



Fourth Session - Thirty-Fifth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

41 Elizabeth II

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



VOL. XLII No. 44A - 1:30 p.m., MONDAY, APRIL 19, 1993

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, Gulzar	The Maples	Liberal
CHOMIAK, Dave	Kildonan	NDP
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, Clif	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
GRAY, Avis	Crescentwood	Liberal
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
PALLISTER, Brian	Portage la Prairie	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
<i>Vacant</i>	Rupertsland	

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 19, 1993

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, I beg to present the petition of Christine Hather, Pauline Genaille, Martha Chartrand and others requesting the Family Services minister (Mr. Gilleshammer) consider restoring funds for the friendship centres of Manitoba.

Mr. Conrad Santos (Broadway): Mr. Speaker, I beg to present the petition of Brad Hastings, Sharon James, Cheryl A. James and others requesting the Family Services minister (Mr. Gilleshammer) consider restoring funding for the friendship centres in Manitoba.

READING AND RECEIVING PETITIONS

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Santos). It complies with the privileges and the practices of the House and complies with the rules (by leave). Is it the will of the House to have the petition read? [agreed]

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

WHEREAS the United Nations has declared 1993 the International Year of the World's Indigenous People with the theme, "Indigenous People: a new partnership"; and

WHEREAS the provincial government has totally discontinued funding to all friendship centres; and

WHEREAS the provincial government has stated that these cuts mirror the federal cuts; and

WHEREAS the elimination of all funding to friendship centres will result in the loss of many jobs as well as the services and programs provided, such as: assistance to the elderly, the homeless, youth programming, the socially disadvantaged, families in crisis, education, recreation and cultural programming, housing relocation, fine options, counselling, court assistance, advocacy;

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Family Services minister to consider restoring funding for the friendship centres in Manitoba.

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Leonard Evans). It complies with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

Mr. Clerk: The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS the United Nations has declared 1993 the International Year of the World's Indigenous People with the theme, "Indigenous People: a new partnership"; and

WHEREAS the provincial government has totally discontinued funding to all friendship centres; and

WHEREAS the provincial government has stated that these cuts mirror the federal cuts; and

WHEREAS the elimination of all funding to friendship centres will result in the loss of many jobs as well as the services and programs provided, such as: assistance to the elderly, the homeless, youth programming, the socially disadvantaged, families in crisis, education, recreation and cultural programming, housing relocation, fine options, counselling, court assistance, advocacy;

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Family Services minister to consider restoring funding for the friendship centres in Manitoba.

* * *

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Ashton). It complies with the privileges and the practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

Mr. Clerk: The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS the provincial government has without notice or legal approval allowed wide-open Sunday shopping; and

WHEREAS the provincial government has not consulted Manitobans before implementing wide-open Sunday shopping; and

WHEREAS the provincial government has not held public hearings on wide-open Sunday shopping;

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Labour to consider holding public hearings on wide-open Sunday shopping throughout Manitoba before March 31, 1993;

BE IT FURTHER resolved that the Legislative Assembly be pleased to request the Attorney General to uphold the current law concerning Sunday shopping until public hearings are held and the Legislature approves changes to the law.

* * *

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Dewar). It complies with the privileges and the practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

Mr. Clerk: The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS the United Nations has declared 1993 the International Year of the World's Indigenous People with the theme, "Indigenous People: a new partnership"; and

WHEREAS the provincial government has totally discontinued funding to all friendship centres; and

WHEREAS the provincial government has stated that these cuts mirror the federal cuts; and

WHEREAS the elimination of all funding to friendship centres will result in the loss of many jobs as well as the services and programs provided, such as: assistance to the elderly, the homeless, youth programming, the socially disadvantaged, families in crisis, education, recreation and cultural programming, housing relocation, fine options, counselling, court assistance, advocacy;

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Family Services minister to

consider restoring funding for the friendship centres in Manitoba.

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Martindale). It complies with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

Mr. Clerk: The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS the United Nations has declared 1993 the International Year of the World's Indigenous People with the theme, "Indigenous People: a new partnership"; and

WHEREAS the provincial government has totally discontinued funding to all friendship centres; and

WHEREAS the provincial government has stated that these cuts mirror the federal cuts; and

WHEREAS the elimination of all funding to friendship centres will result in the loss of many jobs as well as the services and programs provided, such as: assistance to the elderly, the homeless, youth programming, the socially disadvantaged, families in crisis, education, recreation and cultural programming, housing relocation, fine options, counselling, court assistance, advocacy;

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Family Services minister to consider restoring funding for the friendship centres in Manitoba.

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Hickes). It complies with the privileges and the practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

Mr. Clerk: The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS the United Nations has declared 1993 the International Year of the World's Indigenous People with the theme, "Indigenous People: a new partnership"; and

WHEREAS the provincial government has totally discontinued funding to all friendship centres; and

WHEREAS the provincial government has stated that these cuts mirror the federal cuts; and

WHEREAS the elimination of all funding to friendship centres will result in the loss of many jobs as well as the services and programs provided, such

as: assistance to the elderly, the homeless, youth programming, the socially disadvantaged, families in crisis, education, recreation and cultural programming, housing relocation, fine options, counselling, court assistance, advocacy;

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Family Services Minister to consider restoring funding for the Friendship Centres in Manitoba.

* (1335)

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 Crestview School, twenty-six Grade 5 students, under the direction of Ms. Lorraine Prokopchuk. This school is located in the constituency of the honourable minister of Consumer and Corporate Affairs (Mrs. McIntosh).

Also this afternoon, from the Garden City Collegiate we have fifty Grade 9 students under the direction of Ms. Roberta Topping. This school is located in the constituency of the honourable member for Kildonan (Mr. Chomiak).

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

ORAL QUESTION PERIOD

Tourism Marketing Strategy

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, my question is to the First Minister (Mr. Filmon).

Tourism is close to a billion-dollar industry in this province, employing upwards to 25,000 to 26,000 people in our province.

A couple of years ago we asked for reasons why Manitoba's decline in tourism from U.S. visitors was down 14 percent, much larger than any other province in Canada. In fact, we had fewer tourists two years ago than we have had right back to 33 years ago, back to the 1950s.

Last year, after the government stated that they would have a thorough and aggressive campaign on tourism, kind of a recorded announcement to deal with U.S. tourists, again we see a decline of 6.4 percent in 1992, whereas the Canadian average

was only a decline of 1.1 percent. In fact, we were in last place in 1990-91; we are in eighth place in 1992.

I would like to ask the Premier why this aggressive campaign and aggressive strategy is not working in this very important and vital industry in Manitoba.

Hon. Eric Stefanson (Minister of Industry, Trade and Tourism): Mr. Speaker, the member is partly correct in terms of the decline in visitors from the United States. I would suggest he go back and review the statistics during his time in government, when he will find that the highest rate of decline in U.S. visitors occurred during that very particular time in Manitoba.

Having said that, we do recognize that about 10 to 12 percent of our tourism industry does come from the United States. We continue to focus on that with a part of our tourism campaign.

I know the Leader of the Opposition could not be there today for our tourism campaign announcement, but I believe representatives on his behalf were there, and if he were to listen to leaders from the Manitoba Chamber of Commerce, the Winnipeg Chamber of Commerce, Tourism Industry Association of Manitoba, Tourism Industry Association of Winnipeg, Tourism Winnipeg, and so on, I am sure he will find that they are very pleased with the 1993 campaign.

We continue to target the U.S. market as part of our overall campaign, but I do want to remind him that 88 percent of our tourism visitors do come from Canada and from Manitoba. If you look at the statistics in terms of occupancy rates in 1992, they were up in Manitoba in terms of fairs and festivals throughout Manitoba. Many of them had record attendance.

Overall tourism still fared reasonably well in 1992, but we do continue to promote in the United States.

Federal Brochure

Mr. Gary Doer (Leader of the Opposition): The minister's own tourism book very clearly states that tourism from Manitoba, whereas it is very important, 75 percent of people visiting in Manitoba either stay at a private cottage or stay at a relative's place.

The percentage of money coming from U.S. tourists and tourists from out of the country is much more important and significant in terms of the activity it generates, the people it employs and the

billion-dollar potential, and those are out of the minister's own statistics.

Mr. Speaker, my question is again to the Premier (Mr. Filmon). Today, we are informed that the federal government has put out a tourism promotion publication listing nine great cities to visit.

Are any great cities or communities in Manitoba listed in that federal tourism brochure from the federal government?

* (1340)

Hon. Eric Stefanson (Minister of Industry, Trade and Tourism): Mr. Speaker, firstly, I want to, from my perspective, correct the Leader of the Opposition. He talked about visitors from outside being more important than visitors from inside. I would suggest they are all important to Manitoba's tourism economy.

If he were to look at the statistics in terms of the importance of Manitoba—and we continually encourage Manitobans to take their holidays at home and enjoy the many aspects of Manitoba, whether it is our outdoor activities, our beaches, our fishing, our camping, our hunting. There are many things for Manitobans to do, and they are just as important to our industry as anybody coming from the outside. I would hope that he would recognize that, Mr. Speaker.

He is referring to the federal publication that did not refer to Winnipeg. Obviously, we will be having discussions with the federal government on that exclusion. We are working with them on many co-operative initiatives. We have a Canada-Manitoba, \$10-million agreement over the next five years. We are doing many things co-operatively with the federal government.

Mr. Doer: Mr. Speaker, we are very disappointed on this side to hear that the federal Conservative government, with the federal-provincial agreement, has chosen to exclude Manitoba. I would hope the Premier (Mr. Filmon) will take that up at the highest level with the Conservative government. It is an insult to Manitobans that we have been left out of this publication.

Marketing Strategy

Mr. Gary Doer (Leader of the Opposition): A final question to the Premier: Tourism out of the country declined in Manitoba again at 1.7 percent from '92 to '91, whereas the Canadian decline was .3 percent.

Why again is Manitoba running so far behind the rest of the country in terms of successful tourism campaigns to attract visitors from out of the country to our great province?

Hon. Eric Stefanson (Minister of Industry, Trade and Tourism): Mr. Speaker, again, I want to correct the Leader of the Opposition when he generalizes and suggests that we are running so far behind every other part of the country when he does his comparison. While we are not faring the best in Canada, we are certainly not faring the worst.

We continue to have a series of initiatives in the United States and other international markets. Part of the five-year agreement we have with the federal government has an international marketing component that we are just starting to utilize and will be utilizing extensively in 1993. We are also bringing in a Visitor Values program, Mr. Speaker, with the United States in terms of promoting the advantages now of coming to Canada in terms of the exchange rate. We are also promoting something that we brought in last year which has the ability for United States visitors at our border to get the rebate directly of both the GST and the PST, many initiatives that will make it more attractive for foreign visitors to come to Manitoba.

We are optimistic about the 1993 campaign and anticipate it will meet the needs of attracting more visitors from the United States and other parts of the world.

Misericordia General Hospital Status Report

Mr. Dave Chomlak (Kildonan): Mr. Speaker, all decisions with respect to bed closures are made by the Minister of Health. I am sure that the Minister of Health will welcome the opportunity today of quashing rumours and speculation and reassuring the staff and patients of Misericordia Hospital.

Will he confirm that Misericordia Hospital is not to be closed nor to be significantly downsized now or in the next 18 months?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, my honourable friend is repeating some of the rumours that have been circulating recently and I suppose in November, December, circa 1978, and circa 1975—a long history of rumours.

I can indicate to my honourable friend that the rumours about an imminent closure of Misericordia Hospital are incorrect. They were incorrect when I

was asked by members of the media in December as to whether Misericordia was closing. Then the rumour was a little more draconian, Sir. The rumour at that date was a question posed to me on a Friday to the extent that Misericordia would be closed the following Monday.

At least the rumours are getting a little more gentle, but they are still not accurate.

Mr. Chomlak: Mr. Speaker, the minister did not answer the question fully, and that is one of the things that breeds rumours.

I will ask the minister simply again. The minister said that the imminent closing will not occur.

Will he confirm that the hospital will not be closed nor significantly downsized either imminently or in the next 18 months to two years?

A simple question—he can put the rumours to bed by answering it right now.

Mr. Orchard: Mr. Speaker, I have given my honourable friend that answer as I have given that answer on previous days.

My honourable friend's party supports the reform of the mental health system. Part of that reform of the mental health system was the decision that was accepted from the Urban Hospital Council and from the Winnipeg Regional Mental Health Council to remove the acute care beds providing inpatient mental health services at Misericordia Hospital. That decision was accepted some 15 months ago and was reconfirmed, Sir, last month, in which we announced steps to bring in community-based services in mental health.

Now, that clearly is a downsizing at the Misericordia Hospital as it is, coincidentally, at Grace and St. Boniface.

My honourable friend's seeking of assurance of no downsizing at Misericordia would go against what his own party has agreed to in mental health reform.

* (1345)

Misericordia General Hospital Status Report

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, one of the reasons why we have consistently called for a health monitor on the reform initiative is so that these rumours that are in the purview of the public do not continue to percolate on and on and on. As the minister has

indicated, this one has been in the realm now for some many, many months.

The minister has clearly said, there is no imminent plan to close down Misericordia Hospital.

Can the minister tell the House today if there are additional changes in function for Misericordia Hospital now being planned above and beyond the plans already announced and executed in the field of mental health reform?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, let me first deal with rumours.

Back in, I think it was November or December, when notice was given as per the MGEU contract in terms of a number of layoffs which would be imminent, the president of that union indicated that all public health nurses employed in the Ministry of Health would be laid off. That was an unfounded statement by the leadership of that union, and it caused untold concern amongst public health nurses and the people they serve throughout the length and breadth of Manitoba.

I cannot stop people from making those erroneous statements to do nothing but advance their personal cause at leadership positions and to do so by really putting a significant amount of fear in the very people they represent, namely, in this case, the public health nurses.

I want to deal specifically with program in terms of the shifts, the changes that we anticipate may well be recommended to government across our urban hospitals. There are a number of program studies, for instance, obstetrics, orthopedics, urology and a number of other programs in which expert committees are now investigating how those programs can be delivered more effectively for the people of Manitoba. That may mean gives and takes and shifts in where and the amount of programs which are delivered from various hospitals.

To date, I have no recommendations other than in psychiatric bed provision.

Mrs. Carstairs: Mr. Speaker, will the minister tell the House today if Misericordia Hospital has been designated as a hospital which will go from an acute care facility to an alternate community-based facility?

Is that the direction in which this hospital is moving?

Mr. Orchard: I think that is one of the rumours which is not accurate, Mr. Speaker.

HIV Testing Blood Transfusion Recipients

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, can the Minister of Health tell the House today if he is debating and discussing with his officials to institute the same kind of HIV testing for those who had blood transfusions during the period of 1980-1985, which has now been put in place in the province of Nova Scotia?

Hon. Donald Orchard (Minister of Health): I am not sure what is happening in Nova Scotia in terms of blood transfusion, citizens, other than the specific reference to those hemophiliacs.

Mr. Speaker, I thought my honourable friend's question might be centred around a decision by the Children's Hospital in Toronto to inform their pediatric patients.

Upon seeking clarity around that, it has been the advice given consistently by our institutions that individuals who received blood transfusions in the mid-'80s, as a generous precaution, should avail themselves of the HIV testing. That advice has been before those patients for approximately five or six years now.

Manitoba Intercultural Council Legislation Repeal

Ms. Becky Barrett (Wellington): Mr. Speaker, on the weekend the Manitoba Intercultural Council, in its sixth biennial conference, overwhelmingly called on the government to dismantle the Multiculturalism Secretariat, the Community Access Office and the Multicultural Grants Advisory committee and to maintain the legislative mandate role and funding of the Manitoba Intercultural Council.

Will the minister tell the House today, as she did not stay on Saturday morning to discuss issues and questions with the delegates there, if she will now re-evaluate her decision to bring in legislation revoking the MIC Act and follow the mandate of the biennial conference?

* (1350)

Hon. Bonnie Mitchelson (Minister responsible for Multiculturalism): Mr. Speaker, just at the outset, I was at the opening of the biennial assembly on Saturday morning, by invitation, to bring greetings and open the assembly.

I would just like to table in the House, if I might, my opening remarks, because a few of the NDP caucus were not there to hear them personally. So I would like them to have copies, and other members of the House, because it does indeed indicate our commitment to multiculturalism.

Mr. Speaker, we commissioned the Don Blair report, which was extensive consultation throughout the province of Manitoba in the multicultural community. As a result of receiving that report, we sent 800 copies out the width and the breadth of this province.

I had very few comments and responses back, but those who did respond did indicate that they were supportive of the Blair report, and we intend to follow the recommendations.

Anti-Racism Proposals

Ms. Becky Barrett (Wellington): Mr. Speaker, how can this government state its commitment to combatting racism which, as we have seen day after day, is increasing in this province in strength and in viciousness, when they are in the process of destroying the one organization that over the last 10 years has been able to provide a comprehensive plan for combatting racism and has been the one organization that has been able to co-ordinate the activities of 400 multicultural communities? How can they say they—

Mr. Speaker: Order, please. The honourable member has put her question.

Hon. Bonnie Mitchelson (Minister responsible for Multiculturalism): Mr. Speaker, we will not take a back seat to anyone in initiatives regarding combatting racism in this province. We have many initiatives that are ongoing, and we will continue to promote racial harmony as the government in Manitoba.

Legislation Delay

Ms. Becky Barrett (Wellington): Mr. Speaker, if the minister is not prepared to immediately repeal her comments on the MIC Act, will she agree, as the MIC council asked her to do, to delay introducing that legislation until the MIC executive and council have had a chance to meet with the minister and discuss ways that they can co-ordinate the activities?

Hon. Bonnie Mitchelson (Minister responsible for Multiculturalism): I would say, of the very most important biennial assembly that has ever taken

place in the history of the Manitoba Intercultural Council, I was somewhat disappointed that of the 400 organizations that are represented, about 70 delegates were there. That is about 18 percent of the organizations that were represented there. I do know that I have indicated quite clearly that I look forward to a very positive working relationship with the Manitoba Intercultural Council as they establish their new role and mandate, completely controlled by the community without government interference.

Canadian Wheat Board Barley Marketing

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, my question is for the Minister of Agriculture.

The Carter report on barley sales to the U.S. was tabled today in Edmonton. The report is full of inaccuracies and information that cannot be substantiated. In fact, the dollar value is completely inaccurate. Mr. Carter has proven that he is not credible.

In light of the fact that five major farm groups in Manitoba, Manitoba Pool, Farmers' Union, Canadian Federation of Agriculture, KAP, the Canadian Wheat Board and maltsters are opposed to this report and say that it will have devastating effects in Manitoba, will the Minister of Agriculture tell us today whether he stands with the farmers and opposes this report, or is he supporting Charlie Mayer on this one?

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, the member raises a question that is of pretty keen interest in the farm community right now.

I would like to tell the member that over the last four to five years since 1988, we have increased our barley sales to the United States by some 50 percent, a rather phenomenal increase, but I understand the report also indicates that some markets have not been served either in terms of volume or in terms of price.

I can assure the member that my department is going to do a thorough analysis of the study to determine if the facts there are right, if the allegations made against it are right. We are going to do a thorough analysis.

I want to be sure that we penetrate the market to the best possible extent and get the highest return to the farm gate for all farmers in Manitoba.

* (1355)

Ms. Wowchuk: Mr. Speaker, since it is the opinion of major farm groups that these changes will be devastating and will dramatically change agriculture patterns in Canada, will the minister commit today to holding public meetings so farmers could get information, and will he immediately implement a plebiscite on this very important issue?

Mr. Findlay: Mr. Speaker, over the course of the last number of years, farmers have always had choices how to market their barley—nonboard market or the Wheat Board. That choice still exists. No vote was held on whether that choice should be in place.

I have told the member, we will adequately review the document. Maybe, just maybe, the Wheat Board has not been using enough of the agents, the private sector agents, in selling the market, in penetrating the market. We are going to do that analysis.

I will not make a knee-jerk reaction like that member there. Without even having looked at the report, she has already made a conclusion.

Ms. Wowchuk: Mr. Speaker, I want to assure the member that we have looked at the report.

Will the minister agree that the federal government, which is at the end of its term and very low in the polls, does not have the mandate to make such dramatic changes to the Wheat Board, and will—

Mr. Speaker: Order, please. We are having great difficulty in hearing the question of the honourable member for Swan River.

Ms. Wowchuk: I want to ask the minister if he will make representation to the federal government on behalf of farmers opposing any changes to Wheat Board sales before the next election.

Mr. Findlay: Mr. Speaker, I have always been adamant—the facts only, please. That member, in her preamble, forgot to notice the facts in the polls right now. Her party has gone thunk, right to the bottom, and the government has gone right to the top under the leadership of a woman, or the potential leadership of a woman. She refuses to accept those facts.

Mr. Speaker, I can assure the member, we will assess the facts. She may not like to address the facts, but we will.

Point of Order

Ms. Wowchuk: Mr. Speaker, I would like to ask the minister if he would clarify the facts where he was talking about the leadership—

Mr. Speaker: Order, please. That is definitely not a point of order. It is a dispute over the facts. [interjection] What?

Mr. Findlay: She wants me to clarify that?

Mr. Speaker: There was no point of order.

* (1400)

Sexual Assaults on Youths Conviction Rate

Mr. Paul Edwards (St. James): Mr. Speaker, my question is for the Minister of Justice.

Mr. Speaker, again today we have all been reminded by a report prepared by Dr. Catherine Stark that the community response to sexual violence towards children is woefully inadequate.

Assailants are charged in only half of the cases of reported sexual assault of teenagers. Less than 20 percent of reported assailants are convicted, despite the fact that 60 percent of victims are raped by someone they know. Twenty percent of rapes are gang rapes or had others watching. Finally, Mr. Speaker, and perhaps most disturbing and, underlying all of this, is the estimate by experts that only one in 10 cases of sexual violence towards children is even reported at all.

Mr. Speaker, my question for the Minister of Justice is: What is this minister prepared to do, as the senior law enforcement officer for this province, to get tough with the perpetrators of sexual violence towards children in our communities and give some comfort and support to victims of those crimes?

Hon. James McCrae (Minister of Justice and Attorney General): Mr. Speaker, as soon as my department learned of the existence of this report, senior officials in the department got in touch with the author of the report to discuss the findings.

Certainly, as we see them reported in the newspaper, some of the numbers that we see there are disturbing indeed. However, there are some things happening that the honourable member may wish to be reminded about.

Some of the things that are written in the article are cause for concern in themselves when we hear that many victims, it says here, also decide not to testify when they find out about the dismal

conviction rate. Well, that looks to me like the beginning of a vicious circle. If there is a belief that there is not going to be a conviction, then there are going to be a lot of people not wanting to testify. Therefore, they are going to have to have stays of proceedings in numbers which we all agree are unacceptable and should not be happening.

There are some positive things happening, however. When the Supreme Court struck down the rape shield, the federal government, supported by provincial governments across this land, supported speedy action to replace the rape shield in such a way that the Supreme Court we hope will find acceptable.

We have our Domestic Violence Court here in Manitoba. We have the Women's Advocacy Program in Manitoba, Mr. Speaker, and other victims' programs which are working to assist victims and to let them know that you ought not to be frightened of the system, that we are trying to make the system more sensitive to the needs of victims.

Pedlar Report Recommendations

Mr. Paul Edwards (St. James): Mr. Speaker, one of the most interesting comments in the report today was from a Crown attorney. The Crown attorney was quoted as saying that a major problem in securing convictions was that victims of teenage sexual abuse and assault could not get adequate support in coming forward and testifying in court.

My question for the minister, flowing from those comments, and that is a comment from someone in his department: Has the minister yet implemented, as he said he would, the Pedlar report recommendations that medical staff receive training and protocols to assist in securing convictions or that school curriculums include discussions about relationship violence?

After 18 months of the Pedlar report, has the minister implemented the things he said he would?

Hon. James McCrae (Minister of Justice and Attorney General): Many of the recommendations of the Pedlar review have indeed been implemented, certainly in the area of domestic violence and curriculum in the schools. Mr. Speaker, there are modules respecting violence in families that are made available to teaching staff across the province, and young people are learning

about the dynamics of domestic violence and how we can avoid it.

The comment that was made in one case I suggest is not so helpful. One comment was made that if her goal is to see the guy go to jail, we tell them that is not likely. I frankly, Mr. Speaker, do not think that is helpful to a victim seeking assistance, to be told that it is not likely that your attacker is going to go to jail when everything we are doing in the justice system is pointing in the other direction.

If you look at our Family Violence Court, for example, the number of accused being sentenced to probation or jail has increased since the institution of the Family Violence Court.

I with all due respect would take issue with giving that kind of advice to a victim of sexual violence, you know, that, do not come forward because it is not going to do you any good anyway.

If this is the attitude of the professionals in the field, then I think that we still have some work to do, Mr. Speaker.

Mr. Edwards: I am not wanting to provoke debate, Mr. Speaker, but it was illustrated six weeks ago, the justice system sends people—

Mr. Speaker: Order, please. The honourable member for St. James was quite correct. He does not want to provoke debate. Kindly put your question now, please.

Women's Advocacy Program Resources

Mr. Paul Edwards (St. James): Mr. Speaker, finally, for the minister, the minister said he was going to implement every recommendation of the Pedlar report. You will remember he said that.

My question for the minister: Has the Women's Advocacy Program, which he has just spoken of recently in his answer, been moved to the Department of Justice now? Will its resources be expanded as set out in the Pedlar report with the new monies from the federal fine surcharge, which are not revenues raised in the normal taxation way, but are raised through the court system—

Mr. Speaker: Order, please. The honourable member for St. James has put his question.

Hon. James McCrae (Minister of Justice and Attorney General): Mr. Speaker, when the honourable member gets up, I put my earplug in, because I do not want to miss anything he says, but

when you stand up, his mike goes off, so I did not hear any of the gibberish that came out at the beginning of the question, but I did hear—

Mr. Speaker: I heard the question. Order, please.

Point of Order

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, it seems to me entirely inappropriate that when we are dealing with children who have been raped, sometimes gang raped, that we allow—

Mr. Speaker: Order, please. The honourable member does not have a point of order. It is clearly a dispute over the facts.

* * *

Mr. Speaker: The honourable Minister of Justice, with his answer.

Mr. McCrae: I think the honourable member for River Heights' efforts to advance the debate are not very helpful, Mr. Speaker, frankly, when you consider the importance of these kinds of issues.

The honourable member asked if the Women's Advocacy Program has been moved to Justice. The answer is yes.

The other question was: Have resources for these kinds of programs—are resources made available?

This program has been very carefully monitored. Each time there has been a need demonstrated through our independent advisory panel, funds have been made available, staff has been increased.

The honourable member, really, I am glad he raises the question, because it is important, but the answer on both counts is yes, indeed, there is.

On the part of this government, this is a No. 1 priority.

Budget Property Tax Credit

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

Over \$53 million of the expenditures cut in this last budget were related to reductions of the property tax credit of up to \$75 and a reduction in the Pensioners' School Tax Assistance Program. This was a very regressive fiscal move and is definitely equivalent to an unfair tax increase, disproportionately hurting

people on modest and low incomes and especially senior citizens.

My question is: Given this minister's stated intention to cut expenditures further next year, as he has shown in his budget, can Manitobans expect additional cuts to property tax credits next year or the year after?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, that question is bizarre. We have not even voted on this year's budget.

We will begin the budgetary process for 1994-95 usually in the month of September. At that time we will have a clearer indication as to how the revenues are flowing in within the fiscal year '93-94, which will then give us the base of greater confidence as to forecasting revenues for '94-95.

It is much too soon to make any type of comment with respect to the budget for '94-95.

Mr. Leonard Evans: Mr. Speaker, my question is related to the expenditure side, which you forecast as being cut next year and then level for the next three years, so my reference is to expenditures.

My question then: Has the Minister of Finance taken into account the fact that even with a modest amount of inflation, let us say 2 percent a year, the level of \$4,760 million, which is in here and proposed to be maintained over the next three years, will really mean a cut of about \$140 million in constant 1993 dollars by 1994, a cut of about \$180 million by 1995, and a cut of about \$270 million by 1996?

My question is: What draconian measures does this minister anticipate undertaking to achieve the cutback targets?

Mr. Manness: I hope the member opposite has an opportunity to digest the Ontario budget when it comes down. Then he can apply the label "draconian."

Let me say that we have made decisions in this government over the course of our first six budgets so that we did not have to take draconian measures, so we do not have to reduce expenditures in the realm of 8, 10, 15 percent.

I tell him that when we were talking about a reduction, and again, this is in a broad term, as I have laid out in the budget, as indeed the members opposite have encouraged me to do over the last three years, to forecast ahead three or four years, as I have done in this budget. I would say a 1

percent reduction is not draconian in any respect, and all the decisions that are going to be made around that number will be made not in the course of the next week or two. They will be made probably next fall.

Mr. Leonard Evans: The minister seems to have forgotten about the phenomenon of inflation as far more than 1 percent to try to maintain level in 1993.

Fairness

Mr. Leonard Evans (Brandon East): My last question to the minister: Will this minister guarantee that he will not again focus feature expenditure cuts on the poor, the elderly and the disadvantaged, as he has done in this budget? Will he stop being unfair with the most vulnerable people in this province?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, it is springtime. I just wish the member would wake up and smell the roses.

The fact is, when he surveys the political landscape, we are making decisions which are not an awful lot different than are being made anywhere else in the country.

I think it is very important also that the member realize that inflation is not manifesting any revenue increase to governments across the land. It is a sign of the times, and I would expect that the member would realize that the difficult decisions that we made in this budget no doubt will be followed by some degree of difficult decisions in terms of '94-95.

The member can throw across all the commentary he wants, but let us sit and wait and see how the Ontario budget comes in, and at that time we will decide where we more aptly apply the term "draconian."

* (1410)

Furniture Manufacturing Plants Emission Levels

Mr. Daryl Reid (Transcona): For some three years, the residents of—[interjection]

Mr. Speaker: Order, please.

Mr. Reid: As soon as the Minister of Health (Mr. Orchard) is finished, Mr. Speaker, I would be pleased to ask my questions.

For some three years, the residents of Transcona have displayed symptoms of exposure to chemicals

and wood dust particulate as a result of a furniture operation in my community.

The American U.S. Department of Health, the North American Woodworkers Association, The British Journal of Industrial Medicine, The American Journal of Epidemiology and the Manitoba Department of Labour list emissions from furniture manufacturing as a carcinogenic industrial process.

My question is for the Minister of the Environment. Is it the position of the minister and the Department of Environment to consider wood particulate from the furniture manufacturing process a nontoxic substance?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, there are a number of very important aspects to this question, not the least of which are the concerns that are expressed by the residents in the area, but let me make it very clear, this is not a situation that has been ignored, nor will it be ignored by our department.

I am somewhat disappointed that the article in the paper, which I am sure helped to precipitate this question, did not also refer to the fact that the department has been doing a considerable amount of stack testing, which goes far beyond opacity testing. Last year, I think this was probably one of the most closely tested and monitored sites in Manitoba but, anytime that the community believes they have a problem, then we need to make sure that we are doing everything we can to address it.

In that respect, there have been a number of meetings that have been brought together in order to get an enhanced working relationship between the community and the plant to make sure that the plant is doing everything that the community believes is needed to respond to their concerns.

We have offered on one occasion to mediate this disagreement. We were unsuccessful in having the community and the plant sit down together with the Department of Environment at that time, but I believe they are today following up on that.

Mr. Reid: Can the Minister of Environment explain why the Department of Labour sets an exposure level standard for wood particulate from furniture manufacturing at one microgram per cubic metre of air for an eight-hour employee exposure level, Mr. Speaker, while the Department of Environment has a standard of 120 micrograms per hour over a 24-hour exposure period?

How does this help the sick, the elderly and the young people of my community who are exposed to this level of 120 micrograms—

Mr. Speaker: Order, please. The honourable member has put his question.

Mr. Cummings: Mr. Speaker, there are very often differences between the standards that are set in workplace, because of the intensity of the operation and the unremitance of the conditions in which the worker must continue his occupation.

Mr. Speaker, in addressing these concerns, we have now, in that community, a plant that has emission controls and equipment in place that far exceed any other plant of that nature in North America. I do not say that in any way to reduce the concerns of the people in the community, but I have to tell you that even today they are working on new technology to try and bring into place anything that will at all provide any additional control and relief in that area, including some untried technologies in order to reduce concerns.

Mr. Speaker, the corporation has been monitored extensively. There have been occasions when they have, through various clean-up procedures and shut-down procedures, exceeded their emissions, but we have not been able to bring the compliance down to the level where we cannot perceive any further complaints.

Mr. Reid: Mr. Speaker, my final supplementary is to the same minister.

I have asked this minister now for two years to assist the residents and myself in having this plant clean up its operation. This minister refuses to help.

Can the Minister of Environment explain why this furniture manufacturing plant in Transcona is allowed to exceed the limit and emit a level over 1,800 micrograms per cubic metre of air, some 15 times above his own environmental standard, which is insufficient to protect the health of the residents of Transcona? Why is he not acting on this—

Mr. Speaker: Order, please.

Mr. Cummings: Mr. Speaker, the member continues to ignore the fact that—it was demonstrated I believe by a meeting that we called for on December 17 when the department went to deal with the concerns of the residents, but when we intended to bring the corporation into the meeting and for discussion of what further compliance activities could be undertaken, that member led the

group out of the meeting, as I understand the situation.

Mr. Speaker, it is not helpful when we are trying to exceed what are normal standards and we are not receiving the help of the member opposite.

Mr. Speaker: Time for Oral Questions has expired.

Committee Changes

Mr. George Hickes (Point Douglas): I move, seconded by the member for Swan River (Ms. Wowchuk), that the composition of the Standing Committee on Privileges and Elections be amended as follows: Burrows (Mr. Martindale) for Brandon East (Mr. Leonard Evans); The Pas (Mr. Lathlin) for Kildonan (Mr. Chomiak); Broadway (Mr. Santos) for Flin Flon (Mr. Storie), for Tuesday, April 20, 1993, for 7:30 p.m.

Motion agreed to.

ORDERS OF THE DAY

BUDGET DEBATE

(Eighth Day of Debate)

Mr. Speaker: On the adjourned debate, the eighth day of debate, on the proposed motion of the honourable Minister of Finance (Mr. Manness) and the proposed motion of the honourable Leader of the Opposition (Mr. Doer) in amendment thereto and the proposed motion of the honourable Leader of the Second Opposition (Mrs. Carstairs) in further amendment thereto, standing in the name of the honourable member for Swan River who has 38 minutes remaining.

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, last week when the budget was tabled, many people were momentarily relieved because they had been expecting much worse. From the way this government had been carrying on and speeches they had been making, people were expecting much worse. As I say, they were temporarily relieved but, in reality, as they started to look at this budget they realized that although the Minister of Finance (Mr. Manness) has said he did not raise personal income tax or sales tax, in reality, people are going to be paying much more.

In particular, it is going to be the poor and the middle class who are going to be paying the most, and this budget is going to have extremely bad effects on the elderly and disadvantaged. This

government seems to have taken a very hard blow on those who can least afford it.

In particular, the minimum property tax, the change in the property tax will be devastating for people on low incomes. To have people pay a minimum of \$250 property tax is going to be devastating for many people. This will be a much different impact on low-income people, people living in rural communities, than it will be on people who are living in Tuxedo—just a tremendous increase.

When I look at some of the examples here of seniors who will have their taxes increased from—last year their property taxes were \$575. Once they got their tax credit back, they were paying \$75. Now with the changes implemented by this government, they will be paying \$250, an increase of over 230 percent. This goes on and on.

I believe that it is extremely unfair to people, particularly in rural Manitoba, where we do not nearly have the services that urban people do and particularly in light of the fact that the government offloaded many, many costs onto rural people in the last two budgets, offloaded roads, reduced services, and now they are expected to pay more. Rural people, as I say, do not have the services—in many cases, no paved roads. We are seeing a tremendous decrease in services—reduced educational services, cut back on the dental program, clinicians in our schools, less services for our rural people. They are going to be asked to pay more property tax which they cannot afford.

I mentioned the dental program and for the life of me, Mr. Speaker, I cannot believe that a government could take out such a valuable program for northern and rural Manitoba children. They talk about health reform. They talk about improving preventative health and helping our children. What they have done is taken out one of the most vital programs that has helped keep our young children healthy, their teeth in good condition. With the removal of this program, there are going to be many young people who will not have the opportunity to go to the dentist, will not have services available to them, particularly in the remote communities. In the end, we will pay much, much more.

* (1420)

At the rate this government is going, we will be paying much, much more in many ways. With the removal of many of the assistances for students going to school, the incentives to go to school,

particularly the social allowance program, by having that removed there is no incentive for people to get off the social welfare roll. It appears that the only economic development this government is committed to is increasing the social allowances budget, and that is certainly not going to help people.

Mr. Speaker, this government broke several election promises in this budget. During the last election, the Premier (Mr. Filmon) promised that we would see no increases in taxes, but we have seen tremendous increases in taxes—property tax, fuel tax, many increases.

The Premier's own briefing books equate this budget to an increase of 5 percent in personal taxes, and people are well aware of that. They are feeling the consequences of that, and many people are worried about how they are going to make ends meet with less revenue, particularly also because there are so many people who are nervous about their jobs. They do not know how long they are going to be working. There is absolutely no job creation in this province, nothing to keep families going, but they are asked to pay more and more and people cannot afford it. There is a very distressed feeling out there right now.

The other promise, Mr. Speaker, that was made was that we would not have a harmonization of the GST and the provincial sales tax, but we are seeing the GST and the provincial sales tax harmonized. We are also seeing an expansion of the tax to many, many more goods. Snack foods, school supplies, baby supplies, personal hygiene products, restaurant meals for under \$6 all will be added to the provincial sales tax.

This government may say as often as they want that they have not raised the provincial sales tax, but by broadening it to a much broader base, spreading it out, it is an extra cost to many people and on many products that people cannot avoid buying. They are essential products that are now being taxed. This again is a broken promise by this government.

Mr. Speaker, finally, the other broken promise that I would like to talk about is the VLT revenue. People in rural Manitoba agreed to the video lottery terminal scheme because they were promised that revenues raised from video lottery terminals would go to economic development in rural Manitoba. This is not happening. Sixty-five percent of revenues are going to deficit reduction. Meanwhile, we are losing

jobs and businesses in rural Manitoba. Although the government says that they can access money through the REDI fund, people are finding this money very difficult to access, but the government is not listening.

I can think of a couple of prime examples of people who could use, perhaps, video lottery money. I think, Mr. Speaker, of the alfalfa plant in Dauphin which is at the risk of shutting down. When they ask the Minister of Agriculture (Mr. Findlay) whether he can help them out, he says, there is no money, there are no grants available.

Where is the economic development plan of this province? It is just all hollow promises. They talk about being committed to rural Manitoba; they talk about economic development in rural Manitoba. Basically, we are having a shutdown of jobs and services, and this government is not listening. There are jobs, in particular, at the alfalfa plant, expert people who have—markets they have found, people who have developed the plant, have skills there. This plant is going to be shut down. Yet, we have the government giving false hope to people in other parts of the province saying that they support the development of the alfalfa plant for perhaps in the Interlake.

The minister said that he went to Japan to look for sales for this product, but in reality there has been no benefit from that, and we are going to lose.

Another example is the fishermen on Lake Winnipegosis, what was a viable industry, but an industry that is struggling very much right now. The government refuses to listen to them, and in fact, they have cut services to them.

The fishermen's co-ops no longer have auditing services, Mr. Speaker. Now, I cannot imagine what this government is thinking of by reducing that service when there has—where are people in the very remote areas going to find auditors? What is the cost going to be versus what the government has saved?

I believe when you look at it, Mr. Speaker, there is going to be a tremendous loss of services to the people in the fishing industry but, again, that does not seem to be a concern to this government.

Mr. Speaker, this government is draining money out of rural Manitoba, but not meeting the needs of the people. In fact, we are losing ground under this government. They have broken their promises on decentralization. They have not carried forward

with those. The minister shakes his head, but there are promises that were made on decentralization that have not been fulfilled, and we have had reduced services.

Actually, what we are doing is we are losing our people out of this province. In the end, we will pay the price because many people who have a tremendous amount of knowledge and understanding of this province are leaving, not because they want to, but they have no choice but to leave this province because there is no opportunity for them here.

I think of the Parkland human resource centre that is being closed down and the number of skilled people we are going to lose, plus the services that we are going to lose for all of those people who are on social assistance, people who have no hope. I guess that is where this government would rather keep them. They will not have very much hope under this government.

Mr. Speaker, I know that there are other people who want to speak today, and we are getting into a shortness of time here. However, I would like to talk briefly on the Agriculture budget.

The Agriculture budget was reduced by 14 percent. We are told that in large part, this is a reduction due to GRIP, and that is a fact. I agree that there will be a reduction in there, but there are other things that will be cut.

They have removed the hail spot loss in insurance. In talking to people in the farming community, they believe that in the long term, this is going to weaken the crop insurance program. People will be forced to go for private insurance which is in reality much more expensive according to the people that I have spoken to as far as hail insurance. The hail insurance is going to cost them. The removal of the spot loss insurance will weaken crop insurance.

The other area that I am most concerned about is the reduction in research by this government. I attended the Gate to Plate Conference which the minister often refers to. We talk about the different markets that are available and things that we have to change. For things to change, government has a responsibility to do research and provide farmers with information on what should be happening, but we have had the budget in the Ag offices reduced and the amount of research.

Now the minister may say it is a minimal amount that has been reduced but, in reality, if we were really serious about diversifying and providing opportunities and new products for farmers to grow, we should see the research dollars increased. We should be taking every opportunity we can to improve the opportunities for farmers to change. I believe that it is a mistake and not a serious commitment to farmers by reducing the research budget.

* (1430)

The other area that deals with the agriculture industry is the production of ethanol. Now I am sure the minister is quite aware that there is a tremendous interest in the production of ethanol in Manitoba, as there is in other provinces, and there is some incentive put forward by the federal government to encourage more production and changing the type of fuel we use. So I question the reason then in the budget where the tax preference for gasohol has been reduced by one cent a litre. Is this moving away? Is this not discouraging the production of ethanol if the incentive there is taken away? Now I see the Minister of Agriculture (Mr. Findlay) shaking his head on that one.

Perhaps when we get into the Detailed Estimates we can discuss it more thoroughly. But that causes me some concern, because I think that we have to think very seriously about what we are—We have to get away from using fossil fuels but, in order to do that, a tremendous amount of work has to be done. I guess that is another area where I think we have to be putting more research dollars into. We have to be looking at the feasibility of whether or not it is viable to convert grains into fuel. As I say, that is something that has to be looked at very carefully. Perhaps we can get into a more detailed discussion on it when we get into the Estimates which will be coming very soon.

The whole issue of barley sales, Mr. Speaker, is causing great concern, and I think that if we see changes, if we move away from the single-desk selling there is going to be a tremendous impact on the farming community. I am very concerned about some of the information that is in this report that came out today. I think it is inaccurate. From what I can see out of it, it appears that this is a move to open the door for Mr. Mayer to move along the lines that he has always wanted and that is to remove barley from the Wheat Board.

We have to look very seriously at the impacts. Who is going to benefit from that? Are farmers right across the province going to benefit? Are farmers right across Canada going to benefit or is it going to be those farmers along the border who will gain the greatest benefit from this and the farmers in other parts of the province be the ones who are going to suffer from this?

Mr. Speaker, that debate, I am sure, will take place over the next few days as we get more information on it, but I can assure you that we have a tremendous amount of concern about what is being proposed in the Carter report. The Wheat Board has served Canadian farmers well for many, many years. They have brought maximum return for farmers, and I would hope that the minister will look at this very carefully.

I think that it is extremely important that farmers have a vote on this. After all, when we dealt with the Constitution, we were able to have a vote. This is an issue that could change the pattern of agriculture. I think the minister should pursue that and should immediately begin implementing meetings on this and also implementing a vote, a plebiscite, on this so that farmers can have an input on their future. They have to have some say in this.

Mr. Speaker, I believe that if we are going to see growth in rural Manitoba the government has to be prepared to invest, to create jobs, to give our young people something to come back to. That has not happened. When we look at this budget, we see the word "jobs" mentioned very, very little—nothing to stimulate our economy. All we see is the Minister of Finance (Mr. Manness) telling us that we have to share, everybody has to take a fair share of the burden. Everybody has to help us come out of this deficit that we are in. In reality, it is the poor who are asked to pick up a much bigger portion of the cost, percentage-wise—I beg your pardon? [interjection] No.

Mr. Speaker, the member says that I am not interested in health. I am tremendously interested in health. I am interested in the health of seniors, of young people and of all people. I think all people should have access to proper health care, but what is happening under this budget is people are being denied.

The removal of the dental program is denying people access to health care. The increase to Pharmacare costs is going to weigh more heavily on

those on low incomes and will, in reality, deny people. The changes to the Home Care Program and the increased costs that people are going to be asked to pay will, in fact, deny some people of proper health care. So I am very interested in health care. I believe in a fair health care system that is open and equal to everybody.

I believe there should be the opportunity for all sectors of this province to grow. Particularly, as I said, I am concerned about the growth in rural Manitoba, and that is not happening under this government. They are paying lip service to this government—to rural Manitobans, I should say, draining money out of rural Manitoba but doing very little to promote economic development there.

We are seeing very few new jobs. What we have from this government is added taxes, increased costs and reduced services for Manitobans. It is disappointing that is the direction this government is taking, and they are not prepared to invest in the future of this province and give our young people the opportunity, give our young people the hope that they will have an opportunity in this province.

Also, Mr. Speaker, they have to be prepared to invest in education and give our young people the opportunity to get an education. That also is being reduced.

I am afraid that for the young people and for most people of this province their reaction to this budget is not a positive reaction. I spent the last couple of days out talking to people. I want to tell you that there are many people who are very concerned about whether or not they are going to have a job. They are also concerned about whether their children are going to find summer employment this year and whether or not they are going to be able to continue going to university in the fall. Those are their real concerns.

This budget does nothing to stimulate growth in our province or encourage people or give them much hope, and it is my belief that this government could have done much more. They should have been prepared to invest in our people.

* (1440)

Ms. Marianne CerlIII (Radisson): I am pleased to be able to put some comments and analysis on the record regarding this budget. I will do that, considering the limited time, focusing on the area of environment, workplace safety and health as well, and the status of youth.

I was just looking through some correspondence I was opening, and I will start off by reading from the Manitoba Medical Association newsletter, April '93. On page 7, they have a headline which reads: Action speaks louder than environmentally friendly words. They talk in the short article there about how this government continues to use the rhetoric of sustainability, and they continue to use the rhetoric of environmentally friendly, and then they do things like eliminate the mere \$50,000 that went to the Manitoba Environment Council, the environment advisory council for the Minister of Environment.

This little article in the newsletter for the Medical Association says that here again we have the government talking about sustainability and environmental friendliness and then cutting funding to an organization that probably had more Ph.D.s in it, Mr. Speaker, than the entire department. For nothing, those people would volunteer and advise this government and the minister on environmental matters. Well, I would suggest that this government, we are seeing time and again, does not want to hear it. They do not want to hear expert advice on the serious concerns related to environment and health.

The former member for the Manitoba Environment Council, who was the Medical Association's representative, I am going to quote what he says in the journal. He said that the Minister of Environment recently wrote to the MMA to advise that the council's operating budget would not be renewed. As of April 1, 1993, the council will cease to be provided with funding from the Manitoba government.

He ended his letter with a remark that is an example of political doublespeak: In the spirit of sustainable development, I am committed to breaking with the past, which saw support for environmental issues dwindle in an uncertain economy.

Well, Mr. Speaker, that is exactly what is happening, and this government is encouraging it by trying to silence organizations and effectually silencing them with discontinuing their funding. This government is contributing to the detraction away from environmental issues by focusing on this, I would say, rhetoric of recession and tough economic times.

There are a number of comments I want to make about this on how this government is missing the

boat in truly moving to environmental sustainability. They are trying to make it look like, Mr. Speaker, they are maintaining a strong commitment because they have not decreased the funding to the Department of Environment like they have so many other areas in the budget.

But I want, Mr. Speaker, to make the point, think of it this way. We are in the biggest debt we have in the debt of cleaning up and maintaining the natural ecosystem. That is the biggest debt we have because we cannot only maintain, as this government barely has its level of funding to the department, we have to in leaps and bounds be increasing funding to deal with environmental cleanup and programs and protection of our natural environment.

I want to frame this too in the kind of doublespeak that the government uses in talking about youth services and education, because again the government will say that we are treating our future generations unfairly by leaving them with this debt, the government debt. Well, Mr. Speaker, the biggest debt that we are going to leave future generations is the high cost of cleaning up for the greed, extravagance and overconsumption of the previous generations, and that is no exaggeration.

So it is important to look at a historical context of the comment that I have just made and to look at the government spending that went on post-World War II. There was in Canada the highest level of government spending during the war and right after the war, and we all know that right after the war there was the baby boom. That was the highest subsidized, if you will, generation ever. That generation has enjoyed the highest standard of living and quality of life ever. Maybe some would say that is now what we are paying for.

But if it could work at that time, and that money could go into military expenditure as it did in the '40s, then the same kind of expenditure now into health care and education and environmental restoration would not be sucking money out of the economy—as we are witnessing again with the Conservative Government federally where we are spending billions of dollars on helicopters that are not necessary—but having an investment into health care, education and environmental restoration, things like retrofitting for energy and water conservation.

That is the area where we should be creating jobs because again it is investing money where we are going to see some dividends. We are going to see some money coming back from those future generations.

There is a difference from how this government spends money as compared to what I am just saying, because there is a lot of rhetoric that we hear about the problems with the deficit when the government says that we cannot afford social programs, we cannot afford programs like student social allowance which were getting people out of the poverty cycle. Now that cut is symbolic, just like the cut to the Environment Council, just like the cut to the Manitoba Intercultural Council, all of these organizations that are trying to speak and work on behalf of people who are the most vulnerable.

So when this government says that everyone is tightening their belt equally, we all know that is not true. But when you put that beside the overconsumption and the continuation of economic destruction, a model for an economy that is destroying the environment; when you put it beside the continuation of having grants and government handouts that are still going on to oil and gas companies, to drug companies, to a number of other companies that destroy the environment.

I think it is high time we do not just look at the Department of Environment's budget as some signal about a government's commitment to environmentalism and sustainability, but we also look at to what kind of organizations they are funding, what kind of businesses and corporations that they are funding, and to see how many of those corporations that are benefiting from government grants, water diversion schemes that are for irrigation that are still receiving millions of dollars, and try to see the environmental impact of that economic development. We have to stop giving grants to organizations and corporations that are not complying with environmental regulations. We have to make those links with our grants and funding, because that is the road to true sustainability.

Today, the member for Transcona (Mr. Reid) asked serious questions about the furniture manufacturer in Transcona that is exceeding its environmental licence. We know that plant had government funding. A licence to pollute was also given out to that corporation. When we mention these issues, members on the opposite side tell us,

maybe we should shut it down. If that is the attitude that they have, that it is either one or the other, that you cannot have industry as well as a protected environment, then we are in big trouble. We are in big trouble, because I think that is the attitude of a number of people. I would suggest, it is probably the attitude of a number of people advising this government which would explain the decisions they are making and would explain why they have done things like cut the small amount of money that goes to advise them through the Environment Council.

* (1450)

I want to spend a little bit of time as well, talking about this government's attack on youth through this budget. I have never seen such an outright attack on youth services. Whether it is health programs, funding to public education, funding through the students' social allowances-type program, funding to student employment programs, all have been cut back. There seems to be the attitude that, if you invest in work experience paid for by the provincial government, those are not real jobs, and that is not contributing to that young person's education. All the while that this happening, Mr. Speaker, tuition fees have more than doubled in the last 10 years, and there has not been a raise in the minimum wage in the last six years.

So what is happening, Mr. Speaker, is young people are becoming very discouraged. Many of them can no longer afford to go to university. This province is horribly underrepresented in spaces of post-secondary education in colleges, and we have an incredible problem with youth unemployment, drug abuse, violence as reported in the paper day after day. It does not seem like this government is capable of any kind of analysis that is going to link these economic problems for youth with the social problems that they are experiencing. We see cutbacks as well in programs like Girl Guides and Boy Scouts, which are providing something positive for young people to focus their energy on so that they have an alternative to doing things that are more destructive.

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

Mr. Acting Speaker, I have with me a small chart which is from Manitoba Agriculture, and I think it is from the Financial Post magazine—yes, it is—March 6, 1993, issue. It is the cost across Canada of raising a child.

Somewhat tongue in cheek, Mr. Acting Speaker, I refer to this budget as the "honey, we have to sell the kids" budget, because that is what is happening with the trends that we are seeing in the rising costs, the way that the taxation is being shifted more and more to individuals. People are not being able to afford to raise a family, whether it is because of the high cost of education, food, clothing, personal care.

This chart shows that the cost for one year for an infant is just over \$9,000. That drops somewhat to 18 years of \$6,100, roughly. When you compare that, Mr. Acting Speaker, to what the poverty level is in this province, it is quite frightening. It is quite frightening to think that we have a number of families with an income in Manitoba of not much more than that \$9,000 that it costs to feed and clothe and shelter a child.

It is very clear that the economic policy of this government is saying that there are certain populations and certain people in this province who are expected to sacrifice their quality of life and their livelihood, in a lot of cases, to benefit the economy. Those people who are in that situation are coming to the point where they cannot afford to feed, house and clothe their families. [interjection]

It is interesting listening to the comments that come across the floor, because it just shows that the government is not looking at things in the larger context. They will try to use the excuse that this is a recession, but this is a much different situation because we are not coming out of this recession. A lot of the jobs that are leaving the province and leaving the country are not coming back. The definition of a recession is something that we will come out of.

I have a theory that the North American Free Trade Agreement and the Free Trade Agreement that are responsible for the destruction of particularly the manufacturing sector in Manitoba and in Canada, are a response to the growing concern around environment and health internationally. Corporate interests and the governments that they support, such as the government across, had to come up with a way of fixing things so that the mobilization of concern regarding environment and health issues could not affect the economy as it would have and move to a more socially just economy, nationally as well as internationally.

This government, especially when they make the comments like they did today in Question Period, does not seem to understand that we cannot try to buy jobs by sacrificing our quality of life, our health and environment. We are reaching the end of the line, and it is just not going to work anymore. The grandchildren and children of the members opposite are going to be paying that, in some cases, I would say, with their lives.

Already in this province we are seeing the results. We see many areas in this province. Particularly of concern to me is the area of water and the number of areas in this province that are in serious concern over the quality of water and the difficulties of drought.

I want to talk a little bit about the subsidy from this government of the Assiniboine Diversion because, again, this is an example of how this government does not get it at all. They are not changing their approach to dealing with developments in this country, in dealing with agriculture. They are continuing down the same old path of disregard. They might think that some little environmental assessment that they are going to have because they have to by law is going to satisfy people's concerns. Well, it is not.

They fail to look, it seems, at the consumption side, the overconsumption. There are many people that are suggesting that what the Assiniboine Diversion is really about is a couple of things. It is an example of how they can guarantee a supply of potatoes for large food manufacturers, and how they can also guarantee the water supply for those potatoes.

There is a big dispute. They say that water is not going for irrigation. Well, maybe it is not. Maybe the intention is that, subsidized by both levels of government, the corporations benefiting from the irrigation will be able to continue to deplete the aquifers in that region and that the shipped water will be used for the domestic consumption in that area.

It does not really make any difference. The bottom line is that the permits have been issued to expand the irrigation in that region of the province.

It would be interesting for those food companies that are going to benefit from this proposal if their corporate policy of having only irrigated potatoes would surpass or pass any kind of sustainable development criteria, because the waste of the kind

of agricultural practices that are encouraged by this kind of economic development is quite appalling.

So that is an example of how this government is making choices of investing millions of dollars into the kind of economic development that is depleting the environment, increasing the huge debt we have to the environment, and at the same time, diverting funds away from education and health care where our government should be investing its money, especially when we frame this also in the context of all the kind of corporate loopholes and tax breaks that are made available by Conservative governments.

* (1500)

The kinds of corporate tax breaks that I am referring to are never considered in the budget when we are looking at the way that this government is dealing with its revenue.

I think just generally, to finish off, I will not get into some other examples of this idea that we can continue having governments invest into this dinosaur, Stone Age style of economic development that destroys the environment and not invest into education and health and environmental restoration.

I want to deal with the basic concept of fairness because I was speaking recently to a group of students. When I asked them, is it fair to take \$75 from someone who earns \$10,000 a year and take that same \$75 from someone who earns \$100,000 a year, they said no. They understood that if you are trying to practise fairness and create fairness in a society and an economy, that is not fair. They even understood that when you are trying to create fairness you cannot take the same percentage of tax from—

Point of Order

Mr. Jerry Storie (Flin Flon): Mr. Acting Speaker, there are a number of conversations going on in the Chamber, making it very difficult for me to hear my colleague. It is better to have—

The Acting Speaker (Mr. Penner): Thank you very much. The honourable member does not have a point of order.

Order. I would ask all members, if you want to carry on conversations please do so but do so outside of this Chamber or in the lounge that is provided for that sort of conversation.

* * *

Ms. Cerilli: I am just going to finish on this point of fairness because I think it is very important to talk about the unfairness of the budget. I want to refer to something that we studied when I was in university, and it is a theory of how people learn their values and how they develop values like fairness. And I encourage the Minister of Agriculture (Mr. Findlay) to listen to this.

I will not get into a lot of the theory, but quite generally there are six stages of values development. The final stage is where decisions are made based on principles, and those principles have to do with human rights and equality as defined by developing the potential of all.

Our party principles comply with that. Our party principles talk about how we want to create a society where people have what they need. We have an economy based on need, and people give according to their ability to give. That has been said over and over by a number of leaders internationally. Tommy Douglas, I remember hearing reference to Tommy Douglas over and over again at a number of events.

But in getting to the point about this government's budget and its unfairness, it would be at about a stage two or three at level of values development of how you only give according to what someone else is going to give you—that, sort of, I scratch your back, you scratch mine. That is the level of this government's values analysis, I would think, it seems, by this government and their definition of fairness. It is about at a nine-year-old level. I did not make up this theory. This is something that everyone who goes through the Faculty of Education learns.

The other thing about this budget is that it does not deal with creating equity. We cannot continue on the path that we are on because we are seeing over and over again that there is a social cost to having the kind of budget that creates poverty. This government will support the notion that some people have, that there always will be poverty. But the increase in poverty that we have seen in this country under this government and their cousins in Ottawa, shows that poverty is created by economic policy that does not fairly deal with wealth. That is a very basic concept that high school students understand easily, but it seems, Mr. Acting Speaker, that this government does not understand that concept of fairness.

So with that, I will thank you very much for the opportunity.

Hon. Glen Findlay (Minister of Agriculture): Mr. Acting Speaker, I could not help but listen with a little bit of interest to the concluding comments of the member for Radisson, and I just could not help but remember what I heard the former Premier of the province of Saskatchewan say last night on W5.

She refers to the economy as economy of need, that everybody should have what they want and if they need it and they want it, they should have it. Let me tell her what the former Premier of Saskatchewan said last night. There are not absolute rights to have what you want. He went on to say, in fact, there are the rights of those people who should not have to pay taxes just to give somebody else something they want. So the former Premier of Saskatchewan, NDP Premier, very clearly on the opposite track to that member for Radisson.

I only use that reference right off the top, Mr. Acting Speaker, because that is a dilemma we face. We have an opposition over there who is constantly talking about want and need and spend and spend and spend. Their comments bear no reflection on ability of the youth of the future to pay for the—

Point of Order

Ms. Cerilli: On a point of order, Mr. Acting Speaker, I would hope that the Minister of Agriculture will distinguish between want and need for me. Thank you.

The Acting Speaker (Mr. Penner): The honourable member for Radisson does not have a point of order.

* * *

Mr. Findlay: Mr. Acting Speaker, there is no question that the budget is a very significant piece of paper for the province of Manitoba, as it is for every province across this country. I have become rather discouraged in listening to the comments from the other side over the past couple of weeks, and I guess I could maybe say over the last couple of years. There is a constant demand of want and want and spend and spend and spend with no reflection on ability to pay.

Mr. Acting Speaker, every province is facing the circumstances we face here today. There is no question about it. If we just look at what was printed in *The Globe and Mail* here back on March 15—I will

just read out of *The Globe and Mail* because this kind of sets the record, province by province, of what everybody is facing. I will just read from *The Globe and Mail*, March 15, 1993: At this point, it is an open wager as to which province will be the first to find it cannot sell its bonds. Each may legitimately claim to have the worst financial record.

* (1510)

It goes on to talk about the financial record province by province: Ontario, of course, has the largest deficit in absolute terms, \$13 billion and counting. The largest debt also exists in Ontario. Quebec is the second on both counts, both in debt and deficit. Saskatchewan has the most debt on its books proportionate to GDP. Newfoundland has the worst credit rating. Prince Edward Island has the biggest deficit as a percentage of gross domestic product. Alberta's deficit has ballooned the most in the past year. It is already the second-largest debt in proportion to tax revenues in the country. British Columbia has increased spending the fastest, 36 percent in the last four years. New Brunswick spends the most per capita. Nova Scotia, more than any other province, has its debt eating up its tax revenue faster. Manitoba, in a comparative to all those statistics, sits very favourably in the eyes of bond raters, very favourably because of decisions that have occurred in the past, the kind of decisions that are reflected in this document that was presented to this House and we vote on today.

Mr. Acting Speaker, another critical piece of information that everybody must be aware of is the credit rating we have as a province. Manitoba currently sits as an A. You get Newfoundland sitting with a triple-B and Saskatchewan with a triple-B.

Over the course of time, we have certainly expended our resources faster than we have been able to generate revenue in this province. We all know that the general purpose deficit of this province is now around \$6 billion. When we came into government in 1988, it was \$5.1 billion. When the previous government, the NDP government, came in, in 1980, it was at \$1.3 billion. If we had it down to \$1.3 billion today, we would have a lot more money, probably about \$300 million to \$400 million more money to spend on health, education and all these services that the members on the other side claim are essential.

It is rather alarming, to put it mildly, that the previous member who spoke, from Radisson (Ms. Cerilli), and all the other speakers over there speak only in terms of wants and needs and expenditures. The last member just talked about attack on the youth. I am sure what she meant, attack on the youth, there are maybe some expenditure reductions in the education area where we spend over a billion dollars. The real attack on youth that has happened from this generation is the overexpenditure that creates debts which are future taxes on that generation.

I ask any member in this House, how do we tell our children and our grandchildren, hey, by the way, we have left a bill that we did not pay that you are going to have to pay for us? That is not a very nice thing to say. I have not heard anybody in this House really address that issue or talk about it from the other side. We constantly talk about it from this side.

If you go to the Legislature to the west of us, the opposite is said from the government side, from the NDP. They are talking about the realities of life and the probability they will not be able to borrow in the future and the debt that they have and the inability that they have to serve it from the existing less than a million people. On the other side over there they are saying the same thing we hear from the NDP here—spend, spend, spend. Do not reduce the expenditure. Do not reduce it there.

The situation we are in, in the country right now, I think, is very serious. It is very disappointing that there is not an understanding across this country in terms of the legislative opposition parties, because if there is not an understanding, sooner or later, we will hit the circumstances New Zealand hit in 1985. Most of us know what that was. The consequences were rather severe.

We are doing, in this budget, reductions of 2 and 4 percent. In some cases grants reduced 10 percent, trying to keep the level of expenditure about where it was last year, around \$5.3 billion. I think that is very responsible. I think that is a lot more responsible than just spend, spend, spend until the day comes when you have to reduce expenditures on health or education or family services by 50 percent or 80 percent.

That is what happened in New Zealand. They went from third highest standard of living to 22nd simply because they would not come to grips with

their spending patterns. They would not live within their means.

Canada, over the last 20 years, going back to the Trudeau governments in the federal scene, got into the mechanics of spending. Throughout the '70s, we had a very high rate of growth. We had spending growth on an average basis per year growing at 13 percent per capita. In the '80s, it started to slow down to 8 percent per capita, projected in the '90s at 3 percent. Yet, we have a desire, on behalf of governments, to spend like we did in the '70s and the '80s, and it is totally unaffordable. We cannot pay our bills.

I would ask any member on the opposite side to tell me how they run their household, or their business, by constantly spending more than they are taking in. Sooner or later you face your banker, the person that is financing you and he or she says, hold the line. The buck stops here.

Mr. Acting Speaker, I would be very surprised, I guess, to see any member in the House over there to understand that message, although they should talk to their colleagues in Saskatchewan because they are on the opposite side of the fence to them in terms of understanding the issue.

To listen to Alan Blakeney last night say that there are no absolute rights to have what you want certainly demonstrated that he understands. Over the course of the time when he was in government, I think he was fairly responsible in his spending, but when he got into the '80s, when he campaigned, he campaigned on expenditures. He said last night he was probably mistaken, he probably wished he had not said those things, but he also said last night that the people that are working have a right not to be taxed beyond their capacity to pay.

That is what we are trying to respect here in this province by keeping taxes down on a continuous basis, trying to control our expenditures so we can live more closely within our means.

The Minister of Finance's (Mr. Manness) projections to have an annually balanced budget by the year '96-97 is a responsible way to go, probably should have started that four or five years ago so that we would be in that position today. But we cannot go on with this process of, spend and what everybody wants, we should be able to deliver. It is not affordable. I do not care what political party you represent, you cannot afford it.

To think that you can go out and just tax people constantly to get that money, you will find, like Ontario has found, that the businesses leave town. Jobs leave town. You will see what Ontario is talking about now. Probably what they will bring in, in their budget next month, will reflect exactly what you are facing in this budget here. You have got to keep the taxes under control. You have got to limit your expenditures and try to use some sense of fairness and equity throughout the process of reducing the expenditures.

Mr. Acting Speaker, the program that we all saw, or many of us saw, on New Zealand a few weeks ago I think shocked a lot of people.

I have been around the province and talking about agriculture and about finances quite a bit over the last three to four months, probably spoken 15 or 20 different times in different locations. I tell the fiscal message and I tell the present message that I see for agriculture. In some cases, it is not all that encouraging.

When you ask people who saw the W5 program, they really nod their heads up and down and they really—when you start talking about it, the whole room goes quiet because people know those are the facts. That is what happened.

They can see the parallel that we are on. We are very close to it. I do not think we are being hit quite as hard as New Zealand because we are a more diversified economy across the country, but nonetheless the message for us is that what happened to them can and might happen to us.

By popular demand, I understand, that program is going to be re-aired on, I think, the first Sunday in May, which is good because I know a lot more people will watch it.

The job we have to do as politicians I think, whether you are in government or in opposition, is to let people know what the realities are, let them know why the decisions that are made have to be made. They can very honestly say it does not matter what political stripe across this country, budgetary decisions are fairly similar. The same principle is being represented, and that is that we must control our expenditures. We must not tax people any further than what they are today, because we will not win in the competitive global market.

We in the country of Canada have developed our economy on being exporters of raw product or

processed product—too much raw product, not enough processed, in my mind, over the years. We have done very well with that. We developed a very good standard of living, the highest in the world, according to the United Nations last year. We have done that in only 126 years of being a country. It does not mean that we will continue to stay on that rapid rise. Many, many countries of the world are coming after us wanting to achieve some portion of our standard of living. Certainly Japan and Germany have grown very dramatically over the last 45 years.

You see countries now like South Korea, Taiwan growing rapidly, China coming on stream, rapidly growing, wanting to achieve a better standard of living. They are going to be very tough for us to compete with. Mexico is another example, coming on, wanting to have a higher standard of living, and they have every right to want it. How do we compete with them? How do we compete with them when we have the attitude that we have in Canada in that what our forefathers gave us, we take for granted and say, I want, I want, I want.

* (1520)

Our forefathers came here and said, I am here, I am prepared to work hard to make this a better place for my children. This generation, 20 years from now, is probably going to look back and say, I made a mistake because I did not think of that principle. I said, I want, I want, I want, and what I created was future debt for my children so that their standard of living automatically went down. We are at the peak of standard of living in Canada, as far as I am concerned. If we do not get our act together as a nation over the next four to five years in terms of understanding the realities of competing in the world market, we are definitely going to give our grandchildren a lower standard of living, if not our children, too.

I guess it is frustrating that although more and more people do print those sorts of things, more and more people talk about them every day in this House, we hear the exact opposite as if there is a magic wand, there is some magic way that government can give you everything you want, no questions asked. That is just not the real world, Mr. Acting Speaker.

The industry of agriculture is going through much the same kind of revolution of understanding. We have developed an industry that has been very

aggressive and done a very good job of selling, particularly cereal grains around the world market now for over a hundred years. We started selling one commodity wheat, and now we sell 60 all over the world. Many other countries got into the game over the last number of decades and selling in competition to us. It would probably even be fair to say we still have the superior quality, but a lot of conditions have changed out there. Trade wars have occurred and created lower prices. That makes it tough for us to compete. Then the farm communities come to government for safety net programs, stabilization programs, subsidies, if you like, to fill in the gaps that the marketplace did not fill.

As we look at the circumstances we are in today as an industry—I have been out telling this to the farm community, that we are in a safety net program called GRIP that expires at the end of the '95 crop year. Beyond the '95 crop year, the ability of the government to stay in at the level of stabilization they have been in the last few years is probably very doubtful, given the overall fiscal circumstances that exist. It does not matter what political stripe you are, around that federal-provincial table, the discussion is pretty much unanimous in terms of that particular principle.

As we look at the overall industry of agriculture, there is no question that if we are going to continue to produce at the level we are producing today, we are going to have to continue to export and access export markets all over the world. We are going to have to live more and more on the value of that marketplace returning to the farm gate what it takes to cover our costs and make a fair living.

As I look throughout the industry, there is no question that in the oilseeds and the special crops, the outlook is reasonably bright. In the livestock sector, whether you are talking about cattle or horses—PMU—or hogs, the outlook is reasonably bright. We can get a pretty fair return from the marketplace. We have high quality. We are expanding our production in all of those sectors and doing a very, very good job of accessing that world market.

Mr. Acting Speaker, when you get into the cereal grain picture, it is a little more difficult, a little more clouded by a very severe grain trade war that we have all wanted to see solved over the last five years and that, it is probably fair to say, has not moved any closer to resolution over that period of time. There

is a strong will on behalf of the United States and Europe to maintain that trade war. We as governments—the Province of Manitoba, federal government, Province of Ontario, Province of Saskatchewan, Province of Alberta—have put a lot of money in to offset the hurt of that trade war.

As we look ahead and as I look at our fiscal capacity, I say our ability to continue to put the amount of money in in the future that we have in the past is very much in doubt. I have been trying to convince the farm community to adjust more in terms of producing what they can sell to the market and get back a fair living from the marketplace.

That is the way we built our industry over the first hundred years that the industry has been here in this country, western Canada. I do not think there is any question that is what is going to have to be done in the future in order for us to continue to survive at the level of the standard of living we would like.

Just to give you a brief idea of the health of the agriculture community, particularly for members opposite, you hear a lot of gloom and doom about agriculture and a lot of the difficulties, I think less so in the last year than in the previous years, but there is a lot of economic health in rural Manitoba. Farmers own 80 percent of their capital, 80 percent of their lands, their buildings, their equipment—only 20 percent debt. That is a very, very commendable figure. It has been that way for a long time. Over the last 15 years, that figure of 80 percent equity has not changed. Certainly there is more value out there in land, buildings and equipment, but farmers are doing a good job of being able to pay their way.

The Manitoba Mediation Board, which is kind of a barometer of financial problems in the farm community, the number of cases coming before it has continued to go down each of the last three years. There is another bit of encouraging news. Our ability to access markets, particularly in North America, namely the United States, has grown and expanded very, very much in the last three to four years. We have gone from 1988 of selling \$3 billion of agri-food products to the United States to today, 1992, say, selling \$5 billion. So that is a growth of \$2 billion of sales to the United States.

Every once in a while you read the press about certain farm groups or senators in the United States saying, well, we should not allow this amount or that amount of durum or pork or wheat or whatever in the United States. I think everybody should be aware

that between the United States and Canada, in terms of overall balance of trade in agriculture, the United States still has a positive trade balance with Canada. We sell less to them than they sell to us.

Yes, we sell in western Canada a lot of durum, a lot of wheat, a lot of pork, a lot of cattle, but in eastern Canada particularly a lot of corn comes up there. Right across the country there are a lot of fruits and vegetables that come up into Canada, particularly over the winter months. So the United States does not have a fair argument and say that they do not have equal access to our market. In fact, they have a trade surplus with us, as I have mentioned.

Not only have we increased our sales of raw products to them, as I mentioned, from \$3 billion to \$5 billion over the last four to five years, the percentage of value-added or processed food products being sold to them has also grown by 63 percent. That is the highest rate of growth of penetration into that country by any country in the world. The next highest rate of growth into the U.S. market has been 12 percent by the European community. We have increased our sales by 63 percent.

So we have done a good job of accessing a market that is very close to us in terms of transportation costs. It is easy for us to access it. In terms of the quality of product we have to sell, it is the very best. We are finding many American buyers who did not buy Canadian products five years ago and have bought some over the past few years, have been very surprised with the quality of our products and the constant quality shipment after shipment after shipment that we can put into their marketplace.

The other fact that has been working to our advantage in the United States is the fact that under the U.S. farm bill, the Export Enhancement Program subsidizes the buyers of the various agricultural products from the United States, particularly cereal grains, in other words, subsidizes them to the buyer that pulls the grains out of the United States, stimulates them to be exported and that leaves a vacuum in the United States that we are selling into. They are shorting themselves in many grain commodities, and we are selling into there. The export price that we have to compete with out in the world because of their subsidy is very low, but the domestic price in the United States is quite high. So we are doing very well in terms of price that we are getting in the United States plus the access to the

market has improved, as I have said, very, very much.

Ladies and gentlemen, as we look towards the vote on this budget, it is very obvious what the government is going to do on our side. I would hope that some members on the other side have reflected a little bit on the overall discussion occurring in the country in terms of realities of financing government expenditures, realities of debts that we have put upon our children and our grandchildren by decisions made over the past number of years.

* (1530)

I cannot help but just pull out the article of February 29, 1993, an editorial in the Winnipeg Free Press. The headline sort of says it all. NDP needs to come to grips with the real world. I can assure members across the way that the NDP in Saskatchewan and Ontario and B.C. are all coming much more to grips with the real world than the NDP that I see in this particular House day after day.

Mr. Acting Speaker, in all the discussions that I have had with individuals across rural Manitoba, although they ask for things and they want things, they do understand that whatever they ask for has to come out of some taxpayer's pocket. There is a much greater understanding of the impact of deficits and the horrendous impact of debt that hangs over this country. One may say, well, you are fearmongering by constantly talking about it. I think we do the entire public a disservice unless we do talk about it.

We all know that the money that was borrowed over the last 20 years in this province, in this country, is owed to somebody. It may be the teacher's retirement fund next door. It may be the neighbour next door. It may be a relative 500 miles away. They loaned the money to the various governments of this country. They want the money paid back sooner or later. They want the interest on the money. There is no way that the debts and deficits that now are in front of us are going to vanish or evaporate.

The big job now is just try to get towards zero budgeting, zero budgets in terms of deficits on an annual basis. The overall debt accumulated over time in this country of \$650 billion federally and provincially, when is it going to be paid back? How is it going to be paid back? I would wonder if I stood in this place five years or 10 years from now whether we would be looking at Canada still being the No. 1

country in the world with the highest standard of living, or whether we would look at Canada as decreasing in standard of living annually over the course of time as opposed to the last 10 years of continually having a better standard of living.

I do not like the prospects of going backwards as a society. We have been given a country and a standard of living by our forefathers that was because of the hard work on their behalf, the sweat from their brows. The corns on their hands created what we have. Through our shortsightedness over the last 20 years as governments—it does not matter what political stripe—we have put all of that in jeopardy for our children and our grandchildren. I will never forget—I think I heard the same thing from my grandfather—I would say to the Minister of Energy and Mines (Mr. Downey), what they did, what they wanted to put in place for their children and grandchildren was a better standard of living, a little easier life, and we are sitting here doing the opposite.

I would be very encouraged if some members on the other side of the House were to recognize that today and vote in favour of the budget for whatever reason they saw fit. Their colleagues in Saskatchewan and Ontario, New Brunswick, Newfoundland, B.C. are all making the same decisions we are making, and their colleagues over there are standing up and voting for the kinds of decisions that are in front of us here today.

These decisions we have today are probably made pale in comparison to the decisions that lie down the road unless we have some improvement in the international economy. I say international because we are not isolated from it. We have not, in my mind, been in a recession the last two or three years, we have been in a global economic readjustment. There is no question about it.

I think I can see other countries that have worked a little harder, have a better understanding of economic reality recovering in terms of the international readjustment faster than us because we still have not come to grips with understanding how we got to where we are and how we are going to be able to pay our bills in the future. That is really what life is all about.

We have a global economic system. It is the only one that works. As I mentioned the last time I spoke, I had the occasion to be in Ukraine in Russia, and that really focused me.

An Honourable Member: They threw communism out there.

Mr. Findlay: Yes, they threw it out. They said to me that there was only one government in the world, and that was the international marketplace. All the rest were tinkering around the edges. For 73 years, they tried to tinker, but what they did was destroy the ability of their country to compete in the world.

They very desperately want to get back on the main track. The challenge they have in front of them to get there is rather significant. They do not have the economy, they do not have the training, they do not have the technology. They need it all from the western world, and the western world, I think, 20 years ago could have jumped in and done a job. Today the western world is all strapped with debt, more difficult to jump in.

The recent meeting of G-7 nations clearly indicates a lot of money will be made available. In one way or another a lot of technology will be made available. It is certainly one of the most interesting experiments of my lifetime to see 250 million people over there try to come out of the dark ages and jump into the 1990s in a very short period of time.

It may take them 20 or 25 or 30 years, but I hope that they are able to stay on the course that they are on now, which is one they have chosen and want to get out into the world and compete with us. Yes, that will make things more challenging for us and make it more difficult for us to have the standard of living we have had in the past, but I think it is only fair in the global context that everybody have a chance to a fair and reasonable standard of living.

A fair and reasonable standard of living means the right to work, the right to produce, the right to contribute to the best of your ability. That is what built this province, that is what built this country, and I know that is what is going to continue to make this province and this country strong.

I hope, as I have said before, that some members on the other side will reflect and try to vote in favour of a budget that is going in the direction that the budgets in all other 10 jurisdictions in this country are going to go, the one federal and the nine other provincial.

So, Mr. Acting Speaker, I have enjoyed the opportunity to make a few comments, and I would strongly recommend that all members over there think seriously of voting against this budget

because there are a lot of things in there that they and their constituents probably feel are okay.

Yes, they will probably see some negatives. We all see negatives. Tough decisions are not without some negatives but, by and large, this is trying to put us on the right path that will make this a stronger province for our children and our grandchildren.

Thank you, very much.

Committee Change

Mr. Neil Gaudry (St. Boniface): I move, seconded by the member for Osborne (Mr. Alcock), that the composition of the Standing Committee on Privileges and Elections be amended as follows: Inkster (Mr. Lamoureux) for St. James (Mr. Edwards).

Motion agreed to.

* * *

Mr. Reg Alcock (Osborne): I think before I get into the depth of the remarks I wish to make, I have two things that I would like to comment on. The first is just to pick up on something the Minister of Agriculture (Mr. Findlay) said, because I have heard it repeated in this House many times, and I would like to try to put it in a different context.

The argument I hear coming from the government is that the only condition we have to respond to is the international condition, is the global market and that this, as a result of the fact that the global market sets prices in a variety of commodities, somehow makes it impossible for us to exercise any independent decision making.

He also uses examples of countries like Japan and Taiwan and Korea and others to demonstrate countries that are coming on and being successful in competing in the international marketplace. I would just like to say two things. The first is that the international market, like any other market, is not something that operates independent of the activities of government. It simply does not. It is bounded by governments; it is regulated by governments; it is controlled by governments; it is controlled by agreements that are reached between governments.

The second thing is the countries that he identifies and his colleagues identify as countries that have been successful in the international marketplace are, by and large, countries that have mixed and largely command economies. To suggest that the

Japanese economy is completely unbounded by any kind of government involvement is simply wrong. What they have done is considered carefully the role of government and the role of finance, and they have made intelligent decisions about what their industrial activity is going to be.

Now I have considerable sympathy for the government when they talk about markets and the importance of markets and how markets must be left alone to set prices, because they are an official mechanism for doing that, but I think it is simply a very naive belief to suggest that governments can stand back and do nothing or have no role to play in the operations of markets or in the policy structures that surround them or how a given country responds to them.

I wanted to lay that out because I am going to come back to that theme in a minute. I did have one item that I also wanted to mention, and it is left over, frankly, from my budget and throne speeches for several years now. I just want to make an on-the-record comment about the quality of research support that is given to this Chamber, the government and the opposition, by the Legislative Library and the Legislative Reading Room. I never fail to be impressed by how hard the people who work in those two locations, how hard they work to see that your interests and your needs are met. They are absolutely astounding.

I go to them all the time for assistance when I am looking for economic information or legislative information, information from other jurisdictions, and they have never failed me. I think too often we forget the people who work in the background here and provide support to us, and for a long time I have meant to mention just how indebted I feel to them. I do not want to leave this Chamber without having put that remark on the record.

* (1540)

When I sat down to think about this budget, the sixth budget of this government, the first thought that came to my mind is that the government must be very frustrated. For five full years and six budgets now, the Conservative government has had the ability to make all of the major economic decisions in this province. They had an analysis when they started, and it is the same analysis. We just heard the Minister of Agriculture (Mr. Findlay) give us exactly the same analysis that was given to us by the Minister of Finance (Mr. Manness) in his very

first budget, and it has been the analysis that they have provided this House with in every single budget.

It is fairly simple. It is that somehow Manitoba has gotten out of whack with the rest of the country, with the rest of the world, if you would allow some of them to define itself, that somehow our tax structure has gotten so far out of line with what is happening in the rest of the western world, and somehow our expenditure on programs has gotten so high that we are no longer a competitive province, and that if we simply restrain taxes, change the mix of taxes that we present to the community at large, restrain spending, that we will win the approval of the international financial community and we will win the approval of the business community and that will produce growth, that will produce strength in this region of the country.

I hope I am not being overly simplistic about that. I think, though, that is essentially their argument, that government in many ways has no role to play in the economy, that we should simply sit back, spend less, reduce the amount of involvement we have with the economy, and by all means fight to reduce or to alter our tax structure so that we provide a safe community.

They have done that for five years, done it, not talked about it. They have had five years of unrestricted ability to make those decisions, and they have brought forward six budgets that purport to have followed that particular plan. I would like to add one more element to that. In 1988, when we entered this Chamber—in fact, I had the opportunity to look back at my very first budget speech. I do not pretend to be an economist by any means, but at that time what was being said in this Chamber, what I was saying to the government, and what others were saying to the government is, be careful, we have some serious times coming up. We have a recession over the horizon. You can see it. Get ready for it.

Now, I would like to ask the members of the government, and I would like to ask you, Mr. Acting Speaker, just to reflect on it. What has happened? What has been the result of five full years of implementing the government's vision of the world, and of six successive budgets? Has the wealth in this province gone up? Is Manitoba as a province within Canada better off than it was? I suspect—or not suspect, I know—if you were to go into the data and look at it, you would find that no, Manitoba is not

materially better off today than we were five years ago. Has employment improved? As a result of this policy, have we been able to attract more businesses and provide greater employment for people?

Well, again, if you look at those statistics, if you test that hypothesis, and that is very central—and I know the member for Rossmere (Mr. Neufeld) pays close attention to that—but it is very central to the hypothesis of this government that, if they cut back and if they hold the line, this will provide an attractive environment and we will see growth.

What is the test? Have we seen growth in employment in this province over the five full years that this government has been in control of this province? The answer is no. We have not seen it in real terms. We are not better today, and we certainly have not seen it proportionally. If we look at the portion of the labour force that we held prior to the being of this government and today, we find that we have lost significant position.

But let us look at some other things. What about the percentage of Canadian manufacturing, the percentage of retail sales in this country? Is there an indicator that shows that somehow the government is turning the corner, that they are making an improvement, that they are producing some growth or some positive change for the people who live in this province? Is there a single one? You know, we have been challenging the government for some two years now to produce one, and they have been unable to do so.

I suspect, or I suppose in many ways I hope, that the government is now, or the members who sit there in those benches, who occupy those seats, are beginning to question internally what has gone on. It must be terribly frustrating to sit there year after year after year and watch your carefully-held beliefs, your most cherished political positions put forward, acted upon and then come to such abject failure. It must be exceptionally difficult to be a member of a government who has struggled so hard and had so much ability to implement its vision of the world only to find that vision come to ashes. They simply have not succeeded. By their own test, they have not succeeded in carrying forward a single one, or meeting a single one, of the goals that they set out for themselves when they first came to government.

I was thinking today, you know when you sit back, this government is now six budgets old, and when you stop and ask yourself, what have they achieved, it is hard to put your finger on it. What has occurred? What is different in Canada today from five years ago? What has happened?

Actually, I was framing a question for the Minister of Industry, Trade and Tourism (Mr. Stefanson) today. I thought it would be interesting just to stand up in the House and ask him something along this line: Can the minister point to a single accomplishment in his department in the last five years? Can he name one? Can he tell us how many new industries are here in Manitoba as a result of the actions of this government? Can he tell us how many jobs have been created here in Manitoba as a direct result of the actions of his department? Can he tell us what return we are getting for the expenditure of many millions of dollars on his department? [interjection]

Well, I hear now, I hear a voice from the government. I hear the Deputy Premier (Mr. Downey), as always, defending the activities of the government, and he has told us now in no uncertain terms that lots has changed. I would challenge the Deputy Premier, in the same way I would challenge any member of the government, to tell us what, to demonstrate for us, in a substantive rather than a rhetorical way, a change. [interjection]

Well, now the Minister of Justice (Mr. McCrae) suggests the Deputy Premier (Mr. Downey) is always substantive, and I certainly would suggest that he is always substantial. However, some of the debates he has entered into in this House has been, shall we say, more entertaining than informative. I would sincerely hope that the government would make an attempt to demonstrate for us in some tangible fashion some positive result from their policies, because to date, Mr. Acting Speaker, we have seen very little.

I want to talk about something else for a moment. I want to talk a little bit about a Republican by the name of Ruckelshaus who was the director of the Environmental Protection Agency back in the early '80s. The reason I want to raise him is that there is a case that involves him that is often used when one begins to think about leadership and to teach about leadership.

The situation was a classic environmental problem, where you had a company that was

processing products and producing significant pollution into an area, such that at times children were having difficulty going to school. There was a definable history of people having skin problems and eye problems and all sorts of conditions that were caused by the output of this mill, and clearly there was a need for the Environmental Protection Agency to act. There also was at the same time a problem in that the majority of people who were the parents of, or the beneficiaries of, the wealth-producing capacity of this mill, were the ones living in the town. Like many industries, it was marginal enough that the immediate heavy investment in pollution controls, it was believed, would put the mill into such a position where it would be marginal as to whether or not it could continue to operate and would raise the question as to whether or not it should close.

* (1550)

Now, Ruckelshaus as the director, the newly appointed director of the Environmental Protection Agency, was faced with the ability to make a decision. He could go in and he could order the mill to meet certain pollution controls. He could cause that to happen. He also could provide some federal government assistance to allow them to improve their environmental controls.

What is interesting and what was proved to be noteworthy, or felt to be noteworthy, and what remains now in the leadership literature, if you like, is the way he did approach the problem. He did not sit in his office and make the decision on behalf of the communities or on behalf of the company. What he did was create an environment that forced all actors to work together. He created an environment that meant that the people who owned the mill and the people who lived in the town who suffered the effects of the mill and the people who worked at the mill, or the people who represented them, were forced to come together and to work together and to process this problem.

He refused to intervene when they could not decide, but he insisted that they continue to work on it. What he did, that I think is felt to be so noteworthy, is that rather than siding, rather than taking the easy way and simply making a decision based on some political calculation of what was in his own best interest, or his government's best interest, he dealt with the problem seriously and he worked with the people to a conclusion that benefited all of them. The mill stayed open, the

pollution got reduced, the jobs remained, the environment was protected.

I think about that because one of the questions that comes to mind is this question of leadership. Is this government exercising any leadership or are they simply—and I do not in a sense fault the members of the government for being politicians. All people in this House are politicians, and all people in this House respond to political pressures.

(Mr. Speaker in the Chair)

However, Mr. Speaker, I think that there is a responsibility that goes beyond simply meeting the needs of your own side of the equation. There is a responsibility to the public at large in this province, and I think the government is failing desperately (a) to provide any leadership at all in their decision making, and (b) to do anything that provides any challenge to the community around how we develop this community.

If I have anything that worries me about the direction this government has embarked upon it is that it is an exceptionally narrow political agenda that is driving the financial management of this province. I think that is very sad, because I think by making victims out of certain groupings of people—the government I am sure has sat down in a back room and I am sure has looked at their polls and talked to their focus groups and decided that the people that they are hurting with their budget are people that may not vote for them anyway, and that they are not going to lose a substantial number of seats, and that they have done all of that kind of decision making. I think it is very sad.

I think it is sad when you see a government making decisions and playing with them in such a way that essentially is designed not to inform the community but to disinform the community. I think the Minister of Finance (Mr. Manness) is inherently dishonest when he stands up and says he did not raise the sales tax and, at the same time, he broadens the base of the sales tax. I think it is a cute game to play, and political scientists and political tacticians may find it interesting, but it is wrong. It is dishonest. It does not advance the awareness of the community. It does not force the kind of restraints that the minister wishes.

It is simply another way of expanding the revenue base of the government while pretending that it will not, and it does so in an exceptionally regressive fashion. It is not the constituents or the interest

groups that this government chooses to pander to that are going to be hurt by this decision. It is a much more narrow group, and it is a group that—I suppose can be argued by the government as, you know, I am sure it does privately—is not going to vote for the government in any event. It is not leadership. It is not trying to advance the affairs of this province in a way that improve the conditions within this province for all Manitobans. It is a decision that advances the interests of a certain sector of this province, and I think that is wrong.

I think it is wrong when you see a government at times that are as tough as this making decisions in the interests of a small segment of the community rather than in the interests of all of the people in the community. I think it is wrong when you see a government in times like this, when the times are as desperate as these ones are for a lot of people, when there are as many people out of work as there are, that makes the kind of extremely cynical decisions that this government has made, and we have seen a lot of those very cynical decisions made by this government.

I mean, one of the classic ones for me in this last go around was the question with visa students. You know, the government felt, and I had members of the government tell me, that nobody would advocate on behalf of the visa students, that it was not anybody's political interest. They could not vote, and we knew, nudge, nudge, wink, wink, that everybody really did not care what happened to those people.

I think that is wrong. I think that kind of cynicism coming out of a government is indefensible. I think that the government is charged with the responsibility of governing on behalf of all of the people who live within the boundaries of this province and defending the people who live within this province.

If there is a test that you can hold up for this government, it is that they failed that. They do not do it. This government is prepared to victimize and to see victimized a considerable number of people in this province, and I think that is very, very sad, because I do not think that that strengthens anybody in this Chamber or anybody in this province. There is a point at which we all go back onto the streets of this province and we all try to live a life and raise our families and act as citizens in this province, and it is unfortunate when we have a political debate in this

province that supports one element of the community over another.

Frankly, I do not hold the government any more responsible in this one than I do the New Democrats because I think they would do exactly the same thing, on the obverse. They are the other side of the coin, and I think it is sad when we see the members of this Chamber taking the amount of time that they do simply exacerbating the class divisions that exist within this community.

Mr. Speaker, I want to end on a different note. I will support the government largely in the cuts that it wishes to make. I have no difficulty with the arguments they make around the fiscal position of the province, and I applaud the Minister of Finance (Mr. Manness) in a couple of respects. I think he has understood the message of the international financial community, and I think he has worked diligently to get the books of this province back into a position where we are indeed in perhaps a more enviable position than other provinces in this country or some of the provinces in this country. I think that the Minister of Agriculture (Mr. Findlay) was a bit misled when he read the article from *The Globe and Mail* about the debt loads of Ontario and Quebec relative to Manitoba, because obviously they have a much bigger base to support that on, and a much better credit rating as a result.

* (1600)

Where I fault the Minister of Finance and where I fault the government is that expenditure control is only one part of the solution. The example that often gets used is the classic case of the buggy whip manufacturer at the turn of the century who is faced with the advent of the automobile and needs to make a decision. Does he continue to produce buggy whips?

He can certainly do it; there is still a market into the 1990s for buggy whips. It is a smaller market, but he can be profitable if he gets his expenses under control and he allows his organization to downsize and he continues to produce a decent product. He can do that. He can just shrink down to whatever market size exists for his product. Or he can become more aggressive and he can invest heavily in research and development, in retraining, re-equipping and he can get his labour force and his company into the position where they can produce another product, a product that is more saleable in the new market.

I think the problem that I have when I look at the decision making of this government over now six budgets, and five full years of implementation, is that they have only beat one side of that drum. All that they have done is the reduction side. I think their own information tells them it has produced nothing. It has not produced the results that they wanted. They have not seen the turnaround that they have hoped for, and again, I ask the Minister of Industry, Trade and Technology, what have you accomplished? What business has come? What growth? Where is the product? Where is the end-point of your rhetoric?

You stand up and say, well if we just do this, if we get this tightened up, if we get this reduced, if we get ourselves into a more competitive position relative to the rest of Canada, we will do better. We are not doing better. We are doing worse. The fact is we are not better.

I mean, it is possible to cut through any pile of information and say, well, in this area we have seen the change and that is true. It is also a fact. The Finance minister has said that we are not in this House often going to put on the record good news, and I will put on a piece of good news. Our unemployment rate is the lowest in Canada or among the lowest in Canada. Now it has been for a very long time. I do not credit the government for that. I think there are all sorts of reasons that can be argued around the unemployment rate as to why it sits where it is, but it is an indicator that looks not too bad. Unfortunately, it is my belief that it is a result of migration and out-migration and the ability of people to move away from the desperate conditions in this province.

You would have thought that if the Finance minister's and the government's analysis was correct, if it was correct when they first came to office, and at the end of five years of implementation of that vision you would have thought that you would see some upturn. When you look at the macro indicators of share of national wealth, share of national employment, job quality relative to the rest of the country, we are shrinking. That is the problem. I mean, I have some sympathy with the Finance minister. It must be terribly frustrating to sit there and to have been able to have the government hold to this line for five years and produce nothing, in fact, to produce a province that is worse off today than we were five years ago. I have great sympathy for him, but that is the fact. [interjection]

Now, the Deputy Premier (Mr. Downey) says that is not the fact, but I invite the Deputy Premier to sit down with the data from Statistics Canada and work it out. It is not a complex piece of math. The fact is this province is worse off today than it was five years ago. I only hope that the government will wake up at some point and realize that there is a need for government to act. You cannot be 25 percent of the economic activity in this province and pretend that you do not have an impact on the affairs of the province. You have got to look at that other side. You have got to look at that redesign, rebuilding, retraining, reinvesting side, if you want to see any revenue development, or you are just going to see more of the same.

You may become the buggy whip manufacturer of 1990 that has a nice little business. Manitoba may shrink down to three-quarters of a million people or to 600,000 people or whatever the natural resource and agricultural base will support toward the year 2000. That may provide a very high quality of life for a smaller number of people, but is that the Manitoba that you promised us? Is that the Manitoba that you campaigned on? Is that the result you offered to Manitobans when you came to government, because it is not? You laid out your plan, you followed it for five years, you said it was going to produce a particular result, and it has not produced that result. I think it is time for change. I think it is late. I think it is time for change. It is time that the government woke up to the fact that there is another piece of activity here.

Now I understand, out of a desire to get everybody in, I have been asked to cut short my remarks. Can you tell me how much time I have left? [interjection] 11 minutes if I actually understand the agreement here. I have one—five on the agreement? Okay.

I think I will then just go into one other little area that I wanted to comment on, because I think it is worth thinking about. I noticed with some interest that the Innovations Council has put out a report from their workshop that they held last fall. I noticed that once again we have a document from an organization that is sort of close to the centre of this government that talks very strongly about the need to improve research and development and training in this province.

I am somewhat surprised when you look at the policy decisions taken by this government. If you believe that it is important to invest in training and

education, if you believe that, if that is one of the statements that you think is central to a healthy province or a strong province or a growing province, then it is very difficult to explain the activities of the government.

In fact, if you look at the percentage of the provincial budget that has gone into post-secondary education since this government came to power, you will find that it has dropped every year. You will find that this government has abandoned the universities, and it has followed that policy since the day it came to office. You will find that this government has abandoned students.

Do you know the highest failure rate or the highest noncompletion rate among university students is among university students who have to work a significant amount of time in order to support themselves? The only thing this government has done in the Student Support line for post-secondary education students is allowed them to work more. That is the policy decision that this government has made in support of students in this province. I think it is shameful.

I think it violates—it is such an oddity to me, as is unfortunately a lot of the decision making of this particular government, that they say one thing, they proffer a particular solution and then they do not act on it. They do not do the kinds of things that would follow through and give some strength to their policy. They do not provide the kind of support that could be, at least theoretically, believed to lead to the stronger province which they purport to promise us.

Mr. Speaker, I am disappointed, not surprised though. There is nothing in this budget that surprises me at all. It is more of the same. It is the same message that we have seen out of this government since 1988. It is the same message that has failed this province year after year after year since 1988. It is the same misguided view of how the economy works in this province and in this country. It will produce the same result—fewer people, less growth, fewer jobs, less quality in the jobs that are here in the province and a continued shrinkage to a point which—and this may be the hidden plan of the Finance minister. This may be the plan that he is afraid to talk about. They are just going to manage the decline in this province until they get to a point where they feel it is producing the kind of quality of life that they are prepared to live with.

I do not think it is the vision that Manitobans want. I do not think it is the vision that Manitobans believe this government is attempting to live up to. I think it is a sham.

Thank you, Mr. Speaker.

Hon. James McCrae (Minister of Justice and Attorney General): Mr. Speaker, I rise in this debate on the 1993 budget of the Minister of Finance (Mr. Manness) to support the decisions that are contained in the budget documents tabled by the Minister of Finance on budget day.

I do so not with any feeling of pleasure at some of the decisions that are indicated in the budget documents because, as has been stated and has been pointed out very clearly, the decisions have not been easy decisions to make. But, Mr. Speaker, we as politicians were not elected just to make the easy decisions all the time; we were elected to do the right thing for the people of our province and the people in our constituencies. What is reflected in this budget, after much deliberation in its preparation, I can tell you, is the right thing for the people of Manitoba.

* (1610)

In making my comments, I do not think I should let the opportunity pass without paying tribute to the honourable Minister of Finance (Mr. Manness) for the work that he has been doing for this province we love for the last five years and through six budget cycles.

This government set out on a plan, a well-thought-out plan, a plan that took a lot of energy and a lot of careful thought. We set out to carry out this plan in 1988. The plan is the right plan.

We listened to the honourable member for Osborne (Mr. Alcock). I listened carefully to what he had to say. I thought his contribution was a thoughtful one, and the views he expressed he honestly feels, but I believe his analysis is wrong because his analysis tends to be saying, well, you know we are still making those hard decisions and we do not see the pot of gold at the end of the rainbow yet. I think that is what he is saying, but that philosophy reflects the we-want-it-all-now approach of Liberals and New Democrats that goes back to the early '70s. That is what is wrong with the honourable member's analysis of the budget of the honourable Minister of Finance.

The thing I like about this budget is that it is like the Holiday Inn where the best surprise is no

surprise. The approach has been to follow that plan that I made reference to a moment ago, and not to get sidetracked by arguments raised by members of the opposition, by demands made by special interest groups, and not to be thrown off the path of what is the right thing to do for the people in this province.

That is the path the honourable Minister of Finance (Mr. Manness) and this government have been on. It is to try to pave the road to stability, and the only way to pave that road is by using sound judgment and proper principles and by sticking to the plan.

If the honourable Minister of Finance were to yield to the demands of members opposite and others, it would be to say the plan has been the wrong plan. It is no surprise that honourable members opposite who perform a partisan role in this place take the position they do. They would like to be on this side of the House. That is the way politics works in our parliamentary democratic system. The point of it is that some of the brighter and wiser people on the benches opposite know in their heart of hearts that they are just glad they do not have to be on this side to make some of the decisions that they will agree in their heart of hearts are necessary to be made.

It gives us no pleasure, for example, it gives me no pleasure as a representative of southwestern Manitoba from Brandon, to have to support some of the program reductions you see in this budget, things like rural dental programs, Mr. Speaker, things like friendship centres, foster parents, Victor House. Those are painful decisions but, unfortunately, necessary decisions.

Since we adopted that we-want-it-all-now approach back in the '70s, from the day that we began that approach as a country, we set out on a path that was only unfair to our children. The we-want-it-all-now approach means that we get it all now and the kids pay for it later. Mr. Speaker, that approach is not sustainable.

Bankers from around the world are making it very clear to us in all parts of this country that that approach no longer is acceptable and, if you really think about it, it is totally unfair to future generations. It is no secret that the programs we have been enjoying but not fully paying for have to be fully paid for. The bill will be sent, compliments of us, to our children if we do not halt that particular spiral.

So the reason I spend a few moments talking about the honourable Minister of Finance (Mr. Manness) and the sound judgment that he brings to the task at hand is to make the point that we made a plan, it was the right plan, it is the plan that people have supported both in 1988 and in 1990.

The people of this province know that is the way we should be going, and they are saying to us, do not yield to members of the New Democratic Party and some of their supporters who cry out that we just carry on spending, spending, spending and taxing and taxing and taxing. It is such an easy message.

An Honourable Member: Do not forget the Liberals.

Mr. McCrae: And to some extent the Liberal Party as well.

It is such an easy message because it is a promise of spending, it is a promise of programs, it is a promise of the kind of growth in government that began essentially in the '70s and that brought support to governments that embarked on that kind of program.

It was shortsighted. It had no eye to the future and had no care for those who come after us. That is why I got into politics. I assume that is why honourable members opposite are in politics, but their view of looking out for the future is remarkably different from my view of looking out for the future. Their idea is, let us enjoy it all now and to heck with the future. That is what it comes down to. I know they do not say it that way or even feel it that way, but that is the fact. Look at the public accounts of this country, and look at the direction we are going. That is the result of their brand of thinking.

I hear the honourable member for Flin Flon (Mr. Storie) speaking from his seat, talking about bankruptcies and talking about other hardships that we are experiencing in this province and elsewhere as a result of recessionary times, as a result of bad government planning of the past and as a result of taxation policies that have led people and companies to the brink of bankruptcy and indeed to bankruptcy itself. The same person who promotes those kinds of policies is now sitting and complaining from his seat that we have indeed these awful results of those kinds of policies.

I guess that is the nature of politics, Mr. Speaker. You can just say anything you want at any given time as long as it is convenient and is the right message

for the moment. The we-want-it-all-now message is always popular, but it is not sustainable.

Honourable members opposite need to be told and told and told again that their method of dealing with the public finances stands for nothing else but taxes and spending and deficits and a growing and massive public debt which we saddle our children with.

It was Mackenzie King, a Liberal, who said that yesterday's promises are tomorrow's taxes. Well, we have been living with those taxes because of those promises that were made yesterday. We are still paying, and we are going to ask our children to pay for programs that have long since disappeared, do not exist anymore. Mr. Speaker, that is not fair and our government does not stand for that. We are making a concerted effort in the most competent way that is possible, to prevent the people of tomorrow from having to pay for our mistakes and our way of life that we have enjoyed.

Mr. Speaker, the budget attempts to provide that the cost or the pain of dealing with the problems that have been created for us by those who came before, that pain and that duty is shared as fairly as we can make it. That is why I support things like asking people who are paid by taxpayers to make a contribution to the effort. I think that the approach of asking public servants to work 10 fewer days in the course of a year is an innovative approach.

Of course, it is not easy to ask people to do that kind of a thing, but I guess we need to remind ourselves that the easy approach has been tried. It has failed and it has failed miserably, and it has not worked to the benefit of the taxpayers of this province, many of whom are publicly paid people. We do not hear from Peter Olfert and we certainly do not hear from honourable members opposite, but there are a lot of people who work for us year in, year out, and do a good job and they are pleased that many of them will be able to continue to do that because of this particular policy.

* (1620)

I think it is a better policy, frankly, than massive kinds of layoffs that would have been necessary if we followed the pattern set out by the New Democratic Party, because they would have been forced to the position of layoffs. They would have checked with their friends in the union movement and said, would it be all right for us to ask you to take 10 days off this year without pay? The answer, of

course, well, no, we do not want to accept that, and they would have been forced to take the simplistic approach of just having massive layoffs. They will sit from their seats and say, well, no, we would have just raised the deficit higher and made the government into a massive employment program; that would have been our approach. And that would have put us right back to where we were in the first place, Mr. Speaker, which is the wrong place to be in the '90s.

The world is changing, Mr. Speaker, and some people in this world have noticed that the world is changing. Others have not. Those who have not sit on the benches opposite. They think we are still living 20 years, 30 years ago when we were in inflationary times and could spend our way out of almost anything you could imagine. Those days are over and honourable members opposite would do well to wake up and understand the world as it is today, not as it was 30 years ago. Remember that they represent people now, not the people of 30 years ago.

I am delighted that the Minister of Finance (Mr. Manness) has seen fit not to raise the sales tax which seems to be the first thing that people like honourable members opposite would think about. The Minister of Finance has seen fit not to raise the income tax, which we know that honourable members opposite thought about and did many, many, many times and to pay for what? To pay for programs that have long since disappeared and never were paid for. I am very pleased because the payroll tax has again been adjusted to remove some more businesses from having to pay that tax on jobs.

We sometimes do tend to get into the philosophical side of these debates, but the point of it is, small business is the engine of this province. Small business is the kind of enterprise that puts most of us to work, puts most of our youngsters to work and gets them started in their working careers.

If we want to risk putting more businesses into bankruptcy, as the honourable member for Flin Flon (Mr. Storie) refers to, I do not think we should be taking that risk, because we have too many people who need jobs. The honourable member wants to put businesses out of business; I say that is not an approach that is going to help either the business sector or the people who want to work in them.

I am pleased that other corporate taxes have not been increased too. I know that the standard

response of honourable members opposite is, well, similar to that used in what used to be communist countries, make the rich pay. You know, the other refrain comes from George Bernard Shaw, and that is governments that continue to rob Peter to pay Paul can generally count on the support of Paul. Well, the point is that Peter is broke, and all of those Pauls out there are starting to wonder about governments who have supported them so much in the past, because those have not been dollars that have been well spent. They have been dollars that have been flushed down the sinkhole, so I think that everybody benefits when taxes are brought under control.

I am pleased to be able to say that, whereas a few years ago under a different government in this province, Manitoba was the highest-taxed province in this country, we have fallen back considerably and taken our place in this country and made ourselves more competitive. We are going to be ready to embrace the future better than we would have been had we continued with the policies of the previous government.

Mr. Speaker, I am also pleased that—[interjection] The honourable member for Flin Flon (Mr. Storie) suggests that the facts would throw me off from time to time. I admit that sometimes the honourable member for Flin Flon throws me off for this continuous chattering from his seat, but I am not afraid of the facts. I think the honourable member for Flin Flon has demonstrated on the Treasury benches that he has definite problems with facts and not facing up to them.

I am pleased to see the ongoing support that this government has provided to the agricultural community. Certainly, the business community and the agricultural community and all of our communities survive and continue in even these difficult times because of the work done and the support generated by the agriculture community.

Farmers are the people who generate the quality of life that we enjoy to a very large extent in this province. I think that it is not just because we like farmers, which we do, of course, but because they do provide our communities with a reason for continued existence. You know, there would not be any Brandon, I suggest to you, if it was not for the agriculture that drives the economy of that area. There would not be many, many other communities in this province if it were not for the agricultural activity, so I think governments have to continue to

work in partnership with agriculture to ensure that we have a viable industry in the future.

Obviously, agriculture is going to have to change as is business. Politicians are going to have to change too. We are going to have to recognize that global economy in which we all work is changing very significantly, but farmers are among the best entrepreneurs around. They have demonstrated over the years that they can adjust and be ahead sometimes of the evolution of the global economy, so I think we have to continue to work in partnership with them to ensure that we have a nation that we can continue to govern, and provide programs to people through government and through the private sector as well.

Mr. Speaker, there have been changes in taxation, changes in property taxation. The sales tax has been spread out somewhat, and those are necessary decisions to be made, so that we can continue to finance the health, social services, education programs that we must have in order to have a viable society. While we do not take pleasure in tax adjustments that are going to cost anybody—in fact, we have acknowledged in the budget that some of our decisions will cause some hardships—while we regret that, we prefer that it not have to be that way, unfortunately those are decisions that have to be made by responsible governments.

The only thing I can say about that is that if we had not been following the careful stewardship of the Minister of Finance (Mr. Manness) over the past five budgets, I say to honourable members opposite, things would have been much, much worse. I know that does not come as the kind of comfort that some people would like to get as a result of some of the decisions made in this budget. The fact is, it would have been far, far worse for all of us, not only this year but in future years, had we not stayed the course of responsible government, responsible spending in the past.

The honourable member for Osborne (Mr. Alcock) talked about spending, and seemed to imply that we have placed too much emphasis on the spending side of our budget making, and I guess what he is really saying is that we should have been spending more, indeed he and his colleagues in both opposition parties have pressed for the reinstatement of every single reduction that was made, it seems, in this budget and those announced previously. Well, if we followed that course, we

would be right back to where we were, that “we want it all now” approach that has been so unsuccessful and has led us to so many problems as a country and as a province. We must stop that approach. I think we are doing just that and we are preparing ourselves and our children for the future.

* (1630)

When you use a wrong analysis, as the honourable member for Osborne did, you are very likely to, and absolutely you are going to, arrive at the wrong conclusion. The honourable member's conclusion is that woe is us, that nothing works, that everything is bad and there is no silver lining and there is nothing good about anything going on in this province.

I was in opposition once, and I know, Mr. Speaker, how negative opposition members sometimes can be. Indeed I have to confess that once or twice, I was negative myself in those days in my approach, but I am very glad to say that I try very hard not to be negative anymore. But I think that is what is wrong with the analysis and the conclusion of the honourable member for Osborne, because all is not woe, there is lots for us to be hopeful about here in the province of Manitoba.

Economic indicators demonstrate that Manitoba is indeed taking its place as a very strong player in the Canadian economy. We have improved considerably our position vis-à-vis other provinces, our competitive position, and whether you take a left-wing approach or a right-wing approach does not really matter because the fact is the competition is there. Competition is a reality, and you can argue all you like about the realities, but the fact is they are still there.

That is the part that makes debate so interesting and sometimes superfluous because the realities are still there. We can ignore those realities if we want and make the wrong decisions, and then we get into a worse condition than we are already in which is where I suggest we would be if we were not making the decisions that you see reflected in this budget which, as I have said, I will be supporting.

Just for an example—I talked a little bit about taxation. The honourable member for Flin Flon (Mr. Storie) spoke about deficits. I heard him use the word “deficit” and how we are still showing a deficit. Indeed we are. But we are also showing a plan, a realistic plan, that will see that deficit reduced to zero within a foreseeable number of years, and that is not

something you ever would have seen with honourable members opposite, Mr. Speaker.

While we are talking about taxes, the recent Conference Board report showed that there are many, many hundreds of millions of dollars in the pockets of Manitobans as a result of the policies of the honourable Minister of Finance (Mr. Manness) for the province of Manitoba. That is good, Mr. Speaker, not bad. That is good, where you can have people with spending power, and not leaving all the spending power to government.

The honourable member for Osborne (Mr. Alcock) referred to the fact that some 25 percent of economic activity is generated by government and that, therefore, we should not take the approach that the private sector has to do everything. Well, he is right that governments have a lot to do with the economy when we have the taxing and spending power that we have as government. We have been taking too much out of the pockets of Manitobans for far too long, and this government is the only one in recent years that has started to go in the other direction. Thank goodness this government has. Think of the mess we would be in if we had not made the choice we made in 1988 to get rid of those honourable members opposite and replace them with a government that cares about people.

So, Mr. Speaker, as I said, we have not in the past been fair to the children of the future, the grownups of the future. We have not been fair to the farm economy, the agricultural producers. We have not been fair to the business community. We have not been fair to the women, to the men, the children, the older people, the new Canadians, the aboriginal Canadians, the daycare operators, the foster parents. We have not been fair to health care providers, to educators, to factory workers. We have not been fair to anybody with the approach that we have been following in the past, and I use the word "we" advisedly and refer to the direction we were going prior to the election of the present government in 1988. Since that time the plan embarked on in 1988 has been followed carefully, competently and faithfully by this government, and it is not the wrong plan as suggested by the honourable member for Osborne (Mr. