudent planners so as to stay alive in the real and competitive world.

Mr. Speaker, this is not to say that governments should not invest in our province. Indeed investments in such areas as highways, infrastructure, education and health care are important and legitimate functions of government that provide a long-term return to the people of Manitoba. The residents of my constituency support these investments and encourage them. Some of the speakers on the Government side of the House have said that the Opposition cannot determine whether they want taxes cut or spending increased.

I think that, when you talk about management, you talk about both. You can do more things with less money if you have proper management, good planning, careful investment. I believe that the lessons that businesses have to learn to stay alive are lessons that we could use in the business of managing taxpayers' money, the business of running a government. Residents of my area also know that every additional dollar that is spent does not equate to a dollar of improved service or more success. We have noticed that it is easy to throw money at issues. Oh, here is \$18.3 million for some new equipment. Here is \$10 million for a new initiative. The money just can fly as if there was no respect for the people who earned that money, but it does not have a corroborating benefit. It is as if we are buying things for \$5 million, poorly managed, poorly invested, that gives us a \$2-million benefit. This is not fair to taxpayers. We need to manage the money with respect for the taxpayers because we are going to kill them, drive them out of the province, destroy their businesses, take away jobs, if we do not have respect.

Residents of the Steinbach constituency are known as good managers, I can say that, good managers of their businesses, of their homes and of their communities. Of course, you know one of the things that good management is reflected in, there are about 52 000 people in the southeast regional health unit, and the average cost to the province, health care cost for these people, is \$600 per person. I understand that the average

cost in Manitoba is \$2,300 per person, so I do not know if we are that badly underfunded, but maybe we are good managers of our bodies, our health, our time. It is maybe a lesson that people should listen to in government to see what good management is all about. The key is good management. It is not simply spending more money.

Success often lies in developing better ways of doing things, and yet this is an idea that has not seemed to reach the offices of this Government. This is a government who is not looking for ways to save money but rather looking simply for ways to spend money. That is the way it appears. They are not looking for ways to improve the health care system but are content to spend millions of dollars on bricks and mortar to further an ideological view. Unfortunately, ideology does not save lives, and it does not service patients. Doctors and nurses do. This Government has clearly shown that it does not have a plan to improve the health care system.

* (17:20)

I have a clipping here from the *National Post* that says that, a study that was done in Saskatchewan: Medicare requires desperate and sweeping changes before it is crushed under the weight of bad management, bad management, excessive costs and an institutional culture perfectly at odds with the provision of quality care. That is just one of the articles that has shown up recently in the national newspaper.

Industries and companies that changed their cultures produced better quality and provided more value for money. Those that did not disappeared.

Pouring more money into a system with known inefficiencies will not improve it. Indeed, new money may provide yet more excuses for not becoming more efficient. Because you are throwing good money after bad, you are multiplying the inefficiencies instead of going into some good planning, good studies and maximum benefit for the dollar that is invested.

We need look no further than the Government's attempt to funnel money paid by

ratepayers of MPIC to the universities. In fact, Mr. Speaker, I am confident that the vast majority of my constituents support general government funds going to post-secondary education. I have been on the board of governors of a university in British Columbia since 1981 and I realize the need for funding. Although we operate primarily without government funding, it is important to the students to get the maximum benefit during the period of years when they are fast learners.

So as a strong believer of higher academic pursuits, I am also a supporter of these institutions in Manitoba, but I am not a supporter of back-door taxes. So while the idea of funding universities is quite acceptable, the attempt to do so with back-door taxes on the backs of insurance ratepayers is simply a bad example, an example of weak and bad management. It is also a sign of disrespect of the intent of those funds. It is a demonstration of a government whose attitude and ideology is that all the money in its possession is within its right to spend and that they should be unaccountable for it. Fortunately, the people of my constituency and of Manitoba held them to account for their actions.

We can see this attitude in the approach taken to other Crown corporations as well, Mr. Speaker. This Government is unwilling to tell Manitobans that it will not continue to raid from those corporations, such as Manitoba Hydro, because it believes that the money paid does not belong to the users of the system but rather to them. Indeed, one of the things residents of my area continue to tell me is that we need people in government who are good at managing money. Anybody can spend money, but just taxing and not managing is irresponsible. When the Finance Minister begins tossing around figures in the millions and the billions of dollars, it is very easy to forget where that money came from. The money came directly out of the pocket of taxpayers, who worked hard likely to earn it. Governments have no money except for what they get from taxpayers. With that comes an awesome responsibility and awesome choices. Members of this side of the House have made it very clear that their choice would be to return significant amounts of those tax dollars to the people who earned them. I am sorry that this Government has chosen not to make that choice.

