



Third Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, February 17, 1992

The House met at 1:30 p.m.

PRAYERS ROUTINE PROCEEDINGS

Point of Order

Hon. James Downey (Deputy Premier): Mr. Speaker, I rise on a point of order. I rise to advise you and members of the House that the Premier (Mr. Filmon) will be absent from the House today.

As you know, the Premier puts the highest priority on the attendance in this House, particularly on this day as we resume this session of the Legislature. He has asked me to convey that it was only the most extraordinary circumstances that prevented his attendance today.

Unfortunately, the Premier underwent surgery on Saturday, February 15, 1992, at the Vancouver General Hospital to repair a broken ankle sustained in an accidental fall. Because of the seriousness of the injury, the Premier is being detained at the Vancouver General Hospital, where he is resting comfortably.

Thank you.

Mr. Speaker: I would like to thank the honourable acting Premier. The honourable member does not have a point of order. I would like to thank the honourable acting First Minister for bringing that to the attention of the House. I am sure I speak on behalf of all honourable members when we wish the honourable First Minister (Mr. Filmon) a speedy recovery.

PRESENTING PETITIONS

Mr. Oscar Lathlin (The Pas): Mr. Speaker, I beg to present the petition of The Pas Health Complex Incorporated praying for the passing of an act to amend The Pas Health Complex Incorporation Act.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Mr. Leonard Evans (Chairperson of the Standing Committee on Public Accounts): Mr. Speaker, I

beg to present the Second Report of the Committee on Public Accounts.

Mr. Clerk (William Remnant): Your Standing Committee on Public Accounts presents the following as its Second Report.

Your committee met on Tuesday, December 17, 1991, at 10 a.m. in Room 254 of the Legislative Building and Monday, January 27, 1992, at 2 p.m. in Room 255 of the Legislative Building to consider the Provincial Auditor's Report and Volumes 1 and 2 of the Public Accounts for the fiscal year ended March 31, 1991. At the December 17, 1991, meeting, your committee also considered the Special Audit of the Provincial Auditor on the Taxation Division of the Department of Finance.

On January 27, 1992, your committee accepted the resignations of Mrs. Render and Messrs. Rose and Carr, and elected Messrs. Connery, Laurendeau and Lamoureux to replace them.

Your committee received all information desired by any member from the Minister of Finance (Mr. Marness), staff from the Department of Finance, Mr. Fred Jackson, Provincial Auditor, Ms. Carol Bellringer, Assistant Provincial Auditor, Mr. Stan Puchniak, Assistant Deputy Minister, Taxation Division, and from Mr. Eric Rosenhek, Provincial Comptroller. Information was provided with respect to the receipts, expenditures and other matters pertaining to the business of the province. The fullest opportunity was accorded to all members of the committee to examine vouchers or any documents called for, and no restriction was placed upon the line of examination.

Your committee finds that the receipts and expenditures of the monies have been carefully set forth and all monies accounted for.

Your committee has considered the Provincial Auditor's Report and Volumes 1 and 2 of the Public Accounts for the fiscal year ended March 31, 1991, and has adopted the same as presented. Your committee also reports that it has considered matters relating to the Special Audit of the Taxation Division of the Department of Finance.

*(1335)

Mr. Leonard Evans: I move, seconded by the honourable member for Dauphin (Mr. Plohman), that the report of the committee be received.

Motion agreed to.

TABLING OF REPORTS

Hon. Darren Praznik (Minister responsible for and charged with the administration of The Civil Service Act): I would like to table the Annual Report of the Civil Service Commission for 1990-91.

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, I would like to table the Annual Report for the year 1990-91 of The Clean Environment Commission.

Mr. Speaker: I am pleased to table the Annual Report on the Elections Finances Act covering the period January 1, 1990, to December 31, 1990.

Announcement

Mr. Speaker: I must inform the House that James Gordon Carr, the honourable member for Crescentwood, resigned his seat in the House effective January 27, 1992.

I am therefore tabling his resignation and my letter to the Lieutenant-Governor-in-Council advising the vacancy thus created in the membership of the House.

INTRODUCTION OF BILLS

Bill 24—The Post-Adoption Registry Act

Mrs. Sharon Carstairs (Leader of the Second Opposition): I move, seconded by the honourable member for The Maples (Mr. Cheema), that Bill 24, The Post-Adoption Registry Act; Loi sur le Bureau d'enregistrement postadoption, be introduced and that the same be now received and be read a first time.

Motion presented.

Mrs. Carstairs: The purpose of this bill is really quite simple. The Post-Adoption Act that we presently have in the province of Manitoba has legislative limitations. One of those limitations is that it does not permit those who have been adopted to make contact with siblings who have also been adopted.

They can be given access to records of siblings who are still with their birth parents; however, they cannot be given access at the present moment to

those siblings who have also been adopted. This would give them the opportunity to also be in touch with those of the same birth parents but who, in fact, have been adopted.

Motion agreed to.

Bill 32—The Immigration Consultants Registry Act

Mr. Kevin Lamoureux (Inkster): I move, seconded by the member for Osborne (Mr. Alcock), that Bill 32, The Immigration Consultants Registry Act; Loi sur l'inscription des conseillers en immigration, be introduced and that the same be now received and read a first time.

Motion presented.

Mr. Lamoureux: Mr. Speaker, it was just under a year ago where we had seen an excellent example of how immigrants or would-be immigrants are exploited, and we believe that this bill is a positive step that, if the government chose to adopt it, would go a long way in sending a very strong message to would-be immigration consultants that Manitoba will not tolerate the exploitation of immigrants, something that is long overdue.

Motion agreed to.

Bill 31—The Municipal Amendment Act

Mr. Nell Gaudry (St. Boniface): Mr. Speaker, I move, seconded by the member for St. James (Mr. Edwards), that Bill 31, The Municipal Amendment Act; Loi modifiant la Loi sur les municipalités, be introduced and that the same be now received and read a first time.

Motion presented.

Mr. Gaudry: Mr. Speaker, this bill corrects a serious flaw which was inserted into The Municipal Act in the last session. This bill will delete the word "consecutive," making the residence requirement for eligibility for elected office in summer resort municipalities two months in any year.

As a result of the government's addition, which brought the residency requirement to two consecutive months, only 8 percent of the population of Victoria Beach are eligible to run for municipal office, while most taxes are collected from those disqualified.

In the interest of basic democratic principle, this flaw must be corrected, as this bill will do.

Motion agreed to.

* (1340)

Bill 16—The Health Care Directives Act

Mr. Gulzar Cheema (The Maples): Mr. Speaker, I move, seconded by the honourable member for River Heights (Mrs. Carstairs), that Bill 16, The Health Care Directives Act (Loi sur les directives en matière de soins de santé), be introduced and that the same be now received and read for the first time.

Motion presented.

Mr. Cheema: Mr. Speaker, this bill, so-called living will, will legalize the wishes of a dying person made while competent and will give effect to the patient's right to self-determination and right to refuse care.

This bill is based on the recommendation from the Manitoba Law Reform Commission, and it will provide a mechanism to enforce the rights of patients when they are no longer competent to speak for themselves. Thank you.

Motion agreed to.**Bill 30—The City of Winnipeg Amendment Act**

Mr. Paul Edwards (St. James): Mr. Speaker, I move, seconded by the member for Osborne (Mr. Alcock), that Bill 30, The City of Winnipeg Amendment Act; Loi modifiant la Loi sur la Ville de Winnipeg, be introduced and that the same be now received and read a first time.

Motion presented.

Mr. Edwards: This bill will re-establish the Winnipeg Police Commission, which was dismantled by City Council in 1986 because of reduced responsibilities or perceived reduced responsibilities of that commission. It will help the Winnipeg police force, reaffirm its integrity in its crucial mission in the community after a very difficult period in its history.

This bill, as I have said, will re-establish the police commission. By establishing it in statute, the commission will be mandatory and, it is our hope and our submission, will help secure the respect of the police force, not just for the community but for the police force itself. This is a commission whose day has come again, Mr. Speaker. I recommend it to all members of the House for speedy passage.

Motion agreed to.

* (1345)

Bill 23—The Private Training Accountability Act

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, I move, seconded by the member for Osborne (Mr. Alcock), that Bill 23, The Private Training Accountability Act; Loi sur l'obligation redditionnelle en matière de formation privée, be introduced and that the same be now received and read a first time.

Motion presented.

Mrs. Carstairs: I think we are all, in this House, in agreement that training opportunities must be made more and more available to not only our young people but people who find themselves unemployed.

Unfortunately, we are putting more and more money into training programs, but there is no adequate mechanism for adjudicating those programs. We do not have criteria which is clearly enunciated for funding, we do not have standards for curriculum, and we do not have a system for reporting the expenditures, nor do we have a follow-up.

This bill will provide the wherewithal by which young people who are trained will know that they are adequately trained, and the government will know that their money has been spent to a good endeavour.

Motion agreed to.**Bill 17—The Patient Records Access and Confidentiality Act**

Mr. Gulzar Cheema (The Maples): Mr. Speaker, I move, seconded by the member for St. James (Mr. Edwards), that Bill 17, The Patient Records Access and Confidentiality Act; Loi sur l'accès aux dossiers des malades et leur confidentialité, be introduced and that the same be now received and read for the first time.

Motion presented.

Mr. Cheema: This bill will entrench the right of all patients to access their medical records, a matter which is still in dispute in Manitoba's health care system, and which is one of the sources of great tension for many health care consumers. This bill will also guarantee confidentiality of medical records prohibiting disclosure that would identify the patient

except with his or her permission. We must ensure that Manitobans are empowered and informed so that they are able to make a decision about their own health care. This bill will help to accomplish that.

Motion agreed to.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, may I direct the attention of honourable members to the gallery, where we have with us this afternoon from the Roseau Valley School, thirty-five Grades 9 and 11 students. They are under the direction of Mr. Richard Maslanka. This school is located in the constituency of the honourable member for Emerson (Mr. Penner).

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

ORAL QUESTION PERIOD

Goods and Services Tax Harmonization

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, we on this side would like to pass on our comments to the Premier (Mr. Filmon), pass on our regards for a healthy recovery and successful operation that is taking place today in Vancouver.

Mr. Speaker, in the last provincial election, we were told very clearly that there would not be a harmonization of the GST and the PST in the province of Manitoba. In fact, the Premier stated in an all-party debate that we do not believe in taxing children's clothing, we do not believe in taxing music lessons.

In the last budget, the government stated it was going to study the issue of harmonization with the GST and PST, then it promised us it was going to release the results of that study, but then after the Saskatchewan election, the Premier announced again he was not open to having the harmonization of the GST and the PST. Well, lo and behold again, Mr. Speaker, we have another situation with the First Ministers' Conference last week. The Premier again has announced that the Province of Manitoba is considering the option of the harmonization of the GST and the PST.

I would ask the Minister of Finance very directly: Are they considering the harmonization of the GST with the PST in the province of Manitoba, yes or no?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, the Leader of the Opposition has his chronology fairly accurate. Let me say that certainly the full report was not provided of what it was the Premier (Mr. Filmon) was responding to in question.

Let me indicate very specifically to the question. The government at this point in time is not reviewing harmonization. It has not since the Premier announced, I believe, almost a year ago now that—not a year ago, let us say, eight months ago, that we were not actively considering harmonization. That was restated before we rose last session; it was restated again last fall. The government, at this point in time, is not actively considering harmonization.

Mr. Doer: Mr. Speaker, during the last budget, after the government said in the last election that it was not considering harmonizing the GST and the PST at this particular time, in the last budget that the Minister of Finance tabled, he stated that he is having his officials carefully study the full implications of harmonizing the sales tax. Surely the government agrees that it is the public's right to know what is in those studies that of course have been paid for by taxpayers' money, in the studies that have been implemented by the Minister of Finance in his own budget.

Given the government has the results of the implications of the study on the harmonization of the GST with the PST, will the Minister of Finance agree today to table that study in the Legislature so that the debate in the province can be full and accurate with all the facts that the government has produced before us for this debate?

* (1350)

Mr. Manness: Mr. Speaker, we said we would study the issue. We did not say that there would be a study as such prepared. Oh, there is a big difference, and I can say in all honesty that we studied the issue in great detail.

Again, what was reflected was this, and I have spelled this out for the Member for Brandon East (Mr. Leonard Evans) on several occasions. Again I will recite for the record, namely, this: Whereas the member for Osborne (Mr. Alcock) seems to think there is hundreds of millions of dollars available, if indeed we are to harmonize, I am here standing, saying that, if the government were to harmonize, if the government were to now apply the provincial sales tax to services and were to adopt the tax credit

system in place by the federal government, there would be basically a net wash to the province. There would be no additional revenues whatsoever, Mr. Speaker.

That is what I have said over and over again. That is what I stand here and say today, but more importantly, to answer the question for the member, harmonization is not under active consideration today, and indeed I would expect it will not be under consideration tomorrow either.

Mr. Doer: I guess that begs the question: What about the day after? We have had four different positions from the government to date, and that is only over the last 18 months.

Impact Manufacturing Industry

Mr. Gary Doer (Leader of the Opposition): Finally, the government has stated, the Premier (Mr. Filmon) stated in this Chamber last year, that the federal Conservative GST would have a positive impact on the manufacturing sector in this province.

Many of us who have talked to people working the manufacturing sector think that the Premier is all wrong on this issue, and given the fact that the Minister of Finance has these studies and has these reports, and given that the Manufacturing Association of Canada has produced numbers to show the decline of manufacturing shipments is 13 percent in Manitoba, the largest decline of any province, will the Minister of Finance agree today to table all these studies that he has of the various sectors that he has on the GST and PST, the various studies he has on the effect of the GST period in Manitoba, and all these other issues such as changes in the credits, et cetera, that he obviously has at his fingertips but is not available to the people of Manitoba?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, let me make it plain for anybody who wants to hear. The GST is not a provincial tax. It is a federal tax. The studies associated with the impact on the provincial economy with the implementation of the GST in January of 1991, indeed the expectation of negative impact, was in the realm of one and a half percent. Those were not our numbers; those were the federal government's. There were only two models to try and predict those. Those were the Conference Board of Canada and the internal model of the Department of Finance. That was their estimate.

Nobody, there is not a province in Canada that has the modelling capacity, on their behalf at least, to estimate the impact of the GST.

Mr. Speaker, I fully believe that was the negative impact on our province. It represented several hundreds of millions of dollars, and indeed that is one of the reasons that the Province of Manitoba chose not to harmonize with the federal GST.

Mr. Doer: A little reminiscent of the comments of the Minister of Finance without the studies of Michael Wilson when he said that the GST would be revenue neutral.

Economic Growth Employment Creation Strategy

Mr. Gary Doer (Leader of the Opposition): I have a new question to the Minister of Finance. We have had the largest increase in the unemployment rate of any province in Canada in the last statistics that were released by Statistics Canada. There are now 57,000 people on the unemployment lines of Manitoba, the highest number since we have been maintaining statistics in this province—the highest number of people.

Mr. Speaker, last year the Premier said and the government said very boldly that they would step aside and let the private sector be the engine of the Manitoba economy. They would step aside and let the real creators of jobs do their work.

Unfortunately, that single-engine strategy has been a failure in the province of Manitoba, and this Minister of Finance's predictions on unemployment rates have not been accurate for one month on any given month since he has tabled his budget last year in this Chamber.

My question to the Minister of Finance is: What action is his government going to take to get people working again and get people off the welfare lines of Manitoba?

* (1355)

Hon. Clayton Manness (Minister of Finance): I find it interesting that the Leader of the NDP in Manitoba would ask that question.

Mr. Speaker, first of all, and I remind him that Ontario lost a quarter of a million jobs in 1991 in the space of two quarters, but more important, I listened very carefully—no doubt the Leader of the Opposition did too—to First Ministers last week at the First Ministers' Conference.

What I could not help but detect was that every NDP provincial Premier said in essence that they did not believe in mindless make-work projects that could destroy the confidence if badly placed. At least Premier Rae, Premier Harcourt, and also Premier Romanow—all of them said that. Also, they said that every NDP government said the fight on deficit control and reduction must be maintained.

I am interested to know whether or not the Leader of the NDP party in Manitoba subscribes to those views of the NDP Premiers in Canada, because they were very forceful in their understanding that the deficit had to be controlled, that throwing money at make-work projects in themselves was misspent money, indeed, similar to what the Jobs Fund did in this province years before. That was found wanting; that was found a total waste of money.

Mr. Doer: Mr. Speaker, I also note that the Premier talked about keeping out the partisan rhetoric around the table, and we must work today, we must start today, Canadians had their fill of hopeful rhetoric. Well, Manitobans have had their fill of hopeful rhetoric from this government over the last 18 months.

We have always called on the capital investment in the province of Manitoba and needed capital works projects to go ahead in the time of a recession. This government reduced capital expenditure from the pre-election period of time to last year's budget. They put thousands of people out of work with their ideological cutbacks, and all they did was move those costs into welfare lines. That is what they did in last year's budget.

I would ask the Minister of Finance: Is the government going to stick with its ideologically extreme policies of just stepping aside during the time of the recession, or is this government going to work in partnership with people to get people working again and get our economy moving again in the province of Manitoba?

Mr. Manness: Mr. Speaker, the member's facts are wrong; they are in error. If he wants to compare capital spending in Manitoba vis-a-vis any other province in Canada over the last three or four years, budget over budget, he will see that there has only basically been one government that has maintained the level of capital spending.

In Highways, last year, we increased capital spending from \$102 million to \$106 million; in Government Services, we maintained capital

spending; in Housing, we maintained capital spending; in Health we increased capital spending significantly; in Education we also maintained capital spending.

Mr. Speaker, we, as one province in this nation, have done something that is most difficult to do during a time of restraint, and that is to maintain the level of capital expenditure. We are proud of that, because when one looks around at how the other provinces, particularly NDP provinces, will be addressing their deficit over the years to come, one will notice that the first attack, the first line to be attacked, is the capital side.

That has not happened in this province, and it will not happen in the next budget either.

Mr. Doer: I refer the Minister of Finance to the two budgets he has tabled over the last two years in the Chamber. The facts speak very clearly for themselves.

* (1400)

Budget Employment Creation Strategy

Mr. Gary Doer (Leader of the Opposition): My question again is to the Minister of Finance.

Winnipeg, according to the Canadian Council on Social Development, has had the highest increase in social assistance of any other major city in Canada—a 51 percent increase in the last 12-month period, Mr. Speaker. That is higher than Toronto. That is higher than Ottawa. It is higher than Edmonton. It is higher than Vancouver. It is higher than Halifax. It is higher than even places like Saskatoon and Montreal that are 13 percent and 14 percent.

Mr. Speaker, this Minister of Finance had to find another \$25 million for social assistance because of the absolutely disastrous policies of the Conservative government in Ottawa and the Conservative government in Manitoba, where we have people going from work to welfare under Tory ideological economic policies.

I would ask this Minister of Finance: Has he seen the wisdom of his ways to be failing? Will he have a much better budget to keep people working rather than having the highest increase in welfare of anyplace in Canada as he had with his last year's budget in the province of Manitoba?

Hon. Clayton Manness (Minister of Finance):

Well, Mr. Speaker, I am reminded that a significant reason for that increase, of course, was the increased benefits that we have provided as compared to other provinces. A significant reason and portion of that increase is the benefits. Certainly the volume increase is significant in itself.

Let me point out that we have provided extremely significant increases in benefits also through that period of time, Mr. Speaker. Let me also point out that our base was a little bit lower vis-a-vis other provinces. I can indicate to the member that I had an opportunity to talk with my counterpart, the Minister of Finance from Saskatchewan, just last week. He was complaining, indeed, that the very same impact with respect to their social assistance roles was also occurring in Saskatchewan. He too did not know how he was going to deal with it from a funding point of view.

Mr. Speaker, the matter that the member brings forward certainly is not isolated to Manitoba. It is something that is occurring in other parts of our country.

Goods and Services Tax Harmonization

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, my question is to the Deputy Premier.

The position of this government on harmonization is about as clear as mud. It reminds me of the old song: first you say you will and then you won't. Mr. Speaker, we had the Premier of this province say on February 12, we will have to consider it. We had the Minister of Industry, Trade and Tourism on the 14th of February say, well, Mr. Mazankowski asked us to look at it, so we have an obligation to do so.

Well, when did they start their review and when did they finish their review, if he is in fact going to defend his Minister of Finance?

Hon. James Downey (Deputy Premier): Mr. Speaker, I think the Minister of Finance, in his comments, has answered the question which has been put by the member of the New Democratic Party.

Our position has not changed, as has been indicated by the Minister of Finance.

Goods and Services Tax Harmonization

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, would the Deputy Premier like to tell us if he has told the Premier of the province that the government backbenchers and cabinet ministers assembled have changed their minds?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I will try and make it very clear for the Leader of the Liberal Party, who has great difficulty—very difficult.

I received a request from the federal government, over the signature of the Deputy Prime Minister, asking our province—and I believe the letter went out to all other provinces—to consider a method of harmonization, not the traditional harmonization, where we were going to apply provincial sales tax in harmony across all goods and all services, but indeed one small element to try and deal with a very real problem in this country. It is called cross-border shopping. It is impacting the constituents and indeed the businesses of each and every one of us in this House. It would come as not a great revelation to you, Mr. Speaker, that this was an issue that was discussed at the First Ministers' Conference.

The federal government sent to us a letter asking us to consider a proposal that might deal with this problem. It was on that wish of the federal government, indeed of the provinces, to try and deal with this that the Premier made a comment dealing with harmonization. That should not be confused with the harmonization issue that was discussed in this House, in this province and all across Canada a year ago, not in the least—not in the least.

We are talking about a very serious matter to our businesses and indeed our constituents, and that is cross-border shopping. I think the members opposite, if they wanted to do justice on a public policy issue, with respect to that issue, could try and shed more light rather than more darkness on that particular issue.

Mrs. Carstairs: Mr. Speaker, for further clarification, has the Minister of Finance now written to the Deputy Prime Minister and to the Minister of Revenue, Mr. Jelinek, and informed them that there will not be under any circumstances harmonization of the PST and the GST in the province of Manitoba?

Mr. Manness: Mr. Speaker, I do not have to write that letter. I will be writing a letter. I met with my officials this morning, but I do not need to write that letter, because that was not what was requested by Mr. Mazankowski. He never did request that. Total harmonization, goods and services, was not requested by the federal government. They know that is a nonstarter. They were told by First Ministers that that was a nonstarter across this country. The request that came forward from Mr. Mazankowski did not even ask for that. It asked to consider whether or not there was a willingness to take the good side of the goods and services tax and apply the provincial sales tax at the border.

The members can try and muddy it up to make it appear like the provincial government is harmonizing, but I am here standing to tell you that is not the case. We will not be harmonizing the goods and services tax.

Free Trade Agreement Abrogation

Mr. Jerry Storie (Flin Flon): Mr. Speaker, my question is to the Deputy First Minister.

Manitobans listened with interest to the comments from the Finance minister about the need to control the deficit, about the concern for the 57,000 people who are unemployed. Manitobans want more than concern. They want a government that is prepared to act on their behalf.

Since 1989, this government has supported the Free Trade Agreement, an agreement which has cost Canada some 435,000 jobs, which has reduced manufacturing jobs in every sector. Statistics Canada reports that every sector—[interjection]

Mr. Speaker: Order, please.

Mr. Storie: Mr. Speaker, my question to the Deputy Premier (Mr. Downey) is: Will the government now take a stand which opposes the Free Trade Agreement, take a stand which would see Canada get out, abrogate the Free Trade Agreement so that we can re-establish a manufacturing base in the province, employ people and create wealth or revenues, so that we can have revenue for the government to conduct its programs?

Hon. James Downey (Deputy Premier): I am not going to in any way accept the information which the member for Flin Flon (Mr. Storie) puts on the table or puts before this Legislature, Mr. Speaker. There

have been times when it has been less than accurate, where it has come from.

Let me as well say that there are a number of things that one could point to that have caused difficulties in the economy. Number one, Mr. Speaker, we are facing an international and national recession which is impacting on everyone. If the member for Flin Flon does not see that, then I think he should come alive to the greater happenings that are taking place in all of Canada.

It should be pointed out as well that, within the manufacturing sector in Manitoba, we have basically maintained the level of employment at some 54,000 this January over last January, Mr. Speaker. The information we have is contrary to what the member is putting before the Legislature.

North American Free Trade Agreement Manitoba Conditions

Mr. Jerry Storie (Flin Flon): Mr. Speaker, I think Canadians and Manitobans realize that the problems that we have created for our economy are going to be compounded if we join the North American free trade agreement.

My question is to the minister responsible for Industry, Trade and Tourism (Mr. Stefanson). Given that on July 16, 1991, the government tabled a set of conditions which would have to be met before we agreed to enter the negotiations with Mexico and the United States, can the minister indicate today which of these six conditions have been met, whether in fact he has had any meetings with the federal negotiators to show—

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

* (1410)

Hon. Eric Stefanson (Minister of Industry, Trade and Tourism): The honourable member is correct that we opposed a North American free trade agreement unless the six fundamental conditions are met. We have no clear indication on some of them. To date there is progress being made in two fundamental areas, the review of labour standards and the review of environmental standards, but the federal government clearly knows our position as a province. It has been made clear back in July of '91 and in federal-provincial ministerial meetings ever since, and we will continue to stand by that position, Mr. Speaker.

Mr. Storle: Mr. Speaker, will the minister do two things? Will the minister please indicate to this House which of the studies and reports from the federal government he is prepared to table today, and will he guarantee the people of Manitoba, if the six conditions are not met, Manitoba will not now, nor will it ever, support a free trade agreement between the United States, Mexico and Canada?

Mr. Stefanson: Mr. Speaker, I think we have made that position perfectly clear in this House back in July when we introduced it, and we have done it consistently. We have said we do not support a North American free trade agreement unless those six very important conditions are met. I have to indicate to you that, as a result of our position, it certainly stimulated some support and interest from other provinces across Canada in terms of recognizing those very important concerns. That is our position. We have said it on many occasions, and our position has not changed.

GATT Negotiations Supply Management Proposal

Mr. John Plohman (Dauphin): This Minister of Agriculture's agenda is gradually becoming increasingly clear, much to the alarm of many producers in Manitoba.

On January 26, Mr. Speaker, he publicly proposed that the method of payment of the Crow be changed to appease other countries at GATT, and he did that on the Manitoba farm news on MTN. On February 6, at the ministerial meetings, he refused to unconditionally support the retention of supply management at GATT, along with his counterpart from Alberta. The only two Conservative Ministers of Agriculture refused to unconditionally support supply management.

I ask this minister: Will he now stand up for Manitoba farmers by saying that the tariffication proposal that includes our supply managed commodities and does not include the strengthening of Article 11 is unacceptable to Manitoba and should be rejected by the Mulroney Conservatives?

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, the member put about six questions on the agenda for this afternoon.

I would like to first off tell the member that he is categorically wrong when he says that I refused unconditionally to support supply management. I

want the member to clearly understand the complexity of agriculture in Manitoba.

Wheat makes up 28 percent of cash receipts at the farm gate; cattle 16 percent; hogs 12 percent; supply management 11 percent; oilseeds 9 percent; coarse grain 6 percent. Because of the international trade war, the grains, oilseeds and red meat sector have been severely hurt in the province of Manitoba.

As a result, about two years ago we as a Province of Manitoba took a position that at the GATT round of negotiations, which were clearly needed to help relieve the impact of the grain trade war on the grain and oilseed producers, that we would take a balanced position to the table that all trade distorting subsidies must be reduced, or eliminated preferably, and that we must clarify and strengthen Article 11.

That is the position that Manitoba took two years ago. It was the position taken by the federal Trade minister to the GATT table. It is the position we stand behind today, Mr. Speaker, as the Province of Manitoba, a balanced position supporting all producers of Manitoba and not throwing any producers out of the window in terms of supporting them at the GATT round of negotiations.

Mr. Plohman: Mr. Speaker, the minister is all over the map on this issue, trying to skate through. I want to table a copy of the proposal and the agreement that was signed by all of the Ministers of Agriculture, with the exception of Alberta and this minister from Manitoba, that this minister refused to support.

I want to ask this minister if he is saying by refusing to sign this document that in fact he is admitting that he wants to destroy the supply managed farms in this province, because that is exactly what will happen if the tariffication proposal is accepted. Is he for that tariffication proposal or against it as it is constituted now?

Mr. Findlay: Mr. Speaker, that member continually tries to misinterpret what is going on.

That declaration that he refers to, as I said in my previous answer, did not relate to the balanced position that we take as a Province of Manitoba. The declaration was in support of Canadian supply management programs only, and I want to read for the member the statement from all Ministers of Agriculture in the country of Canada, ten provincial ministers and one federal minister, that the ministers are encouraged by the positive opportunities for Canada's grain and oilseed producers, the red meat

sector, agribusiness, but expressed the importance of protecting the supply management system which currently supports the dairy, egg and poultry sectors.

All ministers underlined the critical need to work together with industry in fostering Canada's balanced position and received assurance from the federal government that every effort we undertake to achieve a successful conclusion to the GATT negotiations, Mr. Speaker. All ministers support the balanced position; all ministers supported this communique, which is a position that Manitoba put forward.

Mr. Plohman: Will this minister come clean and tell this House whether in fact this balanced approach that he talks about includes the clarification proposal that is currently on—

Mr. Speaker: Order, please.

Point of Order

Hon. Clayton Manness (Government House Leader): Just because the member for Dauphin (Mr. Plohman) got the hide beat off him in the response by the Minister of Agriculture (Mr. Findlay), I would ask him to follow the rules of the House and as you said, Mr. Speaker, before Christmas, there was no need, indeed it is against the rules, for preamble again on a supplementary.

Mr. Steve Ashton (Opposition House Leader): Mr. Speaker, I realize it is our first day back and that there may be some extra give-and-take which is above and beyond the rules, but I do believe, if the Finance Minister had been listening, the statements that were made by the member for Dauphin were in response to what perhaps I should have raised on parliamentary language a few moments ago when the minister attempted to suggest that the member was deliberately trying to mislead this House. In fact, the member for Dauphin has been placing the facts in the House, and it is the minister who is trying to debate the indefensible actions of this government.

Mr. Speaker: Order, please. On the point of order raised, I would ask the member for Dauphin to kindly put your question now please.

* * *

Mr. Plohman: Mr. Speaker, I know the minister of Finance (Mr. Manness) was troubled by their position—

Mr. Speaker: Question, please.

Mr. Plohman: Is this minister's so-called balanced position inclusive of the tariffication proposal that is currently at the GATT talks at this time, and in the absence of the strengthening of Article 11, is that the balanced position that this minister is supporting?

Mr. Findlay: Mr. Speaker, what we have in front of us internationally is a Dunkel proposal, simply a proposal, a text for further discussion. We are not totally satisfied with the reduction in trade-distorting subsidies, but we think it is a better than no deal. In the interest of the other side of the issue with regard to Article 11—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Findlay: Mr. Speaker, if the member would let me finish, as we go to the table, we are saying the reduction in trade-distorting subsidies is barely adequate.

On the other side of the question with regard to Article 11, although Dunkel did not mention Article 11, we believe that Article 11 must be strengthened and clarified, and clarification would mean allowing us to continue to operate supply and management in the country because it does not create trade-distorting subsidies, so that is the argument we take to the table. It is two-pronged: stay with the trade-distorting subsidy reduction, and continue to work for clarification of strengthening the Article 11 because it is not trade distorted, and that is Canada's position.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please. The honourable member for Dauphin (Mr. Plohman) and the honourable Minister of Agriculture (Mr. Findlay), you have had ample opportunity to put your question and get your answers. Now there are other members here who are going to ask their question.

Budget

Employment Retraining Programs

Mr. Reg Alcock (Osborne): Mr. Speaker, I watched the First Ministers' Conference on the economy with some interest last week, and I was pleased to see the First Minister calling for an enhancement of the training and retraining programs in this country. I think it is a positive step and one that is long overdue. It is one that we should

have begun in this province a couple of years ago, but I am wondering how it squares with a provincial budget proposed by this Finance Minister that cut community colleges by 6.6 percent, cut Post-secondary Career Development and Continuing Ed by 11.6 percent, and Special Skills Training by 13.7 percent.

How does a \$4-million cut in retraining square with the nice words that were stated earlier or last week, the Minister of Finance?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, one thing First Ministers did agree upon, if not publicly, certainly privately, was that every government program needed to be re-evaluated, that indeed for the best money spent, taxpayer dollars spent and indeed the return for it, every government program needed to be evaluated and certainly Education and Training did also.

In last year's budget, we took a look at the programming being offered within our community colleges, and we sensed that there should be evaluations and reviews being done and changes made. That was done.

This year's budget will now reintroduce a new degree of funding in post-secondary education toward the aims and objectives.

Mr. Speaker, sometimes, unfortunately, government has to make difficult decisions. Sometimes they have to undo the former activity to rebuild. That is what we have done over the course of last year's budget and the budget that we will be bringing down in March.

* (1420)

Community Colleges Enrollment

Mr. Reg Alcock (Osborne): Mr. Speaker, people are out of jobs today. This year is when they need those opportunities. When they cannot find work, they need a chance to skill build, and they are being denied it. There has been a 7.9 percent decrease in enrollment at Red River Community College and at least 200 students less at Assiniboine Community College.

Is the Minister of Finance committing today to see that those positions, those opportunities, are reinstated?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I hope the new found vigour of the member

for Osborne continues throughout this session. I am glad to see him back.

Mr. Speaker, let me also say in response to the member's question, numbers in themselves, 7.9 and numbers in themselves do not address the quality of education, do not address the target as to whether or not training is occurring in those areas that are of the greatest potential economic impact. All of that now has been done over the course of the past year, and I can assure the member that the Minister of Education and Training (Mrs. Vodrey) will be making announcements in due course that respond to his question.

Mr. Alcock: Mr. Speaker, I agree with the Minister of Finance.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Alcock: I was agreeing with his comment on my renewed vigour.

Mr. Speaker, the problem is, people are unemployed today. People need opportunities today.

I would ask the minister if he could tell the House today, how many new positions are we going to see at those facilities now?

Mr. Manness: Mr. Speaker, I will not answer that question other than to say several or many, but that will be announced by the Minister of Education and Training in due course at the appropriate time.

Manufacturing Industry Employment Statistics

Mr. Leonard Evans (Brandon East): Mr. Speaker, I have a question either for the Minister of Finance or perhaps the Minister of Industry.

The government likes to brag about new industries for Manitoba, but the facts show that our industrial base is seriously eroding. Manufacturing output last year declined by about 13 percent, according to Statistics Canada, ranking Manitoba as 10 out of 10. In other words, we had the worst performance of any Canadian province last year.

Can this minister explain to the House why Manitoba is doing so poorly? Why are we 10 out of 10?

Hon. Eric Stefanson (Minister of Industry, Trade and Tourism): Once again, as happens far too often, members of the opposition are very selective

in terms of choosing economic indicators. I think we discussed in this House, there are some 13 economic indicators. Manitoba fares among the best in some, above the national average in some, and obviously in some cases we do fare poorer than the rest of Canada, but in the same sector that the honourable member refers to, it is interesting to note that, on the employment side of manufacturing, Manitoba has maintained the current level of 54,000, the same job level as a year ago, at the time frame that the honourable member has referred to.

So while granted there has been some slippage on the shipment side in terms of jobs for Manitoba in that manufacturing sector, they have remained the same year to date.

Mr. Leonard Evans: The fact is, most of the indicators show Manitoba deteriorating progressively—by far, most of them. We are declining relative to the rest of this country. There is no question about that.

Mr. Speaker, how can this minister be so complacent, even on this issue? He bandies about numbers of jobs. On that, my question is, how can the minister be so complacent when the number of jobs has declined? If he looks at last month, in December, we had 56,000 people working. This month of January, there are only 54,000. We have lost 2,000 jobs. How can he be complacent about this?

Mr. Stefanson: I have to take exception to that suggestion. This minister is not complacent, and this government is not complacent at all when it comes to jobs or the economy of Manitoba.

The Conference Board of Canada, which his party, the opposition party, often likes to refer to, is projecting the economy of Manitoba to grow among the fastest in all of Canada, to exceed the Canadian national average in 1992.

I can assure you, Mr. Speaker, this minister, this government is not complacent when it comes to our economy.

Mr. Leonard Evans: Well then, will this minister be prepared to tell this House what he expects the manufacturing sector to do in this province in 1992? I ask that because the Canadian Manufacturers' Association has issued a forecast that Manitoba will again decline and again be 10 out of 10. That is the Canadian Manufacturers' Association.

Mr. Stefanson: I have to indicate, and I am not so sure that members across the way have taken the opportunity to do this, but I have had the opportunity to meet with all sectors in our economy, all the various manufacturing groups, through various discussions over the last year, Mr. Speaker, when it came to issues such as North American free trade, and I can assure you that they support what this government is doing in terms of the economy of Manitoba, in terms of creating a positive economic climate.

We hear nothing but talk about competitiveness. This government is three years ahead of every other provincial government in Canada in creating the positive kind of economic climate that will allow businesses and Manitobans to prosper in the years ahead.

Economic Growth Northern Programs

Mr. Steve Ashton (Thompson): Mr. Speaker, we talk a lot in the Chamber about statistics, but one thing we cannot measure is the hurt that is taking place in this province, the hurt that is taking place particularly in areas such as northern Manitoba, where statistics show 23 percent unemployment, the highest in the country. There is despair in communities that have seen job creation and training and virtually every other type of program cut by this government.

My question to the Minister of Finance is: What hope can he give to the people of northern Manitoba? What specific programs can he give, if anything, to help deal with the despair of major, major unemployment in northern Manitoba?

Hon. James Downey (Minister of Northern Affairs): I think it is time that the members of the opposition came clean on what their position really is when it comes to economic development. This government has proposed through the proper environmental process, through the Public Utility Board, the development of another major hydro project in the northern part of Manitoba which has tremendous employment opportunities for northerners and industrial people. I say that is a major initiative, after going through the proper environment process and the Public Utility Board—that is a major initiative.

I ask the members, are they going to get outside to help the economic development as it relates to

the development of northern Manitoba in employment or are they not?

Mr. Speaker: The time for Oral Questions has expired.

MATTER OF URGENT PUBLIC IMPORTANCE

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, I move, seconded by the member for Osborne (Mr. Alcock), that under Rule 27 the ordinary business of this House be set aside to discuss a matter of urgent public importance, namely the imminent harmonization of the PST and the GST.

Mr. Speaker: Before determining whether the motion meets the requirements of our Rule 27, the honourable Leader of the second opposition party will have five minutes to state her case for urgency of debate on this matter. A spokesperson for each of the other parties will also have five minutes to address the position of their party respecting the urgency of this matter.

* (1430)

Mrs. Carstairs: Mr. Speaker, we submitted this matter for urgent public importance in the hopes that we would get some clarification today in Question Period. Unfortunately, all we did was to get more confusion as to exactly where this government sits on this issue—we are not going to review, we are just going to study. I have to tell you that if my students told me they were going to study for an examination without reviewing the material, then I would have said they were not going to be very prepared to write an examination.

Mr. Speaker, there are two reasons, as you well know, for introducing a matter for urgent public debate. One is that there is in fact not another opportunity in which to debate this matter. We are finished with the throne speech, we are dealing primarily and fundamentally with bills, and bills must address in their debate the subject matter of that particular piece of legislation. Therefore, we have no opportunity to debate this issue. There is also an urgency because we are of the firm belief, particularly after listening to the mishmash of today, that some of these plans of the federal government are going to find their way into the provincial budget.

This will be our only opportunity to debate that matter in order to give our input to the Minister of Finance (Mr. Manness) as to the feelings not only of

opposition members, but indeed of all Manitobans with respect to the harmonization of these two taxes.

We believe that this subject matter is of grave importance for Manitobans. The Premier (Mr. Filmon) himself has said they cannot bear any more tax. We all know that and yet estimates in Saskatchewan, a province of similar size, indicated that harmonization would bring to them some \$185 million of revenue.

Mr. Speaker, if we do not debate this clearly, we have no opportunity to prevent the government from doing something which we believe to be truly in the worst interests of Manitoban citizens. We beg you today to give due consideration to this debate.

Mr. Steve Ashton (Opposition House Leader): Mr. Speaker, I want to begin by saying that one of the first conditions that has to be met with any matter of urgent public importance is as to whether there is another opportunity immediately available to members to discuss the matter that is being put forward as being of urgent importance. I would say that if we were doing the appropriate thing right now and hearing the Minister of Finance (Mr. Manness) bring in a budget that is badly needed to deal with the desperate state of the Manitoba economy, we would be able to discuss matters such as this, but the government has not brought in such a budget, and has no intention, I am sure, of bringing in any such budget. [interjection]

I realize the Minister of Finance is sensitive—and so he should be—with record levels of unemployment in this province, the highest increase in unemployment of any province in the country. One of the reasons we should be dealing with the budget now rather than in whatever length of time the minister is going to sit back and deal with this matter. But we are denied that opportunity and I must say that this, I feel, is an urgent matter. It is not that it is the most urgent matter, but you cannot deal with other potential matters.

In fact, we may have a motion in regard to the more general need for debate on the economy, which we feel is important, but I think whenever you are dealing with something that could be as destructive to the Manitoba economy as an increase, a change here, to many goods, which will be brought in by potential harmonization, I believe that is indeed urgent. I believe that it is important for this House to be debating now the true policy of this

government—a Premier who on a daily basis has been flip-flopping on this particular matter.

We know the only thing that has been stopping this government from bringing in the harmonization has been opinion polls saying that people do not want it. We want to be able to say in this House—and for that reason support the motion before us—to the Premier, to the government ministers assembled, to the government caucus, that we want them to say unequivocally, no flip-flopping, no harmonization, no provincial version of the GST, no further devastations to the Manitoba economy brought in by these kind of Tory policies.

That is why I would think that it would be in everybody's interest, and perhaps even for the government members, to support this matter. Because it might be a little bit easier since, I hope you will indulge me, that I can refer to the fact that the Premier (Mr. Filmon) is not present today. I know that is not our normal practice, but we have somewhat diverted from that, but since the Premier is not here, they could get up on their feet with a little less concern perhaps about their positions in Cabinet or hopeful potential positions and say clearly on the public record, no harmonization of the provincial sales tax with the GST. No, Mr. Premier, no, no, no, as indeed every member of the opposition will be saying, if this government gives us the opportunity to debate it, as they should, as an urgent matter today.

Hon. Clayton Manness (Government House Leader): Mr. Speaker, I am hoping that you will see fit to rule this request for emergency debate out of order so it does not proceed.

If I ever heard of somebody putting an argument that defeats their own argument, it was particularly the Leader of the Liberal Party (Mrs. Carstairs). She talks about "imminent." I said clearly in Question Period, the government is not contemplating harmonization. Let me make it even clearer. I said there are no government plans, imminent or otherwise, to harmonize.

I think that what is so tragic here is that you have desperate politics at play. You have a situation where opposition parties sense that the only one issue that they can hit a government with today is taxation issues. We are all aware of the unpopularity of the goods and services tax. We are all aware of the unpopularity that the federal government, in particular, is suffering as a result of bringing in that

tax, so of course they, meaning the opposition, are trying to piggyback on that attack and trying to paint this government as if we were supporters.

Mr. Speaker, harmonization is a taxation matter not, and I will say it again, not under active consideration within our government, but let me say, cross-border shopping is and remains a great concern to many of our constituents and to many of the businesses, and indeed public dialogue, I would say, must proceed on this issue. It has to occur.

However, these are matters, in my view, that should be part of a budget debate and, as our budget will be forthcoming in March, let me say, particularly to the House leader of the New Democratic Party, we will be bringing down the first provincial budget in the country. We are probably the only province that will be bringing down a March budget. My only fear is that we may even bring it down before the federal budget.

There is not another province that is so far along their decision making as this government, so let him not stand and rail against this government for not being prepared or ready, because it is—it is.

Nevertheless, taxation issues are budgetary matters, so if at that time the government addresses cross-border shopping, Mr. Speaker, that is the time when the debate should ensue, not today, because harmonization is not at issue, because the provincial government is not contemplating and indeed is not studying harmonization.

Mr. Speaker, there will be many opportunities over the course of the next few weeks, even before the budget, to address this and all other issues, but let us be very candid. The opposition of course is desperate, and they are trying to deal with the taxation. Well, they are desperate because of NDP taxes. That is why they are desperate.

Mr. Speaker: I would like to thank all honourable members for their advice on this matter.

As honourable members are aware, there are two conditions that must be met. I did receive the notice on this matter as required by our Rule 27. Our rules and practices and Beauchesne's set out the two conditions required in order for a matter of urgent public importance to proceed. They are that the subject matter must be so pressing that the ordinary opportunity for debate will not allow it to be brought on early enough, and it must be shown that the public interest will suffer if the matter is not given immediate attention.

There are no relevant items on the Order Paper, and the next known opportunity for a general financial discussion is the Budget Debate, which may not be held for some time. Therefore, it is my opinion that there are no other ordinary opportunities in the near future to debate the issue of harmonization of the provincial and federal sales tax. However, I do not believe that this matter is so pressing that it must be debated today. I am therefore ruling it out of order.

* (1440)

Mr. Kevin Lamoureux (Second Opposition House Leader): Mr. Speaker, with respect, I have to challenge your ruling.

Mr. Speaker: The ruling of the Chair has been challenged. Shall the ruling of the Chair be sustained? All those in favour, please say yea.

Some Honourable Members: Yea.

Mr. Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

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

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

Mr. Speaker: Call in the members.

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

Yeas

Connery, Cummings, Dacquay, Derkach, Downey, Ducharme, Enns, Ernst, Findlay, Gillshammer, Helwer, Laurendeau, Manness, McAlpine, McCrae, McIntosh, Mitchelson, Neufeld, Orchard, Penner, Praznik, Reimer, Render, Rose, Stefanson, Sveinson, Vodrey.

Nays

Alcock, Ashton, Barrett, Carstairs, Cerilli, Cheema, Chomiak, Dewar, Doer, Edwards, Evans (Brandon East), Evans (Interlake), Friesen, Gaudry, Hickes, Lamoureux, Lathlin, Maloway, Martindale, Plohman, Reid, Santos, Storie, Wasylcyia-Leis, Wowchuk.

Mr. Clerk (William Remnant): Yeas 27, Nays 25.

Mr. Speaker: The ruling of the Chair has been sustained.

* (1510)

MATTER OF URGENT PUBLIC IMPORTANCE

Mr. Jerry Storie (Flin Flon): Mr. Speaker, I rise on a matter of urgent public importance. I move, seconded by the member for The Pas (Mr. Lathlin), that under Rule 27 the ordinary business of the House be set aside to discuss a matter of urgent public importance, namely the economic crisis facing our province and the 57,000 unemployed people in the province of Manitoba, the highest number of people ever recorded in our province.

Mr. Speaker: Order, please. The honourable member for Flin Flon (Mr. Storie), obviously, because he does not have the original text in front of him, has handwritten a motion—[interjection] Order, please—has handwritten a text which is not exactly the same as the motion which was tabled in my chamber this morning.

Because I did see this, I am asking the honourable member for Flin Flon if he would like to ask the House to rescind the motion that you just proposed to the House and to move forward with the one that you did not.

Mr. Storie: I appreciate being given that opportunity. I will acknowledge adding a postamble onto the original motion, and if that was out of order, Mr. Speaker, I would ask leave of the House to support the original motion, given that it is essentially the same as the one that I verbally provided to the House.

Mr. Speaker: Does the honourable member for Flin Flon have leave to rescind the motion which he has already proposed to the House? Is there leave of the House?

Some Honourable Members: Leave.

Mr. Speaker: Leave. It is agreed.

Mr. Storie: Thank you, Mr. Speaker—an inauspicious start to what I hope members opposite will consider a serious topic.

When I introduced the motion before the House, I added the words, Mr. Speaker, because of the concern of the 57,000 Manitobans who are unemployed. If adding 57,000 people's concern to my motion made it out of order, then I regret that I added those words, but the fact of the matter is that the challenge before you is to decide whether in fact the motion is consistent with our rules that are required before we can consider an emergency debate. Clearly, notice was provided.

Mr. Speaker, the other two questions which we have to address are the questions of whether the issue before us is pressing and whether there are other opportunities for sufficient debate. You ruled earlier that on a similar motion concerning the harmonization of the GST that there were no opportunities before the House for debating motions like this. As we know, if we look at the Order Paper, there is nothing on the Order Paper which would allow us to debate the serious economic crisis facing the province of Manitoba.

I add that the interest of the public will suffer. That is another condition which is attached to the question of whether in fact an emergency debate should proceed.

The fact is that in January of this year, 14,000 individual Manitobans lost their jobs. So to the question of whether this is pressing, whether this is urgent and whether the public will suffer if this debate does not proceed, I think the answer is clearly yes. We cannot wait till March 6 to find out that another 14,000 people have been left unemployed by a government who has no economic agenda whatsoever.

Mr. Speaker, the economic circumstances in our province are dismal, to say the least. We heard this afternoon the Minister of Finance (Mr. Manness) suggesting that this was the same in all provinces. Well, the 57,000 unemployed, the tens of thousands of people who are currently on social assistance in this province do not live in other provinces. They want this government to react. Mr. Speaker, we need this debate. We must debate the crisis that the Manitoba economy is facing. It is not just a crisis, and I say "just," not wanting to undermine the importance of the lack of work, the lack of opportunity for the 57,000 people and numerous others who have given up looking for work, but to highlight the lack of opportunity in every sector of our economy.

* (1520)

There are things the government can do. An emergency debate, a debate of this kind, may force this government to live up to its responsibility to the people of Manitoba and take on the challenge of attempting to come to grips with the crisis. Mr. Speaker, there are policies in place in the province at the federal level which need to be changed. The Free Trade Agreement is a good example. The 57,000 people who we will be talking about today in

this Chamber, if this debate proceeds, are unemployed in part because of the Free Trade Agreement, an agreement which is affecting every single sector of our economy.

Mr. Speaker, there is no doubt that the plight which faces the manufacturing sector is creating a significant and, I guess, deteriorating situation. The fact is that the Province of Manitoba can no longer sustain those kinds of losses, whether it is in the agricultural sector, or the manufacturing sector, the forestry sector, or the goods-producing sector, or leather, textiles, you name it.

We need some additional incentives, we need some additional action, we need some additional options to be put forward to the people of Manitoba. It is my hope, Mr. Speaker, that this debate will proceed. Therefore, I move that under Rule 27 the ordinary business of the House be set aside to consider a matter of urgent public importance, namely, the declining of the Manitoba economy.

Mr. Speaker: Before determining whether the motion meets the requirements of our Rule 27, I would like to advise all honourable members of Rule 27(2): A member making a motion under sub-rule (1) may explain his arguments in favour of his motion in not more than five minutes, and one member from each of the other parties in the House may state the position of his party with respect to the motion in not more than five minutes.

Mr. Kevin Lamoureux (Second Opposition House Leader): Mr. Speaker, we support any type of emergency debate that would allow us, as an opposition party, to relay a very strong message to the government of the day in the crisis that Manitoba is currently facing. The actions that they have taken have put us in the situation that we are now in today and that what we need to do is to have legitimate debate in an emergency debate in which members of the opposition, government backbenchers will have the opportunity to express to the government prior to the introduction of the budget.

After all, Mr. Speaker, in the next couple of weeks, what is on the agenda is 12 or 14 bills that were introduced at first reading six weeks ago. We have an opportunity here to provide each and every member of this Chamber an opportunity to stand up and to put forward good ideas in terms of how we can get the Manitoba economy working. I think that it would be an oversight of this government to decide that the debate is not warranted, because the

budget is two or three or four weeks down the road. We have an opportunity here to allow all members of this Chamber to put some words on the record. I would argue that the public interest demands that discussion take place immediately. I cite that from Beauchesne's and would encourage you to take into consideration the importance of this Chamber debating the issue prior to the budget itself being presented.

Once the budget has been presented, far too often it is too hard to reverse any decisions. This is an opportunity, which we can have, to have genuine input, and I know the Minister of Health (Mr. Orchard) would like to hear every member of this Chamber stand up, and I hope the Minister of Health will vote on the right side on this particular MUPI. I look forward to what the Minister of Health and other ministers have to say about the economy, and what they have to say to the Minister of Finance (Mr. Manness) and the Premier (Mr. Filmon), in terms of the direction of our economy, that we have to start putting party politics to the side and start contributing in a much more positive unpolitical, apolitical fashion in terms of how we can get Manitoba out of this rut and that includes things like job creation that will see capital infrastructures expanded upon and so forth.

To conclude, I would like to say that we would like to see this particular MUPI proceed for today, even though, in accordance with the rules, we had to give it leave. I do encourage you, Mr. Speaker, to give it serious consideration and to come back and allow the debate to continue. Thank you.

Hon. Clayton Manness (Government House Leader): Mr. Speaker, the economy is not robust, that goes without saying, but neither is it dismal. As a matter of fact, the only thing dismal I have seen today is the entry of the emergency debate by the member for Flin Flon (Mr. Storie), a veteran of 10-plus years in this House introducing an emergency debate in that fashion.

The government acknowledges that there probably is some opportunity over the course of the next three weeks, before the budget comes down, when there may be some certain issues that are debated. Let me say, Mr. Speaker, this may or may not be one of them, and I will give you my view shortly, but other than to tell you the budget is coming down soon. It is coming down, as I said earlier, as the first province in Canada—it is coming out before any other province—in March, and for the

members opposite to say that the government does not have any other business before it is unfair.

Indeed, members opposite made certain commitments, extracted certain commitments out of the government that we would come back in session in the proper time. We thought that would be the middle of February. We knew there might be some difficult times, and I have asked as recently as today, House leaders opposite, to try and put our best efforts forward to deal in a productive way with the bills that are coming forward, and I believe that will occur.

I can indicate to the Liberal House leader, as I did earlier on, because I take some offence to his remarks, that indeed over the course of this week the government will introduce yet another 12 to 18 bills. Hopefully, with the leave of members opposite, we will be able to read them for second reading and they will be debated as soon as next week.

Mr. Speaker, the government is prepared to accept a debate on the economy indeed if you so allow it. In my view, it is certainly outside of the rules. Indeed, I would think that you would want to make sure that indeed if we do engage in debate on the present state of the economy of the province of Manitoba, you will want to make sure that it is not precedent setting, that indeed any further requests that come either in this session or in time to come will fall strictly within your interpretation of the rules. Never before, to my understanding, has the economy been debated before a budget, a budget which is going to come down in such short fashion.

* (1530)

Mr. Speaker, I would just like to quote something that one Premier said last week, Premier Rae. He said this, and I am paraphrasing, so it is not an exact quote, but he said words to the effect, there is consensus among governments that there must be controlling of expenses. He says there is consensus that we should have lower interest rates, real interest rates, and consensus that there should be a lower Canadian dollar, but he said something more important than that. He sat in front of all assembled, indeed the nation. He said, we come here looking for no conspiracies, no miracles.

Mr. Speaker, I am hoping that will be the essence of what I hear from the opposition benches, because all I have heard to date is that the official opposition is against GATT. They are against exports with the United States. They are against northern

development in the form of Repap, Conawapa. I am hoping members opposite will tell us what they are for.

I am hoping what they are not for is just a significant increase in the deficit, because every provincial Premier of every political stripe has said that that is not the solution to our problems, that so far kick-starting the economy—Mr. Speaker, I hardly heard the term when I met with the Premiers, because they know that there is no such thing as the quick fix. Anybody who loves this country and believes in the future of its economy knows that there is no such thing as the quick fix.

Mr. Speaker, I will sit down and say that our party looks forward to the debate. Hopefully, you will allow it, because there are stories to tell. There are messages to provide. I am hoping the members opposite will not use the conspiracy theory and will not look for the miracle theory but indeed will be prepared to offer solutions that are workable.

Speaker's Ruling

Mr. Speaker: I would like to thank all honourable members for their advice on this matter that notice required under our subrule 27(1) was received.

As members are aware, the two conditions required for a matter of urgent public importance to proceed are: the subject matter must be so pressing that the opportunity for debate would not allow it to be brought on early enough; and it must be shown that the public interest will suffer if the matter is not given immediate attention.

In my judgment there will not be any opportunity to have a general debate on the state of the Manitoba economy until the budget is brought down, and that may not happen for some time. I have not been persuaded that the matter is so pressing that it should be debated today. I am therefore ruling that the matter does not meet the procedural requirements.

In spite of all this, it appears there is a willingness on the part of members to debate this matter today. Manitoba precedents and Beauchesne's Citation 387 take this into account.

I will then put the question to the House. Shall the debate proceed?

Some Honourable Members: Agreed.

Mr. Speaker: It is agreed.

Mr. Storle: Mr. Speaker, I want to first thank the Minister of Finance (Mr. Manness) for at least acknowledging in this House that debating this issue, the economic crisis—certainly a term that I am prepared to use—is worthy of debate and that it is a serious issue for the people of Manitoba.

We can no longer wait for some magical recovery to occur. We cannot sit idly by as the manufacturing base and our agricultural base are torn from under the people of Manitoba. The government elected this group of people, this Executive Council, to act on behalf of Manitobans to preserve what is good and worthwhile in our economy and in our province.

They were not elected to act as apologists for the federal government. They were not elected to act as doormats for American politicians looking to increase their market. They were not elected to ignore the real poverty, the real trauma that is being inflicted on Manitobans from every part, from every region of this province. Mr. Speaker, they have an obligation to at least attempt to deal with some of the outstanding problems which confront our economy.

I want to start by talking about the Free Trade Agreement. This government could take a position. They could demand from the federal government some sort of objective analysis of what the implications of the first two years and a little bit of the Free Trade Agreement have been on this province.

I see the Minister of Industry, Trade and Tourism (Mr. Stefanson) listening. I hope he will continue to listen, because the statistics which are being generated by the Conference Board of Canada, by Statistics Canada, by other independent groups assessing the impact of the Free Trade Agreement are staggering.

Since June of 1989, the manufacturing sector in Canada has been decimated in virtually every sector. I want to read into the record, before we get too far into this debate, the facts.

The facts are that in terms of percentage change in manufacturing jobs the following percentages apply: in food, 22.8 percent of the manufacturing food processing jobs have disappeared from Canada; 26.9 percent of the rubber and plastic jobs have disappeared from Canada; 38.5 percent of the leather jobs; 28.2 percent of the textiles; 29.5 percent of the apparel; 34.2 percent of the wood product jobs; 32 percent of the jobs in furniture and

fixtures have disappeared across the country; machinery 31 percent; electrical and electronic 26 percent. Mr. Speaker, I have a list of some two dozen different sectors. Not one of them shows a growth in manufacturing, shipment, or a growth in jobs because of the Free Trade Agreement. We are losing because of the Free Trade Agreement.

Mr. Speaker, the Minister of Industry, Trade and Tourism (Mr. Stefanson) and the government have suggested that somehow the free trade agreement with Mexico and the United States is going to be a salvation. They have laid out some conditions which we are not sure the government is intent on enforcing. We are getting closer day by day to a time when the negotiators on behalf of the Canadian government, the U.S. government and the Mexico government may sign an agreement. We have no facts yet. The Minister of Industry, Trade and Tourism has not presented this House with one single fact on the implications of that potential agreement.

I want to read for the minister's edification a report from the Ottawa Citizen which says, secret papers show Canada to get less than it bargains for. This is the lead in to that report. It will cost jobs, offer slim benefits to only a few businesses, undermine cultural industries, and most Canadians do not like it.

That sounds like a line from critics of the proposed Canada-U.S.-Mexico trade deal, but it is the overwhelming picture that emerges from recently declassified federal government documents.

We are getting another snow job, and all I am asking the government to do, and I think all we can realistically expect the government to do, is to be open and above board with the people of Manitoba about the facts. To date, the Manitoba people have had no information about the repercussions, the implications, the ramifications of the free trade agreement. All we know, Mr. Speaker, is that 57,000 people are unemployed in the province of Manitoba, the highest number of unemployed people ever in the province of Manitoba. All we know is that there are tens of thousands of people on social assistance. All we know is that people are leaving the province of Manitoba, young people, highly educated people, highly motivated people. They are leaving the province of Manitoba.

Mr. Speaker, it is not good enough for the government of Manitoba to sit on its hands day after

day and say there is nothing we can do. Look what is happening elsewhere. The people of Manitoba want to know that there is some kind of agenda, that we at least understand the parameters of the problem and that we are prepared to propose solutions. There is no evidence of that. When you ask the Minister of Industry, Trade and Tourism (Mr. Stefanson), when you ask the Deputy Premier (Mr. Downey), for that matter when you ask any of the Executive Council, all they can say is, well, things are bad everywhere else. There is no apparent attempt to deal with the problems that confront us, the real problems.

In the last year and a half, Mr. Speaker, the full-time employment in Manitoba has dropped from 413,000 to 369,000. That is a drop of 44,000 jobs, full-time jobs lost. What does that mean to the Minister of Finance (Mr. Manness)? What does that mean to the Minister of Education and Training (Mrs. Vodrey) or the Minister of Health (Mr. Orchard)? There is no way to control the deficit and control government spending without cutting back on services to the point where Manitobans cry out in pain unless we get people working, unless we salvage what is left of the manufacturing sector, unless we salvage what is left of our agricultural sector. We need some concrete proposals from the government.

* (1540)

It is difficult for opposition members to be particularly helpful when the government refuses to divulge any information. Either it does not have it, or it will not get it, or it is not prepared to share that kind of information with members of the opposition and the people of Manitoba.

Yes, there have to be some interim solutions. There has to be something that we can do collectively. Mr. Speaker, we do not have to watch daily or monthly as our unemployment rate continues to rise. We should not have to subject the people of the city of Winnipeg to higher levels of unemployment or greater increases in unemployment than in Saint John, Newfoundland.

In northern Manitoba the unemployment rate in that region is the highest in the country. Twenty-five percent of the people in northern Manitoba are unemployed. Mr. Speaker, where are the proposed solutions? What is the government going to do to get people back to work, to make sure that our small business sector, particularly our manufacturing

sector, remains in Manitoba? I was going to say remains vibrant, Mr. Speaker, but the only vibrancy there is in the manufacturing sector right now is the death battle.

Mr. Speaker, it does not seem to faze on the Minister of Finance (Mr. Manness) or the Deputy Premier (Mr. Downey) or the Minister of Industry, Trade and Tourism (Mr. Stefanson) that we have the highest record of bankruptcies in the history of the province, the highest record of bankruptcies.

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

Madam Deputy Speaker, the Minister of Industry, Trade and Tourism is going to stand up and give us some fictitious number about the number of bankruptcies versus something else. We have the highest number of bankruptcies ever, end of quote.

The record number of people who are moving from the unemployed, the lines of the unemployed, to the lines of those seeking social assistance and supporting our food banks, continues to grow. This is truly the subject of an emergency debate. If we wait another month, as the Minister of Finance was suggesting, to see the Estimates of spending for departments, or wait for a provincial budget, it will be too late for thousands and thousands and thousands of other Manitobans, other Manitobans who are going to lose their jobs, other Manitobans whose businesses are going to be out of business, other Manitobans who have lost their life savings and their homes and their businesses. It will be too late.

Madam Deputy Speaker, the Minister of Finance (Mr. Manness) and the Minister of Industry, Trade and Tourism (Mr. Stefanson) may not know the meaning of the word crisis, but if you ask any of the 57,000 people who are unemployed, they will tell you what a crisis is. If you ask any of the previously employed people who are on the social assistance lines or at the food banks, they will tell you what a crisis is. This is a crisis, and we cannot have the government apparently walking around blindfolded sitting on its hands, saying there is no problem and even if there was we could not do anything about it.

Madam Deputy Speaker, it is just not good enough. It is just not good enough. It is not good enough for the people in northern Manitoba. It is not good enough for the people in rural Manitoba and it is not good enough for the people in the city of Winnipeg. There are things that can be done.

Madam Deputy Speaker: Order, please. The honourable member's time has expired.

Hon. Eric Stefanson (Minister of Industry, Trade and Tourism): Madam Deputy Speaker, I too welcome the opportunity to discuss Manitoba's economy and I welcome what I hope will be constructive suggestions from members across the way during the course of this debate.

When we first took office in 1988 our No. 1 priority was to work towards improving what we called the economic climate for existing and potential businesses here in our province to create jobs here in Manitoba.

Economic climate is a very important issue, Madam Deputy Speaker. I want to very briefly give some history before I talk about the direction that we are heading as a government. I want to give a little bit of background. I am watching the clock already, because 10 minutes is not enough time to do justice to this very important issue, but I will give as much information as I can.

In 1988, we inherited a situation: extremely high taxes; high deficits; in my opinion, government out of control, whether it was Autopac, MTX, Workers Compensation, as well as some unfair legislation that was being proposed. In fact, very briefly I want to give you the record of tax increases under the NDP administration from 1982 to 1987. This makes very interesting reading, Madam Deputy Speaker: increased retail sales tax from 5 percent to 7 percent; introduced and increased payroll tax to 2.25 percent of payroll; introduced personal net income tax and surtax; increased corporation income tax from 15 percent to 17 percent; increased corporation capital tax from .2 percent to .3 percent; increased gasoline tax; increased diesel fuel tax; increased railway fuel tax; introduced a land transfer tax; increased tobacco tax—total tax increases to the taxpayers of Manitoba of some \$820 million.

What did we do when we took power, Madam Deputy Speaker? We not only held the line on personal income taxes, but we reduced personal income taxes. We increased the threshold on the payroll tax so that now some 70 percent of businesses in our province no longer pay that particular tax. Recently we have reduced workers compensation rates. We dealt with an important piece of labour legislation, the final offer selection, which was repealed by our government.

On the expenditure side, we did not only talk; we led by example. We controlled our expenditures. The four budgets that have been brought down by our Minister of Finance (Mr. Manness) have had the lowest or the second lowest expenditure increases of any government in all of Canada. We led on that front.

That sets the stage for the kind of background, the kind of policies and situations we inherited and what we have done, as a government, towards improving the economic climate, because you get out and you talk to any Manitoban, to any Manitoban trying to do business in this province. The single biggest impediment has been taxes. We have addressed that issue, and we will continue to do so along with the kinds of pledges our Premier gave during the Throne Speech Debate that we do not support any increases in personal income taxes.

Now, Madam Deputy Speaker, we have moved on to Phase 2 to becoming much more aggressive on the economic front. We have done that in many ways. One, we have done it structurally, by setting up a new structure in government, an economic development board, by setting up an Economic Innovation and Technology Council with the private sector, and creating a common secretariat so for the first time government can pull together all of the policies and programs of all of the departments that affect economic development here in our province. That forum will allow the opportunity to do just that.

I want to talk about Manitoba. I want to talk about the strengths that Manitoba has and what Manitoba can build on, given the proper economic climate and the proper situation, creating a level playing field for Manitobans. I have the confidence in Manitobans that they can compete not only anywhere within Canada but anywhere within the world.

We have many strengths to build on. We have competitive wages and a quality labour force. We have competitive occupancy costs. We have high-quality, reasonably priced hydro. We have among the lowest employee turnover rates in all of Canada. We have among the lowest absenteeism rates in all of Canada. We have a solid research and development community, particularly at our universities. We have a 24-hour airport. We have a quality of life, in my opinion, that is absolutely second to none. We have community spirit, as indicated in the last year through events like the Grey Cup, the World Curling and World Baseball,

where Manitobans did the best job ever done for those events.

Madam Deputy Speaker, those are just some of the strengths and some of the things that Manitobans can build on if governments create the proper kind of playing field and proper climate for them to work within.

We do have some weaknesses and we do have some impediments that we have to address. Some of them are within our control and some are totally outside of our control. It is no secret to anybody we are coming through a recession, a recession that has affected not only all of Canada, but most of North America and other parts of the world. It has been very difficult for individuals across this country. That is one of the reasons I think it is important, if you want to do justice to this issue and if you want to be fair on the issue, that you recognize that it is not a situation that is unique to Manitoba. It is something that faces all of Canada, and certainly while it is little comfort for us in Manitoba or the people without jobs, some provinces are faring even worse than the province of Manitoba.

We have been affected by other issues outside of our control when you talk about exports in the manufacturing. The high value of the Canadian dollar has certainly been an impediment in terms of the exports for Manitoba businesses.

Another issue that affects Manitoba opportunities is the whole issue of, in my opinion, the lack of awareness and the image of Manitoba that was created during much of the '80s in terms of Manitoba not being a place to do business. We are changing that image, Madam Deputy Speaker. I can assure you that when we travel across Canada and to other parts of the world, Manitoba is becoming recognized as a place to come and do business, to locate and to expand. That is certainly an impediment, and it is even an impediment within our own province through the excessive and erroneous doom and gloom that is often painted by some individuals.

* (1550)

I now want to talk about moving off the structural changes that we have made within government to some of the programs. Members across the way like to say we are a hands-off government, that we do not get involved in some aspects of developing business here in our province. Certainly, when we took government we had some of the traditional financial programs to provide assistance to

Manitoba businesses. We had the manufacturing industrial opportunity program, and we had some other programs in place. In our time we brought in new programs, and we continue to bring in new programs, in terms of division capital equity fund and, more recently, Madam Deputy Speaker, the Grow Bonds that would allow rural Manitoba and all communities throughout rural Manitoba to finance and fund investments right there in their home community. The people who live there, who have the vested interest in their community will have the tools to work with to develop economic opportunities in their own region.

We set up the Crocus fund, which I know we have the support from across the way, an employee ownership fund that will allow employees the opportunity to buy into businesses. When those businesses are being shut down or looking to be relocated for various reasons, employees here in our province, through the Crocus fund that we set up last year, will have the opportunity to buy right into those companies.

We have set up another program in terms of dealing with rural infrastructure in terms of the funds that will be coming from the VLTs throughout rural Manitoba. We have a new telecommunications and informational processing program. We are providing the kinds of programs that will assist and enhance Manitoba businesses to allow them to be competitive and to create jobs right here in our province, not short-term false economy jobs generated by previous governments, long-term quality jobs that will be here today, tomorrow and 10 years from now.

I want to touch on some success stories instead of the doom and gloom. Whenever there is the slightest bit of bad news, we hear about it from across the way, Madam Deputy Speaker. The good news they never like to talk about, whether it is Royal Trust and the 200 jobs, whether it is UPS and the 500 jobs, whether it is Trimel out in Steinbach, whether it is Western Glove, whether it is Inco and their expansion, whether it is HBM&S, whether it is Canadair at Portage la Prairie or Medix coming from England, or 3M expansion in Morden, or Apotex development here in our province.

Those are some of the developments, and as our Minister of Finance (Mr. Manness) pointed out earlier today, in terms of our spending on capital projects and infrastructure, we have maintained the

levels in our Highways department and in our Government Services and in our Housing.

Very recently our Minister of Urban Affairs (Mr. Ernst) announced a joint initiative with the City of Winnipeg, a \$10 million program to improve the infrastructure of Winnipeg and, at the same time, provide jobs.

I realize time is running short, but what I want to conclude with is two points. Many modern economists suggest that one of the single most important economic attributes today is attitude. Attitude about yourself, your family, your community, whatever it might be, can be contagious. I think certainly, as a Manitoban, I am proud of the opportunities that lie ahead for this province.

The Conference Board of Canada is predicting higher than average growth for the province of Manitoba. I think, with the kinds of initiatives that our government has taken over the last few years, we will be well positioned to come out of this recession. We are just now seeing the province of Ontario and the province of B.C. and other provinces starting to do the things that this government has been doing for three years, so that when this recession is over, Manitoba will be ready to be on the move and to be on the move aggressively. We will see that growth in the '90s here in our province.

I have confidence, Madam Deputy Speaker, Manitobans are the generators of wealth, not governments, as some other people believe, and if we provide the proper climate, the level playing field, I have the confidence in Manitobans that they can compete with anybody, anyplace in the world, and our government is committed to creating that kind of level playing field.

Thank you very much, Madam Deputy Speaker.

Mr. Reg Alcock (Osborne): An interesting opportunity—in fact, I wonder—or not, I have not had an opportunity to check, but if indeed, as the Finance minister (Mr. Manness) has said, this is the first opportunity for the first time that this House has ever debated a budget before it came down, or debated the economy of the province before it came down, I would have to say that it is long overdue. I think it is exactly the kind of opportunity we want in this House, is to spend some time looking at where the strength is, where the opportunities are in the province, where we can build and help people get out of the terrible mess that they are facing right now.

I want to just step back from the specifics for a moment and talk a little bit about some of the concerns that bring me to some of the conclusions that I have. I started shortly after I became Finance minister to spend a lot of time reviewing— Finance critic, that is right. Excuse me. As was pointed out, I imagine a number of people have breathed a sigh of relief. I wanted to try to understand for myself what was going on in this province. I am not an economist, but I do have some economics in my background, and I had an opportunity to draw upon the resources of a large number of very skilled people in looking at what is the position of this province. How does it fare in this country?

I have built huge data bases that pull on the Stats Canada information just to try to understand, before I launch into the political debate, before we decide whether or not the NDP strategy or the Liberal strategy or the Conservative strategy is the best one, to try to clear away some of that and look at what is the real information.

What I find is that—I go back to 1961, because that is the period that Stats Canada goes back to with consistent GDP information—from that time to this, the province of Manitoba has been in decline relative to the rest of Canada, that our share of the national wealth has been growing steadily smaller, relative to the rest of this country, despite the fact that we have a well-trained labour force, despite the fact that I support many of the statistics that the Minister of Industry, Trade and Tourism (Mr. Stefanson) put on the record. All of those things are true, but nonetheless we have been slowly, year over year, falling further and further behind.

There have been some bright spots: In the mid-60s, in the early to mid-70s and in the early to mid-80s. Those are three times since 1961 where this province began to recover a bit and this province began to gain a bit, when it began to grow relative to the rest of this country. It is interesting how in those three periods the major events that were taking place were heavy, heavy capital investment in the northern part of this province. Each time it presented us with an opportunity, and I think each time we let go of that opportunity.

Heavy, heavy investment in the northern part of this province built an economic activity into the southern part of this province that brought people back, that built the basic jobs, that built the acquisition of wealth in this province, but each time when that heavy investment tailed off, when those

dams were built and those mines were sunk, the overall basic jobs began to drop again, the overall acquisition of wealth began to drop again.

Once one steps outside of this province, one quickly becomes aware of the fact that this is a very, very small province in a very, very large world. We are impacted daily by decisions that are made in other countries, in other parts of the globe, and our ability to sort of wall ourselves in and pretend that the rest of the world does not exist has been gone for some time. We are foolish to pretend that it has not.

The problem is what do we do in this little tiny economy, some \$23 billion in GNP, some \$5 billion in government expenditure? What do we do to better position the people who live here for that competition with the rest of the world? I think we can learn something from some of the work that has been done around this country and frankly throughout the industrialized world.

There are three things that come up over and over and over again when you look at trying to prepare yourself for improving your competitive position. You have to push capital. You have to push investment. You have to push investment in your province if you are going to build the kind of infrastructure that allows you to compete. You have to push the training of your labour force. You have to give people the kind of skills and retraining that allows them to be competitive in today's world, and you have to be active in the creation of competitive products.

Manitoba may not be a world leader in the major heavy industries. It may never be, but there are certainly a great many competitive issues that we can fit into and that we can fill and certainly that businesses in this province have demonstrated an ability to compete in, but they have to have because of our relatively small base greater support than they are presently receiving.

Now the thing that I worry about, I look at the nature of the structure of this economy, and I note that in 1975 agriculture accounted for nearly 9 percent of the economic wealth in this province. Today it is down to 4.7 percent. If you add in the heavy industry spinoffs to agriculture, it only gets up to 6 percent. I am reminded of something that was discussed in this House before Christmas, and that is that as the situation in the Ukraine changes and as they get the Ukraine on-stream and producing

the kind of grains and wheat and support for the world that it did back in the 1890s, that many of our markets that have been traditional in this last 20 years may simply dry up.

Manufacturing in this province was 13.6 percent of the economy in 1975. It is 10.8 today. Transportation, one of the things that Manitoba was built on, was 8.5 percent of the economy in '75 and it is down to 6.1 percent. Finance industries, and here is a bright spot. The existence of Great-West Life and Royal Trust and the Investors Syndicate and the banking centres and the data centres and all of those kind of things have produced a basis that has grown in the finance industries in this province from 12.4 percent to 21.9 percent. I think there are some lessons there. There is some indication for what we might want to think about doing with things like corporate capital tax. I think we need to consider how we can support those industries that have shown some strength in this economy.

* (1600)

Goods production overall in this province has gone down. Not only has it gone down in relative size in the economy, but there have been big changes in the nature of mining and agriculture that have meant that it has been able to support a smaller and smaller labour force. I think one piece of advice that I would have for this government is to broaden your view, to begin to look at the cities in this province, because one of the things that this administration has been marked with is a lack of attention to the city of Winnipeg which is a very considerable part of the economic engine in this province and one that is showing growth. I think a great many of the policies of this government to date have not facilitated the kind of growth in this city that we could otherwise see. I think that in that regard, I am saddened in a sense when we stand up today and we say, well, you did not do this, but you did not do that, and there is this huge sort of ongoing debate that never really takes us any place.

In 1988, you know, we stood up and said, there is a problem coming, we are going to be in a depression. That was repeated around this House. In 1988 we said things like, we have got to start paying attention to the people who live and work in this province if we are going into a slowdown, if people are going to be unemployed. I do not fault this government entirely for the economic conditions in this province. There is a worldwide recession, although not completely worldwide. There are

countries, industrialized countries in this world that are doing just fine. I do agree with some of the comments of the member for Flin Flon (Mr. Storie), that there are great questions to be raised about how closely we have tied ourselves to the economy directly with the south of us and what their agendas are for this particular country.

An Honourable Member: They are there. That is where our trade is.

Mr. Alcock: Madam Deputy Speaker, that is where our trade was, but our manufacturing base is not built on that alone. The problem that arose when we looked at the way in which the economy in this province was falling back, was sliding, was that we said, what happens to all of those people?

You know, there is an interesting thing that is taking place throughout the industrialized world. Twenty percent of the population of the industrialized world is doing very well, thank you very much. They have had a net increase of nearly 18 percent in their individual wealth. The bottom 50 percent are doing very badly. They have fallen off. They have had a net loss in real wealth in this last 10 years. The single unifying thing, the single thing that contributes to that is the economies begin to fracture between skills. People who have got high education, a high skill level, are doing very well. People that do not, are not.

There is an opportunity. When the economy slows down, when people go onto unemployment, when people go onto welfare, we have an opportunity to provide some direct support for them, and we have not done that. We have failed that. The federal government failed us when they talked about doing it under the Free Trade Agreement with the labour adjustment strategy, and, frankly, this government has failed us in not providing that at a time in advance of this slowdown, that would have built a cushion, that would have allowed people when they could not work here to build their skill level so that they would be more employable.

Madam Deputy Speaker, I think that one of the things that this government has to consider—

Madam Deputy Speaker: The honourable member's time has expired.

Mr. Gary Doer (Leader of the Opposition): Madam Deputy Speaker, indeed I want to first of all thank members of all political parties for agreeing to this debate in the Chamber. It obviously makes sense, Madam Deputy Speaker, but sense does not

always play a part of some of the decisions we collectively make in this Chamber.

There is absolutely no question that anywhere we go in this province, any community, any kitchen table, any plant, any farm, the economy and our situation in that economy is the No. 1 concern, and I think it was useful today to agree to a debate to have some input on the economic situation in the province and in the country.

Hopefully, as the cabinet and the government of the day continues its debate internally on the decisions it has to make, these discussions today will be useful in terms of a reversal of the economic strategy and the extreme ideology of members opposite and to a more balanced approach on the economy where peoples' jobs and job opportunities will be the No. 1 priority and not the Conservative ideological agenda that is clearly the hallmark of their last budget.

I noted that for the last year and a half members opposite, including today, have been using terms like "coming through the recession" or "will soon be over" or "that we are the best place to come out of the recession." I can cite you chapter and verse in November of 1990 with the Premier (Mr. Filmon) and the Minister of Finance (Mr. Maness) where they said: We are just around the corner from economic recovery, hallelujah, happy days are here again.

That was the basis of their budget last year and all these false hopes that were raised for Manitobans have been devastated by the reality that we are facing in our province today.

Madam Deputy Speaker, members opposite also like to use the term that this is a "world-wide recession." The member for Osborne (Mr. Alcock) has pointed out that it is not a universally impacted recession in the industrial world. I would suggest to members opposite that if they look for a correlation of what countries are suffering the most in general terms from the recession and what countries are having the most economic decline and having the greatest difficulty maintaining jobs, they will find that they are countries and jurisdictions that are being run by conservative governments in the world.

The highest increase in unemployment in the average industrial nations in the last month was in Great Britain—the Thatcher-Major agenda.

If you look at what is happening in the United States, again a conservative party, a Republican Party in the United States, the soul mates and

ideological mates of the members opposite, again they are suffering tremendous decline in their economic situation, and we may see some of the results in some of the primary results tomorrow of our friends to the south of us. We certainly saw some change with Pennsylvania, with the change in choice in the state of Pennsylvania in the senatorial by-election.

If we look in Canada, the provinces that are adopting extreme ideological positions as the members opposite, the step-aside philosophy, and the minister opposite said that we like to say that. Well, I will refer him chapter, verse and line to the Premier (Mr. Filmon) last year that said, quote: We believe that we just have to step aside and the economy will recover. With a few corporate friends we will get the economy going again, and that is all we will do with the economy.

Again, a sort of laissez faire or Adam Smith or corporate agenda of members opposite, and they are not working because people are not working. Look through the average industrial nations, the countries that are taking a more balanced approach, the more co-operative approach, a more consensus approach, are doing much better on economic growth, on private sector investment, on public sector investment, on debt and on jobs and maintaining jobs and job opportunities in the future.

You can look at those numbers because, yes, there is a bottom line and you will find the countries and jurisdictions that are working in a consensus way and not relying on only one engine of the economy but relying on a number of engines of the economy are doing much better in relative terms.

Madam Deputy Speaker, the question was raised about trade, and some members opposite said that we were against this and were against that. I think it is a fair question: What are we in favour of? We have always been opposed to a corporate trade agenda that is a fortress North American agenda. The member for Pembina (Mr. Orchard) laughs as he loses 200 jobs at a Tupper plant in his own community under free trade with the United States. He laughs because he is embarrassed with the results of the trade agreement with the United States.

* (1610)

We have been opposed to a policy that says resources and energy from Canada, labour and no environmental standards for Mexico and the

markets of the United States as a corporate agenda will be the fortress North American trading future of Canada. That is a total unmitigated disaster. We have been much more in favour of a multilateral trade approach.

Yes, we support GATT and we support the negotiations that are going on in GATT. That means that during those Dunkel reports on GATT we do not say that because we believe in a balanced approach we are not going to push for changes on the orderly marketing boards. If you surrender those issues before the negotiations are done, I suggest that is why Canada is having so many problems to begin with—because the Europeans are not surrendering on one issue at all. France, Germany, Great Britain, in the Dunkel report, they are not saying, we are giving up this, we are giving that before we go to the table. They are going with a balanced approach to the table, not dropping it before they get there as the Minister of Agriculture (Mr. Findlay).

Look at the European trade agreement. That is a model, Madam Deputy Speaker, I think, for the whole world, where they are looking at removing some of the tariffs but at the same time there is a balance between capital and the free flow of capital and goods and the standards for people. In the European trade agreement we are getting chapters and verses of a social charter that deals with employment and even deals with regional issues in Europe. They are starting to adopt some of the ideas that used to be in vogue in Canada where equalization payments are being made to the less developed countries in Europe so that trade will go to the highest common denominator, not to the lowest common denominator that we see with Conservative ideological philosophies and the results with high unemployment in our country.

I suggest to members opposite there are two visions of trade in this world: a multilateral vision of trade that includes going to the highest common denominator and improving the standard and quality of life for everybody or going to the lowest common denominator because a few people of Wall Street and Bay Street and a few others want to have energy from Canada, cheap labour from Mexico and markets in the United States and that is the trap members opposite are following. That is, unfortunately, the lot that they are leaving Manitobans in their pursuit of this Conservative ideological agenda and a corporate trade policy

rather than a people's multilateral trade policy in this world.

Madam Deputy Speaker, the Premier (Mr. Filmon) in his stand-aside policy, takes a different sort of strategy to Ottawa. He says step aside and do nothing in Manitoba and cut back and cut back and cut back, and then when he goes to Ottawa, he talks about this sort of Franklin Delano Roosevelt vision of the country. I have to look and see if it is the same person, because he says step aside here and he offloads highways onto municipalities in Manitoba and then he goes to Ottawa and says build a national highway system as a capital project. What hypocrisy! He says let us have a research and development strategy and he cuts it back in our province. He says let us have an education and training program and he cuts it back in our community colleges.

Everything he says that Ottawa should do in terms of putting investment into people, he does the opposite in his own budget here in Manitoba. That is why the Conservatives now are not saving any money with their cutbacks and their radical ideological agenda both in capital going down and operating going down. In terms of laying off thousands of people, it is showing up down in the welfare lines. The highest increase in any urban centre in Canada is in the city of Winnipeg, higher than any other province, Madam Deputy Speaker. It is right here where these Conservatives are in power and these Conservatives are driving people out of work and into welfare.

Finally, Madam Deputy Speaker, we reject totally the step-aside and stand-aside policy of the government. We believe in a balanced approach to the economy and I do make one suggestion to members opposite: to reverse their policies on the economy, to throw out their ideology that is not working, and to have a balanced approach on every decision they make in the budget—

Madam Deputy Speaker: Order, please. The honourable member's time has expired.

Hon. Donald Orchard (Minister of Health): Madam Deputy Speaker, it was indeed interesting to hear the Leader of the Opposition (Mr. Doer) give us his ideas on how he would govern differently and, you know, I did not hear one single idea come from the member, the Leader of the New Democratic Party, who wants someday to be Premier of the province. We never heard one changed policy.

We heard a bunch of phraseology about abandoning an ideology but not one single idea on what a new trade arrangement with the United States would look like, not one single idea on what he meant by abandoning our economic philosophy. So therefore I can only conclude that my honourable friend is a typical New Democrat, wherein he believes that the solution to Manitoba's economic woes is going out and spending money you do not have and taxing people in Manitoba with ever higher and increasing rates of taxation, taking money from Manitobans that they no longer have.

The reason I say that is that I did not hear a single new idea from the New Democrats, not one. I listened to two speakers and we will listen to the rest this afternoon, and all we will hear is spend, spend, spend.

I want to take my honourable friends back to May 1991, the Province of Ontario, and here is what, the treasurer, Mr. Laughren of the Province of Ontario, said when they brought in a budget with a deficit of \$9.7 billion in the Province of Ontario. He said in May 1991, some scant eight months ago, I think it is important for people to understand that this year we had a choice to make, to fight the deficit or fight the recession, and we are proud to be fighting the recession. That is what they said in May of 1991.

Madam Deputy Speaker, Premier Rae argued that when other governments are walking away because they say they cannot afford it, it is not fiscally responsible. Premier Rae went on to say, we do not think we can walk away from those responsibilities, and I am quite happy to take issue with anybody who says that is the wrong thing to do. That was eight months ago Premier Rae said those words defending a \$9.7 billion deficit.

What, in eight months, a conversion, has happened to the ideologically hidebound New Democrats of Ontario? They are not mimicking spend, spend, spend like we hear from the New Democrats in Manitoba any more. Here is what they are saying, a scant eight months later. This is February; January of 1992, less than eight months after the release of the spring budget in November 1991, Ontario treasurer announced for the second time in two months that he had to bite the bullet to shuffle his \$52.8 billion budget with a \$9.7 billion deficit and growing out of control.

Ontario will take these measures, according to the treasurer of Ontario, Mr. Laughren. Ontario will sell

land, freeze construction projects and stop buying new cars, trucks and furniture to keep control of its recession-battered budget—freeze construction projects when his Premier is in Ottawa asking the federal government for money to undertake construction projects. Now you want to talk about classic hypocrisy, take a look in your own back yard in Ontario.

What did it do for the Ontario auto makers to have a freeze on buying of new cars and trucks? Are they made in Manitoba? No. Are they made in southern Ontario? Yes, they are. Guess what Premier Bob-and-borrow, Bob-and-battered-economy in Ontario is doing to help his deficit, throwing auto workers out of work by not buying new cars and trucks made in southern Ontario. Is that not an immaculate conversion of New Democrats? Eight months ago they could spend their way to prosperity. Eight months later what is Premier Bob-and-weave now saying? NDP Premier Rae went on to tell the people of Ontario, on January 21, 1992, there are no miracles, quote, unquote. NDP Treasurer Laughren blamed the recession and declining provincial revenues for the New Democrats new-founded tightfistedness.

Laughren said, given the severe limits on what we can afford over the next few years we must all share the responsibility for reforming the cost and delivery of public services. What an immaculate conversion in eight months. That is a New Democrat talking about cutbacks in Ontario, jobs cut from the public service, spending cut to municipalities, schools and hospitals. That is Ontario.

* (1620)

Do you know what? There is hope in Ontario, because it only took the ideologically hidebound New Democrats of Ontario eight short months to learn the folly of their way of spending their way to prosperity. Our honourable friends the New Democrats in Manitoba have been practising that for 20 years and still have not learned the folly of their only economic policy of spending our way to prosperity with somebody else's money.

Madam Deputy Speaker, do you know what really makes we wonder about the commitment of the New Democrats? We want to listen today to hear their policy direction and what they will do, if they were government of Manitoba, to help Manitobans get back on their feet. Do you know what they cancelled this past weekend? An annual general meeting in

which policies on the economy could have been debated. Why did they cancel that annual general meeting of the New Democratic Party this weekend, to debate new direction and jobs and policies that the New Democrats could bring to this chamber, so that we could debate their future vision of Manitoba? Because they could not cross a picket line. A picket line is more important than policies for jobs. That is where the NDP is coming from in this province. Picket lines are more important than trading policies to get Manitoba back on track.

I have to tell you, Madam Deputy Speaker, I think that was a very, very fortuitous strike that the New Democrats are going through, because you know what? At their annual general meeting, there would have not been one single new initiative that would work that would have come out of their policy meeting this past weekend to help Manitobans and to help the Manitoba economy. Cancelling the meeting saved the embarrassment of coming up flat on new policy.

I almost think that my honourable friends created that strike just to get out of this meeting last weekend. I think that, because look at why their workers are on strike. They are on strike for what—job security. They are on strike for maternity benefits, and they are on strike protesting contracting out. Now, where have we heard cries of protest in this House from New Democrats against our negotiating. They want us to employ everybody in the Civil Service, no layoffs, yet they will not give job protection to their own employees. Maternity leave, they will not give them maternity leave which is as generous as what we gave to the MGEA employees. What a group.

Madam Deputy Speaker, do you know what has happened to the New Democrats? Do you know why they are negotiating so toughly with their own employees? Do you know why, because they cannot go to the taxpayers to pay the benefits. They have to raise that money like any business would, and that is why they are bargaining tough with their employees. It is their own money they are spending this time. You know what? It comes from all those small Manitobans who give them small donations because Reverend Blackjack marches on the picket line with every other striking union member but not his own party members—not his own.

I want to close by challenging my honourable friends in the New Democratic Party. Give us some new ideas. Tell us what the new philosophy of the

New Democratic Party of the 1990s will be. Do not give us the old genuflection to the big deficit, big taxation, and big government. Surely you have learned the lessons of the world that that is not working. Tell us. Tell us the new ideas of the New Democratic Party. Give us your ideas. That is the purpose of this debate. That is why we agreed to it.

Do not tell us that this statistic or that statistic is not good. Tell us what you would do differently if you were government. Give us your ideas. Lay them out for Manitobans because our ideas are lowering the deficit, lowering taxes, creating an environment where investment and profit and job creation is not a dirty word, where Manitobans can take control of their own future, build on the strengths of this province, Madam Deputy Speaker, which are large and which continue to grow.

That is the economic opportunity offered by such notable newcomers to investment in this province as Phillip Stimpson, wherein he said investing in medics in Manitoba is the best kept secret in Canada.

That Winnipeg and Manitoba—

Madam Deputy Speaker: Order, please. The honourable minister's time has expired.

Mrs. Sharon Carstairs (Leader of the Second Opposition): Madam Deputy Speaker, the Minister of Health (Mr. Orchard) has just said that we want to live in a province where the people can take control of their future—I do not think I am misquoting him here—but there is one essential way in which we have to take control of our future that this government tragically is not adequately addressing. That is that we cannot keep and we cannot take control of our future if our young people and those who are unemployed do not have adequate training opportunities available to them. In this province, we have the unenviable record of being 10 out of 10 in Canada as to the number of students that we send on to post-secondary education institutions.

Most recent statistics will show us that your opportunities of getting a job are extremely limited if you do not graduate from high school and yet, we have in common with many provinces across this land a dropout rate in senior high of between 25 percent and 30 percent. That means that right now, our young people, between 25 percent and 30 percent of them, are not going to have the minimum academic requirement necessary to obtain employment—25 percent to 30 percent of them. Go

into any high school in this province and you will come up, unfortunately, with those kinds of statistics.

We have to come up with a program and initiative which will help to keep those young people in school. Now the question is, why are they dropping out? Well, they are dropping out for a variety of reasons. Some of them are dropping out because they are bored. They may be bored because they are very bright—and unfortunately, that happens all too frequently—but many of them drop out because they find the academic experience frustrating, frustrating because the types of experiences that they want to have are not available to them at the high school level.

I spoke with a teacher just yesterday in St. James-Assiniboia, who reported to me of the number of young people who register for a course at the senior high level only to be told after the second or third day of class that he or she must re-register because they cannot offer that particular course at that particular semester.

It does not take too many of those kinds of positions and situations for some youngsters to say, that is it, I am no longer going to continue with my education because the programs are not available to me. That is why we have to have a review of school division boundaries, because one of the real difficulties in this community is the inability of youngsters to move from one division easily to another division.

When those young people graduate from high school, the 75 percent of them that are left then look for additional training opportunities.

This government, to date, since 1988, has increased tuition fees at our universities by some 54.8 percent cumulatively. The universities are now talking about an additional 40 percent increase. We cut a great many young people off from that kind of an opportunity simply because they cannot afford to go. Now this is not entirely the problem of this government, because the federal government has not increased its student loan program in real dollars since 1984, but there is also an inadequacy in the bursary program which is making accessibility at our universities less and less for those who are lower-income Manitobans.

What we are seeing is the spreading again, that those who come from well-off families will, in fact, be given an opportunity to continue their education.

Those students who did not look toward university, but looked at community colleges, found themselves with fewer and fewer opportunities last year specifically because of this government's policies.

* (1630)

The Minister of Education of the day liked to talk about the fact that there were some programs which were obsolete. While indeed there may have been, one of the strengths of a community college system is its ability to make rapid adjustment and to offer programs which the labour market demands, but that is not what he did. What the Minister of Education did was to cut across the board so that there are now fewer young people in this province in community colleges than there were in preceding years at a time when young people and older people are seeking job training at a rapidly increasing level.

Every single school division in this community will point to the tremendous increase in demand for continuing education programs this year. Some of them saw as much as a 200 percent increase. We saw additional students going off to our universities, unfortunately far too many of a part-time nature because they could not afford to go full time. The only place where we saw a decrease was community colleges, fewer students at Red River, fewer students at Assiniboine, fewer students at Keewatin. Why? Because this government deliberately cut those training positions, meaning the opportunities for our young people are less and less.

In the 1990 campaign, I proposed a concept of trying to have a literacy corps work with our high school students and our junior high school students. That may not have been the optimum in suggestions, but that is the kind of new idea I think we have to examine.

Can we take graduates from high schools, give them an honourarium for a year, the old peace program concept, and ask them to go and work in the elementary and the junior highs and the senior highs for a year, particularly in our core areas, particularly in our remote communities.

I think it will accomplish two things. I think it will help to upgrade our students, but I think it also will give these young people, some of whom are a bit rudderless at the end of Grade 12, some understanding of what they want to do with the rest

of their lives. It will give them an opportunity to serve the community.

We also need to have programs which will train people who are in the work force that have lost their jobs. In the last few days, I think a number of us have met with licensed practical nurses. Their dilemma is very much one which reflects what is happening in the society at large. There are hospitals which are saying we think that we can make a better mix by having the eliminations of LPNs and the replacement with RNs and nurses' aides.

Some of those LPNs are saying, well, maybe I should go back for retraining. A noble objective, but we just cut that program. The one-year upgrading program they used to have is no longer available to them. Then they are saying, well, all right should I contemplate going back for a two-year program? Then they are faced with the dilemma that the registered nurses are now saying that by the year 2000 we want BNs.

Are they supposed to go back for a four-year program? How are they to pay for it? How are they to support their families? If indeed we are going to demand that people upgrade, then we also have to say, what is the practical program by which they can do it? What kind of negotiations do we have to take place between us and the federal government with respect to using UIC benefits for upgrading, when you look your future in the eye and you know that there is not perhaps a future with the qualifications that you presently possess?

Madam Deputy Speaker, I know there will be a number of other issues that are addressed, but I want to say very clearly that if we are to be truly competitive, if that word is going to mean anything at all in the next few years, then what it is going to mean more fundamentally than anything else is that our young people and those who are employed or unemployed or underemployed must have the opportunities to upgrade their skills, to get retraining, to continue their education, to complete their education, so that when economic times get better, as I believe we think they will, then there is a group of trained people ready to grab that new market and make an opportunity for themselves and their families.

Mr. Leonard Evans (Brandon East): Madam Deputy Speaker, I welcome the opportunity to join in this debate this afternoon, because it indeed is

the No. 1 issue in the country, in North America, and certainly the No. 1 issue in the province of Manitoba.

I want to say categorically at the beginning that I do not care what the Minister of Industry, Trade and Tourism (Mr. Stefanson) has said in the past in his speeches or what the Minister of Finance (Mr. Manness) has said, the economic indicators reveal that Manitoba has seriously declined in 1991 from the previous year of 1990. In fact, taking 11 basic economic indicators, we declined in eight out of those 11 and we remained the same in three of them.

What really bothers me, Madam Deputy Speaker, because you can say, well, that is because of the recession—what really bothers me is that we have weakened relative to the other provinces in Canada. Again, looking at the 11 basic economic indicators, our relative position worsened in seven categories in 1991 over 1990. We worsened in economic growth, employment growth, interprovincial migration, urban housing starts, building permits, manufacturing shipments in investment. In other words, Madam Deputy Speaker, we are in a worse position relative to the rest of the country.

Certainly, if you look at us compared to the national average, out of the 11 basic indicators, nine of the 11 are showing Manitoba being below the national average performance. We are below national average performance in average weekly earnings increase, in terms of population growth, investment change, economic growth, retail trade, job creation, manufacturing shipments, building permits and housing starts.

So let the record be clear, Madam Deputy Speaker, the economy of Manitoba is sick. The economy of Manitoba is feeble. Our industrial base is eroding and it is a matter of great urgency to the government and to this House that we address this issue. I would be the first to acknowledge that we are suffering from a recession that is not only Canada-wide, it is North America-wide. It is affecting some other countries, but not all countries.

I would also maintain, however, that we got into this depression ahead of the United States, thanks to the policies of the Mulroney government in Ottawa. We had, indeed, a made-in-Canada recession. We have had an insanely high interest rate policy, a monetary policy that was damaging Canadian jobs, damaging the Canadian economic growth. Because of that insanely high interest rate

policy, we have an extraordinarily high value of the Canadian dollar, which is hurting our exports and causing us to have more imports than we should have, and therefore causing us to have fewer jobs.

The Free Trade Agreement has been a disaster for this entire country. The GST has been a disaster. You talk about consumer confidence. How can we have confidence among Canadian and Manitoba consumers with this insidious GST around our necks? The fiscal policy of the Mulroney government is back in the 19th century again, only looking at cuts and at taking a do-nothing approach—well, I cannot do anything.

Even George Bush, the President of the United States, a Republican, is now saying, well, the American government is going to start fighting the recession, yet Mr. Mulroney throws up his hands and says, well, we cannot do anything. Well, this right-wing ideology that has been prevalent in the '80s is going out the window, Madam Deputy Speaker, and some members opposite are behind the times. Let me give you some specific examples of leading businessmen and bankers who are saying that Ottawa and the provinces should be stimulating economic growth either by spending money themselves or by cutting taxes, even at the risk of higher deficits.

* (1640)

I will give you as my first example Doug Peters, the chief economist of the Toronto Dominion Bank, and he says, and I am quoting: The first thing the government has to do is say, look, this recession is deeper and worse than we expected and then start to do something about it.

What he is saying, Madam Deputy Speaker, is that Ottawa and the provinces should stimulate economic growth in a co-operative manner either by increasing spending or cutting taxes.

Another source, the chairman of the Bank of Montreal, Mr. Matthew Barrett, has said, and I am quoting: Helping Canadians without work makes good business sense.

The bank chairman then went on to recommend that Ottawa create a \$3 billion multi-year program to stir job creation and launch a significant training and retraining program for the unemployed. This is the chairman of the Bank of Montreal. This is not a union leader. This is a Bank of Montreal chairman.

Miller Ayre, president of St. John's, Newfoundland-based Ayre's Limited, another large

company, said we have got to start fighting the deficit. He says he had views about deficit fighting and he has shifted them to fighting the recession. He said this recession has driven his company to the brink of bankruptcy.

Incidentally, Mr. Ayre is the current president of the Canadian Chamber of Commerce, and he told Maclean's magazine that he used to be a firm supporter of the federal government's approach to controlling the deficit by reigning in spending, but today he said the recession is so severe that it has convinced him that Ottawa's eight-year-old campaign to restrain spending and fighting inflation has gone too far. I will quote Mr. Ayre, the chairman of the Chamber of Commerce. He says: The government has to face the fact that there are short-term economic problems that have to be dealt with. They cannot continually look to the long term for solutions.

At the same time, Madam Deputy Speaker, he rejects suggestions of the rising unemployment and business bankruptcies as evidence that the economy is undergoing some sort of necessary beneficial readjustment. He says: Right now there is a perverse logic that the sicker we are the healthier we must be getting.

Another person, Tim O'Neill, president of the Atlantic Provinces Economic Council in Halifax says: During recessions governments should temporarily allow deficits to expand to preserve jobs and keep the economy functioning as smoothly as possible.

William Dimma, the deputy chairman of Royal LePage Limited of Canada which is one of the largest real estate companies in the country based in Toronto said, and I am quoting him: In the short term, I still lean a little more to controlling the deficit, but I do think there is room for some spending on public works projects.

Donald Savoie, an economist in New Brunswick at the University of Moncton who has advised the Mulroney government on economic and constitutional issues said, that because the economy is sick, public funds would be better spent now on infrastructure projects rather than on cutting the government deficits. Savoie says, and I am quoting: Public works projects are productive. They get money to the people who are most vulnerable and they make good economic sense, particularly at a time when interest rates are low.

John Bulloch, the president of the Canadian Federation of Independent Business and a longtime critic of government deficits now says the provincial sales taxes and Ottawa's GST should be cut, and he suggests by one percentage point, to stimulate the economy. He said it would improve the bitter mood of the public towards the government and drain some of the poison out of the system.

Madam Deputy Speaker, I have given you enough examples. There is thinking among business leaders, among economists, among bankers in this country that we have got to do something about this depression, and this is a depression that is going to carry on for some time. I dare say we could look back in a few years from now and talk about the depression of the early 1990s and not simply a recession that is going to go away in a few months.

We have a problem in this province that I have documented. I have done some research on this, and I am sad to say, in spite of some of the comments made by some of the ministers opposite, we have no firm industrial plan in this province to stop the industrial erosion. We do not seem to have any economic goals.

There have been previous Conservative governments that have had economic plans and economic goals. I remember the targets for economic development presented by Mr. Spivak who was then minister. They had some kind of a plan, some kind of goals. There was some idea of where the province would be going or should be going.

I would suggest, Madam Deputy Speaker, that we have to get on with it. We have to take this aggressive approach to the federal government. We have to press Ottawa to stimulate the economy and not just to say amen to everything Mr. Mulroney and Mr. Mazankowski say. We have got to urge them, and I know we may be hitting our heads against a brick wall, to eliminate the GST because we believe the GST is wrong. We want to see the Free Trade Agreement eliminated.

We also believe that there is room for a federal-provincial joint capital works project, and indeed there is room for joint provincial-municipal capital works projects. Many municipalities have needed public works that could be brought forward and undertaken at this time, instead of some future

time, in order to provide jobs. Indeed, we could set up other programs that would put people to work.

I reject the notion that because you spend money on a job training program in the private sector, not in the government, in the private sector that some—

Madam Deputy Speaker: Order, please. The honourable member's time has expired.

Hon. Harry Enns (Minister of Natural Resources): Madam Deputy Speaker, if the issue, of course, was not so serious and for everybody, whoever, whether it is the head of a household or a young person just coming out of our education system looking for a job that has not got a job, it is an extremely serious matter, but to hear the debate in this Chamber and indeed throughout the land it borders on the comic because there are, of course, some simplistic solutions at hand. Some of us even remember how we got into some of the problems that we are in.

I was reminded of that when I listened along with many, many North Americans and could hardly believe our ears and eyes when we heard the chief executive officers of the largest corporate business venture in North America and the world, General Motors, go on television recently and talk about the cutback of some 70,000 auto jobs in their corporation. That was facing reality by the giant of big business as to what is happening.

It is not a question of what my friend the member for Brandon East (Mr. Leonard Evans) just talked about of what policies are good for the '80s or '90s; the policies that are being scrapped and have been scrapped are those that bear no relationship to the market and are not driven by the market. It does not matter whether you are a nation, an empire like the Soviet Union, the giant of big business like General Motors, a small Manitoba farmer, or a small Manitoba businessman trying to do business, trying to compete, that is what the message surely that all of us ought to be able to grasp.

I can recall, coming back to the auto workers for just a moment, and some of us, not too many of you because you are all too young, but I can vividly recall what the clarion call of organized labour was in the late '40s and in the '50s when it came time to wage negotiations in our Golden Triangle of Oshawa-Windsor, you know the Canadian automobile workers association, a group that Bob White, the potential leader of the New Democrats, nationally now heads up.

What was that cry? Parity. That word, I was only 16, 17 years old, but I remember it because that was the cry of Canadian automobile workers. They wanted parity with the wages that their American cousins were getting just across the river in Detroit when they were putting together the Pontiacs and the Fords and the Chryslers.

We have not heard that cry for the last 20 or 25 years, have we, because we are not talking about parity anymore, we are paying ourselves 20 to 25 percent more than the American cousins across the river in Detroit. We are producing 20 to 25 percent less, and we are wondering why we are not selling, why we have not got job security. You need not be a rocket scientist to know where most of those 70,000 cutbacks in North American GM plants will occur. They will occur in this country. Surely, let us understand that.

I cannot but take the opportunity for this rather exceptional debate, a debate that I welcome. The member is quite right. There is absolutely nothing wrong with having this kind of pre-budget opportunity for individual members to put on the record some strongly held views, and in fact perhaps to add some further advice to the Minister of Finance (Mr. Manness) as he puts his finishing touches to the budget.

As much as I would like to deal with the world and the national events, let me offer, because what my colleague the Minister of Health (Mr. Orchard) has already said, we are not hearing anything practical, nothing practical, from members of the opposition. I want to offer you now three practical things that I want to see some action. You have called, you have asked for this emergency debate; we believe it is an emergency matter.

Well, let us make some decisions. Let us decide whether or not 12,000 jobs in Manitoba in our forestry industry are important—12,000 jobs. Now get off your butts and tell us where are you on Repap? Where are you asking advice? Because we do not have to cut a single tree down to supply our newspapers with paper or to supply for our personal needs in our washrooms. We can get all the paper we want from everything else.

* (1650)

The member for The Pas (Mr. Lathlin) asked me before Christmas why have we laid off, why have we shut down the tree nursery at The Pas in his community? I have news for him. We have shut it

down for the winter operation. We will shut the thing down completely if we as legislators decide that we do not want to cut down trees in this province. Now where is the New Democratic Party on this issue? Where are you? Are you going to start supporting Repap? Where are you going to stand with the environment hearings?

Some Honourable Members: Oh, oh.

Madam Deputy Speaker: Order, please.

Mr. Enns: Has one of you stood up and asked what is the government doing to help Repap get through the environmental hearings? Has one of you asked why is the government not speeding up the process? Why is it taking 16 or 17 months? No, you have done just the opposite. You have paraded with every environmentalist group; stop Repap, stop cutting trees, stop doing anything to our environment. When you are doing that, you are talking about 12,000 jobs you do not want to see in Manitoba, that is what you want.

Let us understand one thing. We have this session starting up. Let us hear a clear definitive statement where the New Democratic Party and the Liberal Party stand. Should we utilize trees in this province for our use? We do not have to. We do not have to cut a single tree down in this province, not a single one. Ninety percent of it is for export; the 10 percent that we need we can get from all parts of the country. Let us make that decision.

What is No. 2? Conawapa. Where do we stand on Conawapa? Thousands of jobs that trek right through the whole economy, not just in the North but in the South here. Now some of the northern members fought very hard in their last convention, the NDP convention, to try to bring that across, but the convention went against it. Well, where do you stand? Why are you not encouraging my colleague, Minister Cummings?

We have set up a panel. It is going to take 20 months to review what we all know in our hearts, and I know that the honourable member for Flin Flon (Mr. Storie), any northern member, knows that the Conawapa project is the most environmentally benign project. We know that. Now why are you not standing up and saying cut down the 20-month environmental hearing process to 10 months? Why are you not saying cut it down by 10 months so we can get on with the creation of jobs?

An Honourable Member: Where are the Liberals on that?

Mr. Enns: Where are they? You want jobs? Where are we? We are talking thousands of jobs. Where are you? I said three, Madam Deputy Speaker. Reference is sometimes made, and I confess that it always provides me with a little bit of pride that I was able to be part of it, going back to the late '50s and '60s, the Roblin administration that did many things in this province. What did they do? They saw the need to build new water projects, they saw the need to build highways, things like that.

We are faced with a situation right now. My colleague from Portage (Mr. Connery) is going to join in this and my colleague from Emerson (Mr. Driedger). I wonder where the opposition is going to be when 15 municipalities say that in order to create 18,000 new jobs they need some water diverted from the Assiniboine River. Where are they going to be on this? Are you going to encourage us to do more? What are you going to do?

Madam Deputy Speaker, what I have tried to say is that we are a group of 57 legislators in this province. As much as we are tempted from time to time and indeed some of us, particularly our Attorney General (Mr. McCrae) and our Premier (Mr. Filmon), have additional tremendous responsibilities in nation building at this current time, and it is not our task, even though we are tempted from time to time to comment on the world situation.

What I have attempted to show in these short 20 minutes, there are three very specific issues facing us in this Legislature right now as we start this session. They involve thousands upon thousands of jobs for Manitobans. That is what this debate is about, is it not? That is what this debate is about. I am talking about the 10,000 to 12,000 jobs involved in the forestry industry, so let us hear a word of support for the forestry industry, let us see some encouragement.

As minister of forestry, why is not somebody asking me questions, what am I doing to ensure that the 600-800 people in the northeast at Abitibi are being gainfully employed?

Madam Deputy Speaker: Order, please. The honourable minister's time has expired.

Mr. John Plohman (Dauphin): Madam Deputy Speaker, I do not know if you have recognized me yet.

I am pleased to join in this very important debate for Manitoba's future. It certainly is one that is important, because it has been caused by inaction

and punitive policies by this government. It has led to a crisis in the economy, which I am sure all Manitobans would agree is indeed a desperate situation, particularly for the growing unemployed—some 50,000 unemployed in this province, a record number in the province of Manitoba.

A 30 percent increase in bankruptcies, even farm bankruptcies increasing dramatically in this province—'91 over 1990, certainly large increases in bankruptcies and farm bankruptcies, staggering job losses from the Free Trade Agreement and through other reasons, a scandalous Free Trade Agreement that has cost thousands and thousands of jobs in this province.

I want to say to this government, as my colleagues have enunciated the issues here with the components of this crisis, that we will ensure that this government is accountable. They seem to forget that they are government, that they are accountable, and they must come up with the solutions, and they must provide the action. They have refused to do that, or else they have taken action that is counterproductive to the long-range interests of the province of Manitoba, the best interests of the people of this province.

Day after day, Madam Deputy Speaker, we will rise in this House and make certain that this government is accountable to the people of this province. We will demand action. I listened to the Minister of Natural Resources (Mr. Enns) talk about the auto workers, that they are getting too much now. They received 25 percent more than American workers. Now I see why people like him, the Minister of Natural Resources (Mr. Enns), the MLA for Lakeside, want to see a free trade agreement with Mexico, because they want the \$3 and \$1.50 wages that Mexican workers put in so that the corporations can make the profits off them. Now I know why he wants a free trade agreement.

These members in this brief time want some solutions, want some suggestions. I will give them some suggestions, certainly I will.

In housing: they have to stimulate the housing industry, jobs through housing renovations. There are many programs—[interjection] Listen to these ministers. They are waiting with bated breath. They do not have an idea in their heads of their own. They do not have a clue.

(Mr. Marcel Laurendeau, Acting Speaker, in the Chair)

What about the Critical Home Repair Program? What about RRSPs being used for renovations? What about for purchase of new homes? What is wrong with these ministers? Can they not advocate that to the federal government, through RRSPs? Can they not put in place a housing program that will ensure that there is stimulation of much needed co-operative housing programs, various programs that will ensure that people are put to work? Where are they?

Mr. Acting Speaker, I just talked to the minister about the idea of RRSPs. Now he says, where are they going to get the money? That money is there already, it is from the individuals. It does not have to come from the coffers here.

In forestry, reforestation: the minister is crying about the forestry industry while he is cutting back on reforestation, trees for our future environment and for our children. Why is he cutting back on the reforestation program? We had a \$35-million federal-provincial agreement on reforestation.

Just think of all the jobs that are created through reforestation and this government is ignoring the reforestation issues. Why are they doing that? That is money well-spent, money that will come back in many dividends to the province in the years ahead. They are shortsighted, and they do not know how to—they cut off their nose to spite their face. They make decisions that hurt the long-range future of this province.

He talks about water, and he talks about the Assiniboine River diversion. Well, let him show us the studies of the options that have been looked at and the merits and value of each one of those. Let us look at whether the aquifers are sustainable. Provide that information as to the alternatives that are available so that we can make decisions on that basis.

No, they hide that information. They say, where are you on it? Is that how you make decisions? Is that how the Minister of Health (Mr. Orchard)—without having the information. We know now why we are in such a mess, why the health care system is in such a mess, if he makes decisions without information.

* (1700)

Now looking at education and training, Mr. Acting Speaker, increase distance education, a very

economical way to provide post-secondary education and high school education to the rural areas, northern areas of our province. This government is cutting back in distance education. We heard that from division after division, from individual after individual, and we went out throughout rural Manitoba to listen to people there because of this former Minister of Education, the member for Roblin-Russell (Mr. Derkach). To save money, they can streamline the secondary and post-secondary education systems especially in the trades and technical areas. There is a great deal of money that can be saved in streamlining the system and integrating the training between high school and post-secondary education.

No cutbacks, simply streamlining so there is no duplication. Why should a student in high school not get credit for the trades that he has taken, for the technical training he has taken towards a diploma? Why should those not be integrated to a certain extent? This government has refused to look at that basic kind of opportunity to improve services and, at the same time, to save money.

They can stop their increases to private schools. That is where they can save money. They can improve the student loan program for rural and northern students so that they have greater access to education and post-secondary education, and they can stop the punitive audits of students and their loans which is costing the government more money than they are getting back—the punitive audit. They can put in place in co-operation with small business which generates jobs in this province, the small business sector, the job generator, the generator of the economy. They can work in partnership, a partnership with small businesses, to create jobs, to provide training and incentive to provide this, similar to the kinds of programs we had in place during the time that we were in government.

In health care, the Minister of Health (Mr. Orchard)—now we see why he makes the terrible decisions he does because he does not have the information. He can start employing LPNs, the most efficient deliverer of services in our health care system. He can start expanding home care instead of cutting back on it because it saves money insofar as institutional care.

(Mr. Speaker in the Chair)

Now there is the Minister of Agriculture (Mr. Findlay). He does not understand. He does not know that increased home care saves money in institutional care. He does not know it saves the government money, so he says, where is the money going to come from? I am just pointing out where he can actually save money and create jobs for home care workers and attendants who are now being cut back by this minister across this province.

I say, Mr. Speaker, that there are several and many ways for this government to save money, streamline their operations, and create jobs. They have not created jobs that are necessary during this time, and that is why I take issue with the Minister of Finance (Mr. Manness) when he reads selected excerpts from the Premier of Ontario.

I watched his presentation, and I can tell you he advocated the use of RRSPs in housing and renovations. He advocated increased training. He advocated accelerating capital works, some pumping of the economy to get people back to work. The reason why that is necessary is so that people can get off the welfare rolls, off the unemployment rolls and back producing, earning a wage and paying taxes so these governments can continue to offer the services that are necessary. This government does not seem to understand that.

In agriculture, this government has presided over the greatest disaster in agriculture since the mid-'30s. They sat back while farmers were forgotten with deficiency payments. They were not out fighting for them. Now they got a measly five bucks an acre when they needed \$30. Through these rallies the minister heard that. Where is he out standing up for those farmers who need those deficiency payments desperately now? What has he said since the lobby to Ottawa, which he was dragged kicking and screaming to? What has he done since then?

Mr. Speaker, there are huge inequities in GRIP which this minister has put in place, farmer to farmer, region to region. Some 23 different improvements are being proposed as a result of the meetings that were held, major changes to improve the fairness of this program. This minister should ensure that those farmers remain viable, that they can stay on the land by ensuring that the GRIP program is improved.

What he does instead is that he drops the coverage levels, he increases the premiums and he calls this a good, fair program. Well, some people

are getting only half their cost of production in southwestern Manitoba and in other areas they are able to make some money on it. Inequitable, unfair, and the minister knows it. I said it last year; it was right. I am saying it again. The minister argued that black was white. Many times in this House he stood up and defended it, saying no changes were necessary. He found out. The farmers told him so. It is unfortunate he was not able to foresee that.

I want to say thank you, Mr. Speaker, for this opportunity to speak on this important issue as well as many other opportunities to speak on agriculture with this minister.

Mr. Jack Penner (Emerson): I take some pride in being able to get up and speak on this subject; however, I find it interesting that the opposition members would want to debate the economy on a priority basis at this time.

When you look at the history of the NDP party or our opposition party when they were in government and what they did when they were in government, one has to wonder what priorities they would at this time try to place on the economic impact of the current state of affairs.

When you look at the Ed Schreyer government and their history, I do not think there has ever been a time in government history when the incomes of government have been greater than at that time, yet during Schreyer's administration they kept on borrowing and borrowing and borrowing. Throughout the NDP history in this provincial government, they kept on piling on debt after debt after debt, deficit after deficit after deficit.

Similarly, the federal government, during that same era, kept on borrowing more money and borrowing more money till the time when the Conservatives defeated the Trudeau regime. We were faced with a \$38 billion deficit. The federal Conservatives have, during a period of time, brought that deficit down, during a time where we have had great economic difficulty meeting our commitments, to \$30 billion.

Why do I raise those numbers at this time when we are debating the real essence of why we are here today, why we are faced with the economic dilemma that government faces? Because somebody at some point in time has to say no more spending. Bob Rae, the newly elected Premier in Ontario, of course, said he could spend his way out of the recession. Not only did he deficit budget to the point

of \$9.3 billion, it is now estimated that his actual deficit will be \$14.3 billion.

Is he creating a great affluent society? Is he creating huge numbers of jobs that we can point at, saying that is the way to do it? No, General Motors is saying we are going to lay off in spite of spending \$14 billion in Ontario. We are going to lay off 70,000 people in Ontario. Has the housing market improved? Have people migrated to Ontario because all of these huge numbers of jobs were created because we borrowed \$14 billion to support the economy? No, they have not.

I find it interesting that the housing market has gone right through the floor in Ontario. Building trades have virtually ceased, industries are looking at a more friendly environment when it comes to establishing or maintaining its position. As a matter of fact, the business community in Ontario is now seriously looking at Manitoba to settle and do business in. Why? Is it because Manitoba continued borrowing and borrowing, creating larger debt?

As a matter of fact, the Leader of the Opposition (Mr. Doer) said when we adjourned the House last session, he said, I would be proud to debate the record of the Bob Rae government. I wonder if the Leader of the Opposition today in this House would stand with pride and debate the record of the Ontario government over the last year. I doubt it very much.

I think we can stand here in this Legislature today and very proudly stand on our record and say we have decreased our borrowing. In our economic situation we have come from a position, Mr. Speaker, of being the second highest taxed province in the nation, yet today we are only the sixth highest taxed province in the nation. Have we done a significant amount to keep our taxes lower? Yes, we have. We have decreased our income tax by two percentage points. We have kept all our other taxes in a relative state of permanency, not increasing the tax load to our provincial people, and yet we have brought our taxable position in this nation down to sixth place simply by holding the line on spending, not increasing our tax burden.

* (1710)

What is the Ontario government going to do? What is B.C. going to do and what is Saskatchewan going to do? What are the Maritimes going to do? Some of the Liberal administrations, what are they going to do? I say to you that all of them are now saying that we must emulate the Manitoba position,

and that is simply that we cannot spend ourselves out of an economic recession. We must face the fact. We must pull in our horns and say, this has got to stop.

Agriculture has faced, probably in this province, some of the toughest times that we have ever faced in this country's history, yet through that tough period of time we have increased our exports to the very nation that both the Liberals and the NDP have continually criticized—whom we are co-operating with through our Free Trade Agreement. We have now increased our exports of grains to the United States to the point where 25 percent of our wheat is being sold to the Americans, yet these people stand there and criticize the agreement.

You have to wonder why. They do not understand very much. Is it because we have decreased our salaries to be able to compete with them? No, I do not think so. Is it because we are facing with reality the inevitable subsidy war? I say to you, yes, I think it is. We have a group of farmers in this country that are not only willing to but able to compete because they are better at it than anybody else in the world. That is why we are able to access some of those markets.

I found it interesting that the honourable member for Dauphin (Mr. Plohman) would stand there in his place and criticize our Minister of Natural Resources (Mr. Enns) for not reforesting our cut areas. I should say to the honourable member that I stand here with pride on our record of reforestation. We were the first party, the first government, to sign an agreement with an industry that would make them plant or leave a live tree for every tree they cut. Where were the NDP when they negotiated with their own company that they owned? Did they reforest? I do not think they did.

Are we supporting our rural communities, our urban communities in encouraging the establishment and creation of jobs? Yes, we are. How do you do it? By providing an economic climate that will allow these communities to build. How do you build? By providing the infrastructure that will encourage the building, the establishment of industries. Ninety million dollars we are spending on infrastructure—water, sewer, provision for our communities.

Have we done anything for agriculture? I say to you we have spent more on agriculture in any single year than the previous government ever has. I think

we can proudly say that we are positioned, Mr. Speaker, well enough for the future development and the enlargement of an economic base in this province that will allow for and encourage job creation into the near future. Thank you, Mr. Speaker.

Mr. Nell Gaudry (St. Boniface): Mr. Speaker, it gives me great pleasure to stand up on this debate this afternoon.

I think what should have happened was more people should have come to the festival in St. Boniface over the last 10 days and have seen how good management was done. It was a very successful festival. It think it helped tourism in Manitoba, one of our great industries, and one that we should proceed and look into expanding over the years to come.

An Honourable Member: Creating jobs.

Mr. Gaudry: Creating jobs, yes, we have heard that all afternoon, and it is very important when we look at the 57,000 people who are unemployed here in Manitoba.

We seem to say that we blame the previous government. We blame the government in Ottawa. We blame everybody. Have we heard people here this afternoon with concrete solutions?

An Honourable Member: Not from the opposition.

Mr. Gaudry: I know that. I mean from the official opposition who have said that before. I mean they have just about bankrupted our province, if it is not bankrupt. It is because of the high taxes we have had in this province, because we talked that—okay, the Conservative government say they have kept the lid on the taxes. Yes, I agree with that to an extent, that they have done so in the last couple of years.

You look at the taxes the city has on our properties for example. Look at what happened in our last 10-day session before Christmas. Those are taxes, they are hidden taxes, if you want. It is the same thing with taxes in gas, in all kinds of taxes. Do not say that the Conservatives did not increase taxes, because we look at our salaries today, no matter who you are, 50 percent of your salary goes into personal taxes. Then you go shopping, another tax—over tax. You buy gas, you pay tax. You buy clothes, you pay tax. Taxes have increased and increased over the years—[interjection]

Yes, you have, I mean hidden somewhere along the line. Of course, today we also heard that—well, it has been for a week now we have been talking about harmonizing the tax. What is that going to do to our economy? What is it going to do to our job creation we are talking about?

An Honourable Member: It is not going to help.

Mr. Gaudry: No, it will not.

An Honourable Member: How can you know yet? Do you know where it fits? You do not know yet.

Mr. Gaudry: Yes, but it is quite obvious that something is going to happen. It is obvious that it is going to be harmonized. The minister denies it here in the Legislature. The calls we are getting from the people in our own constituency—just this morning I had four calls. People said, if it comes into the House we vote against it, the harmonizing.

* (1720)

It is important to them, because how many people are out of jobs and why? Is it the government before? Is it the Conservative government in Ottawa? Is it the Conservative government—I think it is not blaming everybody all along the line. [interjection]

No, I think we have to work together as three parties here in the House. We have been elected to represent the people of Manitoba, and I think we have to work together to create jobs.

An Honourable Member: Will you tell them to quit cross-border shopping? If they quit cross-border shopping we do not need to worry about taxation.

Mr. Gaudry: Well, I think maybe you are one of them and I am one of them who objects to cross-border shopping. [interjection] That is right. [interjection]

Where did you get that?

Cross-border shopping is not helping our economy. We are losing thousands and thousands of dollars because of cross-border shopping. I am sure if we asked some of the people that are sitting in this Legislature, who go across the border to do shopping—

It is like support of private schools, for example. We have the official opposition talking about the private schools. How many of them have gone to private schools? That is hypocrisy. Yes, it is hypocrisy. If you have people who have gone to private schools and are supporting private schools,

I do not see why your party should take a stand on it.

In 1988, when I campaigned, one of the private schools said, I have got my NDP card because they are supporting private schools. He says, I would never vote for the Liberals or the Conservatives; I will vote the NDP. In 1990, I went to the same person and I said, how are you? What is your card now? Which party is it for? He says, the NDP, no more. At that point, I explained to them that the NDP party was morally bankrupt.

It is like this afternoon, we listened to—

An Honourable Member: They will all vote Liberal.

Mr. Gaudry: That is right, and they will the next time around. We will make sure that the NDP is not elected the next government. Rest assured, member for Burrows (Mr. Martindale), that I will never cross the floor to the NDP—[interjection] That is right. There will be more next time.

Anyway, let us face facts. The economy is one of the worst since the Great Depression of the 1930's. It is—[interjection] No, I am not moving over nowhere, I am fine where I am sitting here. That is right.

Je le sais, M. le président, que pour les Conservateurs, il leur ferait plaisir que je traverse le plancher pour être parmi eux. Mais eux non plus n'auront pas le plaisir de me recevoir.

[Translation]

I know, Mr. Speaker, that the Conservatives would find it delightful for me to cross the floor and sit with them, but they will not have the pleasure of welcoming me either.

[English]

No, no, I am just listening to what you are saying, not making sense like you did in your speech. So, I mean it is as simple as that. [interjection] That is right. I am just listening to the NDP because they have nothing to say. Again, like I say, I think our aim here in this Legislature, as representatives of Manitoba, we have to see the economy move, we have to work together, we have to work with the government, we have to work with all the members of the opposition, so that we will have a strong economy for Manitoba, a strong economy for Canada.

Thank you very much.

Hon. Darren Praznik (Minister of Labour): Mr. Speaker, to the member for St. Boniface, I am very

pleased to point out that there is a long history of members from St. Boniface leaving the Liberal Party to come and sit with the government. If he would like to add to that tradition, we would be honoured to have him in our benches.

The member for St. Boniface spoke about the need for all of us in this House to work co-operatively. That is an offer that I think all members of this House should take very seriously, because the problems facing the province, which are facing every jurisdiction in Canada today and certainly virtually every economy in the world, are very, very serious. They are there, as I have said in this House on previous occasions, because of a host of changes that are taking place in the world.

Over the last 20-30 years, particularly the last 10, governments all across the world, particularly governments in Canada and parts of North America, have ignored those problems, tried to paint over them with quick simple solutions, quick fixes. All that has done ultimately is to have made the problems worse and worse, and governments have failed to come to grips with the very real difficulties that we face.

Mr. Speaker, the Leader of the Opposition (Mr. Doer) and his colleagues have said many times that they would like an all-party task force to deal with the economy in Manitoba. Our Premier has said this Legislature is a committee. It is a committee of elected Manitobans to deal with these issues. If the commentary offered by members opposite today, the suggestions as to what should be done are any example of what his party has to contribute to the very dramatic changes that are taking place, it is lacking, lacking totally and a great disappointment not only to other members of this House of two political parties, but I think to all the people of this province.

Mr. Speaker, I just want to touch base for a moment on a few items that other speakers have raised that I think are worthy of comment. We see today several industries in Manitoba that have faced difficulty, that have left our province. We should not forget for a moment that many of the causes of the difficulties that they are now suffering are the results of decisions that were made in that period under Howard Pawley. I am not trying to get into just a debate of rhetoric, but I give some examples that I am very familiar with.

Abitibi-Price, a major employer in this province, a major employer in my constituency, is undergoing a very difficult time right now as they are looking at a management buy-out. This government has been working with them on that particular proposal as hosts of details are being worked out. Let us not forget for one moment that when Howard Pawley was Premier of this province, the attitude of the government of the day, of members opposite when they were on this side of the House was they had total disdain for that company, did very little, very little to work with that company.

Mr. Speaker, let us not forget they brought in the payroll tax, a host of tax increases generally in this province. Also, let us not forget when they created Atikaki Park in Abitibi's cutting area that they did it not with negotiation, not with discussion, not with any thought to working out an agreement with that company on rights that governments had granted to them including the New Democratic Party governments. They walked in and made the decision unilaterally.

If you think that did not affect decisions in the Abitibi chain as to where investments would go for updated machinery and updated equipment, then you are living on another planet. One of the problems we are dealing with today in that company is that over the last decades the investment did not come to upgrade equipment. If you look back to that time, I would propose, Mr. Speaker, that was the result of the kind of treatment that they had from the government of the day.

I think those same scenarios apply to companies like Interbake, who had to make decisions as to where they were going to invest, and they chose other jurisdictions because Manitoba did not want them here. They did not want those jobs here and they got caught up in their rhetoric.

* (1730)

You know, Mr. Speaker, Fisons, a company that operates in my constituency, a company that is operating and doing reasonably well at this particular time, you talk to them and you hear the same thing. When Howard Pawley was Premier of this province, they did not even want to be here because they could not even get a friendly meeting with government to have a discussion about very real issues. They were basically told, we do not want you here, on and on.

The member for Dauphin (Mr. Plohman) talked about suggestions and, only after the goading of this side of the House to make some concrete suggestions, what does he suggest? Stimulate housing. We had the federal government make a move with the reduction of the—did he mention one bit about that? Did he give any credit? No, not at all, Mr. Speaker. Reforestation, we know what the New Democrats did when they were in power. The first government to sign a one-for-one reforestation agreement was this government, not them. They did nothing.

Mr. Speaker, the members talk about hiring more LPNs. That is another suggestion. What is happening in Ontario, their beloved example just a year ago, a province that is doing the right thing? What are they talking about now, and I quote: Ontario Treasurer Floyd Laughren has predicted that more layoffs are inevitable in the Ontario hospital system. They are laying off more in Ontario. Do they follow their own advice? Not at all.

Mr. Speaker, the member for Dauphin (Mr. Plohman) talked about the need for stimulating construction. Manitoba has had the best record of any province in Canada on trying to maintain construction budgets over the last few years. I would remind members opposite, who always point to that great mecca of Ontario, at least they have not since Mr. Rae became Canada's newest Tory with his speech to Ontario, they have frozen their construction budget. They have frozen it. Do I hear one bit of criticism on that? Not at all.

I want to make another comment about the member for Dauphin (Mr. Plohman). The member for Dauphin talked about the need to help small business, who is the largest creator of jobs. We on this side of the House agree with that fully, but let us not forget when the CFIB polled its members in the latter years of the Pawley administration, what were their two biggest complaints?

An Honourable Member: Workers compensation.

Mr. Praznik: Workers compensation, an absolute mess, and taxes. What have we heard from this side when we try to reform the workers compensation system? Oh no, we cannot do that, not at all. When they talked about increasing expenditures, oh, give us more taxes, give us more expenditure. Then they say we have to help small business. All that says to me—it is even worse than hypocrisy as my colleague the member for Pembina (Mr. Orchard)

points out. Quite frankly, they do not have one concrete suggestion to bring to this debate.

We are debating this today not because members opposite want to get into a firm discussion, as the member for St. Boniface (Mr. Gaudry) has suggested we do, and work together to try to deal with these problems. No, Mr. Speaker, they wanted, quite frankly, in my belief, a quick little headline that they have done something today to catch the issue, that they really care about the unemployed, and they really care about that.

Every member of this House should—at least the members on this side of the House care about those people who are unemployed, but we are not going to get into quick little fixes. In fact, the members opposite have not even suggested quick fixes. They have not said anything other than there is hurt out there. We know that. Do they have a plan? Nothing. Do they have a suggestion? Nothing. They have nothing to offer this debate. They have nothing to offer this province in terms of the economy. Yes, there are tough issues to be dealt with.

This province has been leading the country in terms of its strategy to make our province competitive. Mr. Speaker, all we have to do is point to Mr. Romanow in Saskatchewan, Mr. Harcourt in British Columbia, and now, Mr. Rae in Ontario. What are they doing? If you listen to them, they are following the course that this province has been following for four years, and the option is a total void of policy.

Mr. Speaker, I thank you for the opportunity to participate in this debate.

Mr. George Hickes (Point Douglas): I am pleased that we have a chance to debate the economy today, because I have been doing quite a bit of door knocking, visiting people in the constituency of Point Douglas, and that is one of the biggest concerns that people have. Where are the jobs, where are the training opportunities, and how can we get the economy going again?

Yes, we have not heard too many positive announcements to stimulate the economy from the government. When we hear the government talking about, we have done this, we have done that, the welfare rate alone over last year is up 51.1 percent, yet we hear comparisons to Ontario is doing this, Ontario is doing that, Ontario is cutting jobs, Ontario is laying off people.

If you look at the number of people in Ontario compared to Manitoba and looked at the percentages, their percentage of welfare from last year to this year is not up to 51.1 percent. I think that the members on the other side should look at the population Ontario has and the population we have here in Manitoba and look at the percentages instead of reaching out and patting themselves on the back, do something to try and get the people working. Even with Winnipeg Harvest, a food bank in Winnipeg here, they feed 6,000 individuals every month. That is in Winnipeg alone and for the first time ever.

We heard the honourable member for Lac du Bonnet (Mr. Praznik) talking about his government and what happened under NDP, but even under NDP I never, ever heard of a food bank being opened in a rural community where most of the population were farmers. Most of the people in Beausejour are farmers. When I was up there, there was a food bank open there and the person who was running it was saying, yes, we have farmers who are using it. That is exactly what that person was saying.

So instead of standing there and blaming the NDP and Liberals and our blaming the Conservatives, we as a party, through our leader, have proposed an all-party economic strategy. Now, why not accept that? Like the member for St. Boniface (Mr. Gaudry) says, let us work together on this and try and make this a better economy for all of Manitoba, not just a fortunate few that we have.

Also, when I was door knocking in Point Douglas, a lot of people said, well, if the economy is so bad, so many of us are out of work, why do the federal government and the province not try and get us into training programs, because we, right now, are not working and we have a lot of free time. If we take retraining or upgrading programs when the economy picks up there are jobs available, we would have a shot at those jobs and, which, if you think about it, makes a lot of sense. The people that are on welfare, on U.I., it is not by choice.

I went to the City of Winnipeg welfare office with a constituent, because I wanted to see for myself how many people were actually there, what was going on there. I arrived there shortly after eight, and we sat there till about—it must have been almost 10:30 until they saw this individual. The room was just full. That is the one on Broadway. It is a huge, huge room that they have. It was filled wall to wall with people who were applying, and there were a lot

of people who were applying for the first time ever. They were laid off, and then they were on UIC, and now those are running out.

We hear people criticizing the NDP governments in Ontario, the NDP governments in B.C. and Saskatchewan. I ask you, who is the government today of Canada? I do not think it is an NDP government. I do not think it is a Liberal government, but yet if you looked at the Progressive Conservative Party federally, you will see why there are so many people out of work and so many people that are on welfare.

If you looked at the whole Free Trade Agreement, people say it is a good agreement and we here disagree with that. We have lost so many jobs to that, and now they are going into another agreement with Mexico which will damage our employment opportunities a lot further. I will read you a quote from Ottawa Citizen. It says, the free trade agreement with Mexico will cut jobs, offer slim benefits to only a few businesses, undermine cultural industries and most Canadians do not like it. That sounds like a line from critics of the proposed Canada-U.S. free trade deal, but it is also the overwhelming picture that emerges from recently declassified federal government documents.

The government is even aware of that. Also, it says, it is easy for the critics of free trade to point out where the job losses are, most likely. Unfortunately, it is very difficult for economists and industry experts to state with any degree of confidence where job opportunities will arise.

* (1740)

Even the experts cannot tell you where we are going to be benefitting from those kind of jobs. If you look at our whole manufacturing sector, we have lost so many jobs through the Free Trade Agreement with the States, and then if we go into another free trade agreement with Mexico, how can we in Canada compete when individuals do not even make a dollar an hour and yet people say it is such a good agreement. In 1983, and also in 1984, we heard the now Prime Minister of Canada who made a very, very strong statement. It says, we will have nothing to do with free trade. We will have nothing to do with free trade.

An Honourable Member: That is not true.

Mr. Hickey: It was in 1983 and '84 when he made those statements, and yet they went ahead with it and who is suffering? We are suffering here in

Canada. How many times have we heard him talk about stimulating tourism, especially in Manitoba.

We have a lot of beautiful places like northern Manitoba, we have some beautiful spots and stuff. Maybe the people in Manitoba could start spending a little more time going up there, but if we want to bring in more people from Europe or the States or wherever, we keep talking about letting the dollar drop. That way you will have more people from the States go to northern Manitoba, Churchill and stuff. That is one of the biggest complaints they have, that our dollar is too high. On top of that we have the famous GST; that is not helping to stimulate our economy.

If you look at the whole scope of Manitoba, we hear stats, we hear figures about job cuts and job losses in Winnipeg; but, if you looked at the effect and the impact it has in northern Manitoba, it is even worse in northern Manitoba. We have heard for how many years now about an aboriginal strategy and, hopefully, that would deal with the whole possibility of training programs and job opportunities for aboriginal people, but we have yet to see that.

That is over two years now. Now, when people are out of work and people cannot get jobs, this is the time to train them, get some positive training programs going and, hopefully, put some money into job opportunities. There is a small initiative underway now; we look at the community of Snow Lake, which is losing miners and mining personnel left and right. The government is putting money into exploration for Snow Lake, because if the ore runs out in the area of Snow Lake you are going to have a ghost town.

You have individuals who have invested their whole lives into buying homes and stuff like that. The government saw that coming and they are putting money into exploration. Hopefully, they will find ore to keep the people working. We talk about where the money is. How much is it going to cost? Well, I will tell you that through the government's moves to—the filter-down theory that the government has of not raising taxes but cutting the opportunity, and cutting the funds to municipalities and making the municipalities raise their taxes. That is a trickle-down theory.

So that way you understand that whole theory, that trickle-down theory. If you reversed it and you say, how much does it cost? Look at how many people that you lay off.

Thank you, Mr. Speaker.

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, it is a pleasure to stand on this very important debate. I feel badly in the sense that I have not been able to follow all of the representations made this afternoon, but I had an opportunity to ask my colleagues in the Chamber how many solutions have been presented by members opposite. I was given three or four different answers. I was given zero, nil, zilch or absolutely nothing. That is the challenge that I think the government laid before the opposition when we engaged in debate roughly three hours ago, when we challenged the members opposite to come forward with solutions.

I am intrigued by one element. I also asked my colleagues how much the members opposite asked us to spend. I was told, much to my surprise, but much I say to my favourable feelings, that we had not been asked to spend too much to this point in time in the debate. That tells me that finally there is a realization grasping the members opposite. There is a problem with—

An Honourable Member: . . . surplus.

Mr. Manness: Surplus. Since when is a half a billion dollars a year over six years a surplus? Since when is taking \$1.1 billion to \$5.5 billion general debt in six years a surplus? What kind of nonsense is this? What kind of surplus are you talking about? Maybe surplus in the sense of Atlantic-Canada type of budgeting where capital is stripped out, maybe even federal type budgeting where you assume away the interest cost, you say it is not there, and you say, on a programming sense we are matching our expenditures, and therefore we are surplus.

Mr. Speaker, we do not account that way. I think members opposite are happy we do not account that way.

An Honourable Member: We did not either.

Mr. Manness: Ah, they did not either. Give them another two or three years in government and I am pretty sure Mr. Eliason and others would have convinced them to begin to divide the books again.

Mr. Speaker, I digress already and I have not even started.

I had an opportunity this weekend to read a book called "Money Has No Country", written by Anne Shortell, who has looked at Canada from the perspective of somebody who is not an economist but obviously understands economics, who is not an

investment banker but who understands high finance, is not a labour leader but obviously understands the give and take as between labour and management. She makes a powerful presentation as to our nation.

I am not going to recite her concern with national debt. I am not going to talk about her support for the Free Trade Agreement. That is not important, because she makes some powerful statements. She was damning, by the way, of business, damning also of big business, damning of those in our society who have large amounts of money and yet are unprepared to make a commitment to Canada in renewal of structure, unprepared to make a commitment to Canada by way of technology, bringing in new technology, research and development, training, Mr. Speaker, all of the elements that have been discussed here today, at least I think they have been discussed.

I take the book has some balance, because nobody escaped the attack and the reasons why the nation is in difficulty right now from an economic point of view—I will not mention Constitution. What struck me a week ago today, when I was with our First Minister in conference with others, was the willingness at least by Premiers to set aside their partisan positions for the well-being of the nation.

I guess that is the challenge that I am going to be, of course, throwing across the hallway, Mr. Speaker, as to whether or not there are going to be solutions provided, or whether it is going to be pure rhetoric, and whether there is going to be the mistaken belief that the solution to this problem that we have in Canada is just going to borrow more money and make work projects. Whether the belief, because I keep reading it daily, whether it is certain people out of academia, whether it is certain individuals, even members of our party, members of our party at times, who come to us and say: Prime the pump; it is time to do it; prime the pump. It is not just adherence to the NDP party; it is also people in all walks of life.

* (1750)

Mr. Speaker, one thing that caught my attention, a week ago today, was that when you sat down with Ministers of Finance from other provinces, when you sat down with Premiers from other provinces, they recognized three things:

One, you could not prime the pump and find the solution out of the dilemma that we are in right now.

Two, you had, in government policy sense, you had no alternative but to ask those who are taking their livelihood, i.e., employed by government, you could not do anything more, but to ask them to take in real terms less, if you really wanted to meaningfully do something with government spending.

Thirdly, Mr. Speaker, you had to try and convince the people outside of government, business and labour, that they had better come to the realization that our well-being over 15 or 20 years was based on a low-valued dollar, and secondly, incredible input by way of U.S. exports, 85 percent of our exports going to the U.S., and the realization of structural changes here and it was not ever going to be the way it was, again, in the context of the '90s leading into the next century.

If you could not understand those basic tenets, the reality was you would never ever agree on solutions, because you would still have those out there saying the quick fix is to get the consumers spending, "prime the pump." Every premier I listened to, in a most attentive fashion—Liberals, NDP, Conservatives—said that that was not the solution, that we had to, that we have to look at some structural change within government.

Mr. Speaker, I came away feeling from that particular meeting that at least leaders, our leaders, were in agreement that:

One, we had to attack government spending.

Two, there had to be a balance as between reduction and government spending and taxation.

Thirdly, to the extent that you could stimulate within capital spending, that was fine.

Fourthly, do not expect to have success over night, and do not expect to find the quick fix. Do not expect the miracle, as Premier Bob Rae said from Ontario, because there is not a miracle solution to what we are in.

I will close by addressing some misinformation put on the record today by the Leader of the Opposition, when he was talking about capital. When he made it try to appear as if in Manitoba we were reducing our capital. These are the numbers for the half minute I have left.

Starting in 1980-81, \$204 million, \$229 million, \$238 million, \$263 million, \$292 million, \$276 million, \$249 million, \$253 million, our first year, \$284 million, \$298 million, \$305 million, \$302

million, \$305 million. Mr. Speaker, every year an increase since we have been in government, every year we have been in government over any other year of the NDP level.

We are the only jurisdiction in Manitoba, as compared with municipalities, I say the only provincial jurisdiction in Canada, to maintain our level and increase it in the area of capital expenditure. We have not taken the easy route. We have not reversed our spending in that area, because that is where you get your best job activity and your best economic activity.

Thank you very much.

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, I, too, would like to thank all members of the House for allowing us to debate this very pressing matter at this time, because the economy and jobs are the most important issues facing Manitobans and indeed all of Canadians. With the unemployment where we have it in Manitoba, it is something that must be addressed, and this government is failing to address the issue of unemployment. People have lost complete confidence in this government.

I hope that while they were out of session, they took the time to meet with some of the rural people. I speak particularly about the rural people who at the present time are just unsure of what is going to happen, what direction they are going to take, because this government is showing no leadership as far as creating any jobs or stimulating any of the economy. Our farmers are suffering because of low grain prices, but this government is not showing any leadership to farmers. They are not listening to farmers.

They have had many, many complaints about the GRIP and NISA programs, but the government does not choose to look at those programs, to improve them to help the farming economy meet their real costs by looking at the true costs of production. We have a government that, instead of addressing the economy and the farm crisis, chooses to join the federal government and talk about transportation costs, taking away supports for farmers.

(Mr. Marcel Laurendeau, Acting Speaker, in the Chair)

To change the method of payment and change the transportation cost is going to hurt our farmers tremendously, but this government chooses to go along that line and participate in a process that is

feeding rhetoric to the farmers that they are going to benefit from changing the transportation payment. The people involved in marketing boards and orderly marketing are very concerned about their industry and the number of jobs that will be lost if we lose orderly marketing, but this government chooses not to take a strong stand and fight for the marketing boards as they have—[interjection]

There are many broiler producers and many turkey producers in this province who are going to be devastated if the government does not show support for marketing boards.

On a couple of issues that relate to my constituency, Mr. Acting Speaker, the government talks about the great deal they did on Repap and how this side of the House is holding them up. Where are they on the environmental assessment? We have been asking for the environmental assessment. They are proceeding on it. So that is just an excuse. You do not want to go ahead. They do not want to proceed with providing jobs and stimulating the forestry industry. Instead of stimulating jobs, they are just cutting back on Natural Resources jobs, cutting back on Highways jobs.

Mr. Acting Speaker, the other side of the House tends to exaggerate the situation as far as environmentalists. We are very concerned about what is happening with the economy, what is happening at the environment. The government is not taking any leadership on this, not doing anything about the environmental assessments, and stalling rather than really creating jobs, which is what is needed.

They tell the rural people and they tell farmers that they should be taking a secondary job to support their farm. Where are the jobs? They cut back on

the jobs in Highways department which are mostly rural people. They cut back in jobs in Natural Resources. Well, how is this supposed to be helping the rural economy? You give us this farce about decentralization, but none of the jobs are there. [interjection] Where? Where are the jobs?

For example, in Housing, we have the Housing minister (Mr. Ernst) get rid of the housing authorities, because they are going to save a lot of money. What are they doing to save this money? They imply that they are saving money, but they fired a bunch of volunteers. Six hundred volunteers are gone. This is supposed to save money.

Swan River was supposed to benefit greatly from the Repap deal. We were going to get 250 jobs, promised by this government. I invite you, the members from government, to come back to Swan River and talk about Repap. The town is very impressed with the job that you have done on that. Now they are taking away the local housing authority.

An Honourable Member: Do you support Repap?

Ms. Wowchuk: Yes, we support Repap.

The government takes away their local housing authorities providing they meet the environmental requirements.

(Mr. Speaker in the Chair)

Mr. Speaker: Order, please.

Mr. Enns: Yes, I just wonder if the honourable member would permit a question?

Mr. Speaker: Order, please. The hour being 6 p.m., when this matter is again before the House, the honourable member for Swan River (Ms. Wowchuk) will have approximately five minutes remaining.

This House is now recessed until 8 p.m.

Legislative Assembly of Manitoba

Monday, February 17, 1992

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