Mr. Speaker, I noticed on the Budget documents that they feature a picture of a number of young students in a classroom environment, all with their hands raised. No doubt the photo is designed to show these young people prepared to answer a question, yet in the years to come I wonder if these school-age children and others across the province might not have their hands raised to ask questions about this Budget. Certainly I can speculate that from my constituency there would be a number of questions asked. One question that would be asked is: Why did the Government, when it was increasing spending by the hundreds of millions of dollars, not offer some hope and incentives to farmers who are undergoing a very difficult time.

Very often we talk about farmers as a small percentage of the province. We talk about farming as too traditional. We talk about farmers as not varying their crops sufficiently. You know, the farm industry is a link in the chain of our economy. It is such an important link in the chain of our economy, and if you took your truck and were pulling a car out of the ditch, if one link breaks, you lose it. It is gone. Every link is important, and the farming link to the economy in Manitoba is a vital link. If we break that link it will affect our schools, our churches, our hospitals, our stores, our welding shops, our implement dealers. These are all people who will be affected if we break the link in our economy, the link called agriculture.

So it is far more serious than some people will let on. Just because some of them live in yellow dog country, there is no reason not to pursue the benefits of that part of our economy.

Another question that might be asked is: Why can provinces like Saskatchewan offer a single-earner family of four making \$60,000 a lower rate of personal income tax than Manitoba? Members opposite like to point out that it cannot be expected that we remain competitive with a province like Alberta, which benefits from oil revenue, but Saskatchewan, Mr. Speaker?

How long until they will tell Manitobans that we are unable to compete with provinces like Prince Edward Island because of their vast

potato producing capacity? There simply are not enough excuses for this Government to hide behind.

So questions are being asked by residents of southeastern Manitoba about this Government's commitment to the rural economy. This Budget did not provide any indication on how the Government intends to build and diversify the rural areas of Manitoba. If we should not grow oilseeds and seed grains, then what should we do? This takes a large investment when you are going to change the course of your business. This is a government that has a democratic responsibility to govern for all Manitobans, not just people who are organized in trade unions. It is time to begin taking that responsibility seriously.

So, Mr. Speaker, in speaking with residents of my region, the two words that perhaps best sum this Budget up are missed opportunity. Opportunity is an interesting thing. It is something that if you take and capitalize on, it can benefit you for years to come, but the flip side is that it also is something that if you missed, it can haunt you for years to come. When residents came to the southeast corner of the province to settle it, it would have been easy to understand had they been pessimistic. It was an undeveloped land that on the face of it only offered the promise of long hours of work. Yet residents saw opportunity and they have shown what can happen when it is acted upon.

This Budget presented the Government with possibly more opportunity than any government has ever had in the history of Manitoba. It presented the opportunity to significantly cut taxes and to send a message to the rest of Canada that indeed the door is open for business in Manitoba and the door is closing on our youth leaving for other provinces. The numbers show that with increased revenue from Canada Health and Social Transfer payments, lottery revenues, sales taxes, payroll tax, the options are available. This Government had an opportunity to fund the areas and services that Manitobans consider key while still providing them with the breaks they deserve if it had the opportunity to ensure that the reputation we have developed as a can-do province does not revert back to a have-not province.

* (17:30)

As a person who has spent 36 years as a business owner, a great deal of time building and developing business, dealing with customers and with staff and suppliers, Mr. Speaker, I can tell you that there is no more valuable asset that a business owns, small or large, than its reputation. While it takes years to establish that reputation, it only takes a short time to have it diminished. Much of Manitoba's reputation as a good place to invest, a good place to do business was wiped away last year by this Government's introduction of anti-business labour laws. Even today in my own constituency, some of the effects of this Government's labour legislation is being felt. So this Budget was an opportunity to polish up the reputation of our province and to show Manitobans and Canadians that we are committed to moving forward and not moving backward. Sadly, this Government chose not to make those decisions, but rather return to the free-spending ways of yesterday's NDP. We can only hope that the cost of this lost opportunity is not measured in lost jobs and lost young people.

I also noticed in the Budget that the rent controls on new projects was changed from five years to fifteen years. I have spoken with landlords, as recently as this morning, and they have said that will not change the amount of money needed to be invested in housing for downtown Winnipeg. Downtown Winnipeg is desperately in need of some support in its housing areas. Even on the issue of rent control, Glen Murray sounds remarkably free market. He says that if the Ontario Tories deem this topic too controversial, Mr. Murray does not. He was asked recently about Manitoba's decades-old policy, and he was clear on the rent controls. He said: dump it. What would drive a bread-and-butter socialist such as Mr. Murray to dismiss the idea of rent control? Try nearly 30 years of failed public policy. Historically, rent controls were widely used by governments across North America. Today, I think Manitoba is the only province in Canada that still has it. So we are losing the input and reinvestment in our housing and this is attracting slum landlords. This is attracting arsonists. We are losing it because we do not have the funds to put back in, and it is a disservice to the tenants not necessarily to the landlords. In the long run, the landlords probably

will just get out of it, but it is a disservice to the tenants.

So I am very concerned about the businesses leaving the province. I am very concerned about the jobs leaving the province. I think we have just seen the beginning of it unless our policies will be turned around and changed at some point. I am very concerned about what the Budget does for health. Just throwing money at issues does not work.

This Budget did not provide a comprehensive long-term plan for health care. The Government has not provided a plan to improve efficiency in the spending and management of health care. What this Government does provide is an ad hoc approach to health care. Every time they feel they need to make an announcement, they make another announcement. Indeed, they have admitted that they have failed to keep their commitment to eliminate hallway medicine. We have not seen health spending increases like this ever before, \$469 million over the 1999-2000 Budget. That is a 22% increase in two years, that coming on top of an increase prior to that.

So, Mr. Speaker, I believe that we have to tell you we are going to vote in a non-confidence motion because we think we could have done a lot better. I believe we have missed opportunities. I believe we do not manage well enough, and I believe that we should review what is happening in the province of Manitoba so that our children and our grandchildren will have a brighter future. Thank you for the opportunity of representing Steinbach constituency.

Mr. Jim Rondeau (Assiniboia): I am very, very proud to rise today to speak in favour of the Budget, in favour of a positive, growing Manitoba with a very positive vision for all Manitobans. I am proud to be part of a government in which all citizens are represented. The seniors, those on fixed incomes, youth, children, families, farmers, people in rural Manitoba, people in the city, people in northern Manitoba, business people and, yes, indeed, even corporations. All races, all ages are represented by our Government and are considered by our Government. We are not a

government for the few. We are a government for all Manitobans, no matter what or where they are.

We are also optimists. We believe in building again. I am very pleased to see that in Manitoba the population is actually increasing. After 10 years of decreasing population, the population is getting larger. I am very proud of the fact that we ranked fourth out of all provinces for expected growth, and that is from *The Globe and Mail*. They say we have a very, very strong, vibrant economy, and it is a broad based economy, not just on the vagaries of the price of oil, but it goes up. We have a strong economy that is broad based and deals with multi areas of economic well-being.

We are also working very hard every day to improve the quality of life. We are a party that listens. We are a government that listens. I was proud to be part of a party that actually has budget consultations throughout the province, in all areas of the province. I was a participant in many of those consultations.

We had graduated licenses, where we went out to the people and listened to them before we had made up our minds. We actually got information from the people, from all regions of people so that we could look and listen and deliver a program that would make sense for all Manitobans. I am proud to be part of the Government that actually has a disability white paper to look after those who are disabled, who gives them a chance to improve their quality of life.

We have a quote here from Franklin Roosevelt. The test of our progress is not whether we add more to the abundance of those who have much. It is whether we provide enough for those who have too little. I am proud to be part of a government that does deliver enough to all Manitobans, those in need as well as those who are the average Manitobans.

I will start talking now about some of the things that we have done and that I am proud of for our Government. First, education. We are looking after our children. We are focusing on the future of Manitoba, and, of course, children are our future. We have had a \$47-million

increase of funding to education. That is a huge commitment to the future. We have had a 10% decrease in post-secondary tuition costs last year, and again a freeze this year. So, therefore, we are making education more affordable.

We have a commitment to spend \$100 million dollars in capital funding. The members opposite often talk about making long-term plans and good management decisions. It is not good management to let your infrastructure deteriorate. It is not good management to have your buildings become such a state of disrepair that it costs more to fix them. It is good to continue with planned maintenance. It is good to continue with planned replacement and fix the buildings before it becomes dangerous and before they require huge capital spending, and we are doing that.

I am very pleased that we are looking after establishing bursary programs so that people have access to education. It should not be a society where only people with money have access to education. We need a society where all people, regardless of income, have access to education, and I am proud to be part of a government that has established a bursary program that was not even considered by the previous government.

I am proud to be part of a government that deals with children with special needs. We did not just get a special needs review paper done by the Department of Education. What we did is we are starting to act upon it. We are starting to implement a lot of its proposals and its suggestions. We have increased the number of people attending college. College jobs are the jobs that do the bricks and the mortar. They are the computer technicians. They are the trades people, the apprenticeship people, and these are the jobs that really make a difference in our society.

* (17:40)

I am very pleased that one of the areas of the largest increase in the education budget is special ed. Then the next one of the larger ones is also the apprenticeship, and that is planning for the future. The previous government ignored apprenticeship programs. We are trying to bring

them back so that we actually have the people, the electricians, the plumbers, the cooks, et cetera, that will help our economy exist in the future. We need to do this before the average age of the journey people become past the retirement age, and we are not able to reclaim those skills.

I am really happy with our Red River campus initiative downtown Winnipeg, first, by the fact that we are setting up a number of new programs and courses and initiatives. What those are, they are the technological, they are the next generation of economic well-being for our province. More importantly, we are also starting to focus on the rejuvenation of a downtown Winnipeg, and that is necessary. We need to spend some time on developing our inner city. That is not just for the inner-city residents, for all residents, because it does make a difference for all people because, if we allow the property tax assessment to drop in the inner city, we will not have the money to run the city infrastructure and all people's taxes will have to go up. That way, if our Government works hard to develop infrastructure and the tax base in the inner city and we rejuvenate the inner city that has been languished by the previous government, then what happens is we will, in fact, improve everything, the tax base in our city for all citizens.

One of the most telling commitments that I know of from the previous governments, they attend bursary meetings and say: What are you doing? What have you done as far as tuition, as far as helping the students? Well, I would like to go through some of the support for schools from the previous government: In 1993-94, there was a negative 2 percent from the previous government; '94-95, negative 2.6; '95-96, zero; '96-97, negative 2; '97-98, zero; '98-99, finally we have a positive number or a positive commitment of money to the public school education by the previous government, and that was a measly 2.2 percent. I am pleased to be part of a government that has increased education funding by 2.6 percent or \$19.8 million last year and 3.8 percent, a 29.7% increase this year. In other words, we have increased education funding more in the last two years than the whole decade, and I am pleased to be part of that government.

Mr. Conrad Santos, Deputy Speaker, in the Chair

The other thing that I am happy about is that we are spending money into areas that will create large economic growth in our province in the future. An example is the money that we are investing in Manitoba's future such as Stevenson Aviation. We have gone from \$1.4-million funding for Stevenson Aviation to \$2.36 million. What that means is that we will have the trades so that we can continue to expand our aviation industry. We have a great foothold with companies like Boeing, Standard Aero, Air Canada, et cetera, which create huge employment opportunities. We can be the maintenance base for all of North America. I am pleased that we have the opportunity to tie education in long-term planning to economic activities and employment opportunities, so that we can continue to plan for the future and make our province a wonderful place to live for the long term.

Let us talk a minute about health care. Health care is a huge issue. What have we done in health care? We have expanded the BN program; we have implemented an RN program, implemented an LPN program. We have almost tripled the number of nurses in training right now, and that is in only 18 months. The previous government talks about long-term planning. We are actually doing the long-term planning to make sure that we have the people there to make the health care system work. If we had continued on the past course we would have been down the road to disaster.

The new diagnostic equipment. We have announced new diagnostic equipment worth about \$20 million, but we first had to do the renovations to have the buildings fit them. We had to have qualified people. Then we have to order the equipment. We are doing it right by doing proper long-term planning and replacing the equipment that should have been replaced many years ago. Within 18 months we are replacing it, and I would like to see what we are doing in the future there so that we can get the waiting lists down to a reasonable level. But we have started, and I am proud of an 18-month legacy where we have decreased the waiting

lists, not the 10-year legacy of neglect that has previously occurred.

I am also happy to see that we have a lot of incentives to keeping doctors in northern Manitoba, also increasing the number of doctors entering the medical school, and allowing them some tax savings through incorporation and through other ways of making them feel positive in Manitoba and be able to have a good practice in Manitoba.

We also established new emergency vehicles. The previous government, they say that they represent all Manitobans. We, in our first 18 months, bought about 80 ambulances and medical vehicles to move people to the hospitals from the emergency sites. We also beefed up the Winnipeg site. What is nice about that is that we have then started to have a transportation system that works. We do not have to wait hours and hours for ambulances. We have new ambulances in rural Manitoba, in northern Manitoba, and we have better equipment there so that people can do their job. I am pleased about that.

We also have better co-ordination of emergency rooms. The former government starts talking about management. What we have done is we have co-ordination so that the emergency vehicles do not necessarily go to the closest hospital; they go to the hospital that has available space, so people are looked after appropriately. That is a very good management tool to use vacancies and to use the existing staff without creating new.

The other thing that I would like to demonstrate is our commitment to child and family. We start talking about our increases. Some of our increases are to children's special schools, child care, child protection and support, community living, programs to deal with adults with mental disabilities getting rehabilitation and becoming vocationally able to go into the community. These are programs that allow people to have dignity and have real jobs and maintain real jobs. That is something I am proud of. We should not just ignore people with disabilities. We should not ignore those people on the fringes of society. We should be able to provide the support to allow them to become positive contributing parts of society.

Some of the economics. The members opposite often talk about economics. Let us talk about economics. First Hydro. This is a corporation that many years ago the members opposite—you keep on saying we are raiding Hydro—this is a government opposite, when they were in power, started off back-door taxing, and by back-door taxing I am talking about having a tax on water rates. They did not do it by putting it out in the Hydro report or whatever; it was in the back, the appendices of the Budget documents and of the Hydro. We, on the other hand, are saying that we are using Hydro for the benefits of all Manitobans while still providing one of the lowest hydro rates in North America. Not only that, we are also using Hydro for the economic benefit for all. We are exporting Hydro and making money there. We are also bringing in businesses that need good, stable, low-priced hydro rates for economics. So we are hoping to attract investment in Manitoba, and that is a positive, forward, long-thinking process.

* (17:50)

Mr. Speaker in the Chair

We are also investing in the new economy. I notice the members opposite, their major economic focus seemed to be in telemarketers. Yes, telemarketers are important. Yes, all segments of our society are important, but we are trying to look for higher value-added jobs, places like Vansco, Air Canada, jobs like this where what you want to do is get high value-added so that we can compare.

The tax burden is shared by far better when you expand the tax base, you expand the pie so you have people earning higher incomes. If they earn high incomes and they have a higher value-added, then what happens is the tax base is shared evenly among people and then people can have their rates dropped without a drop in services.

So what we are doing is we are not decreasing the pie, we are expanding the pie. There is proof on how we expand the pie. First, more people are moving to Manitoba. Second, the vacancy rate has decreased. So people are not moving out of Manitoba. In fact, they are moving into Manitoba. There are a lot of new

buildings being built. It is the first time in decades that we have seen cranes down in Winnipeg. There is economic activity all through the province. Buildings are being built. Factories are being built. Infrastructure is being built. It is a nice pleasure to see, because we are expanding the pie, not contracting it.

Other things that I am proud of, we are finally addressing issues in the environment. I think it was horrendous when the previous government started to charge for drinking water. Drinking water is something that should be tested, chiefly so that people can have safe drinking water. When the previous government privatized drinking water, what they said was that those who can afford can have safe drinking water, and those who cannot, do not deserve to have safe drinking water. That was a shame. I am proud of being part of a government that is providing subsidies for those to test water so that people can be given not a privilege of having safe drinking water, but the right to be having safe drinking water and knowing that it is safe.

I also applaud the Government for the ecological tax credit to preserve wetlands. Those who are aware know that the wetlands are very important not only to act as a filter, but also for the whole creation of oxygen, et cetera. I am proud that we are actually creating a tax credit so people can take marginal land out of production and make it so that it is environmentally safe.

Let us talk about some of our long-term planning. The members opposite talk about the lack of planning. Mr. Speaker, \$25 million worth of flood protection for long term is good long-term planning; \$40 million to hopefully leverage federal and civic contributions will be wonderful long-term flood planning for the floodway; \$1 million to drainage. The previous government cut drainage to all of rural Manitoba, and what we hope to do with this million dollars is start addressing some of the long-term problems in there.

The Healthy Child Initiative and our recent announcement of prenatal support will be long-term planning for all Manitobans. What happens is that all studies have shown that it is essential to have good nutrition and good care in the

prenatal period. I applaud the Minister of Family Services (Mr. Sale) for his work in developing this new prenatal supplement. I would applaud all those on the Healthy Child Initiative for working to create a better environment for kids to be raised and brought up in Manitoba. The funding for child care of an increase of 7.7 percent will increase the wages of those working in the industry, increase the number of spaces and increase the number of special needs kids that can be assisted in that.

By creating recreation programs, you are preventing people from having to go to jail. It is cheaper and more effective to prevent than punish. I am happy to see that we are a part of an optimistic government, a government that cares about kids, to provide them positive alternatives to getting into gangs, et cetera. We do not want to adopt the point where we hire more police, more jails, et cetera. Let us open the gyms, let us open the recreation facilities, so that kids have a positive place to go.

Let us talk long-term planning as far as finance. The previous government had a balanced budget. How did they create it? They sold an asset. They sold MTS and then they took the money from that sale and put it into the daily spending. That is like selling your house, paying off your debts and paying all your expenses and then at the end of a few years having nothing. Well, that is just backwards financial planning.

What we did was we enhanced the balanced budget legislation. Not only are we paying the debt, and we are paying the debt at \$96 million, not \$75 million but we are also addressing the long-term pension liability. Now, as a financial planner, I know that if you take the money and you invest it and you invest it well, you will actually earn a return of greater than 6 percent which we pay for our debt. What will happen is that you will address the long-term pension liability. If we had not addressed the long-term pension liability that would have exceeded our debt within a few decades and then we would have gone broke. What we have done is we have addressed the long-term pension liability, we addressed the balanced budget legislation so that you cannot sell an asset and live off the interest for a few years, and we also addressed the whole idea of paying down the debt in an intelligent

manner, and I am proud to be part of that. You do not sell an asset for a short-term gain.

Another thing, taxes. We are part of a government that has increased the property tax credit from \$250 to \$400. This will enable seniors to stay in their houses longer. It will enable people on fixed incomes to be able to afford to live in their homes. By tying that together with home care, people can live in a better environment longer and be very comfortable, and we need to do that. This \$400 contribution actually cut taxes in Winnipeg on average 6 percent in the city tax and 9.4 percent in the rest of the province, and that is a huge start on property tax. We actually had tax cuts in excess of \$29 million this year.

We have also cut 4000 from tax rolls, and I am proud to say that we have started working on small business taxes, cut them from 7 percent to 6 percent and by 2002 to 5 percent. We have also increased the categories where it is considered a small business from \$200,000 income to \$300,000, so the threshold will help more small businesses thrive.

We are also, I am proud to say, the first government since the Second World War to cut corporate taxes. The members opposite talk about not being responsible. They had an opportunity to cut corporate taxes; they chose not to. We are helping all Manitobans by cutting small business, middle-income, low-income and corporate taxes as well as property taxes. I am proud of that.

As far as hydro, we are using it and I am very pleased that we are using it for the benefit

of all Manitobans. We are introducing legislation to make sure that it is not sold for a short-term gain, and it will be used for all Manitobans. We look back at MTS and in the case of MTS we were told that the rates will not go up. We were told that this is a corporation that would not do well.

Well, the only people who did well are the people who bought shares on the IPO, on the initial public offering, and made huge profits on them and now all Manitobans, those on fixed incomes, et cetera, are suffering from the short vision of the previous government.

I am also pleased to be part of a government that has provided money for agriculture and is also focussing on agriculture and assisting and pushing the federal government to do that. So, Mr. Speaker, I close by saying thank you very much for giving me the opportunity to represent the people of Assiniboia and—

Mr. Speaker: Order.

Mr. Rondeau: I am done.

Mr. Speaker: Order. For clarification, has the honourable Member for Assiniboia completed his speech?

Mr. Rondeau: Yes, I have.

Mr. Speaker: Okay. When this matter is again before the House, the debate will remain open. The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Thursday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday April 18, 2001

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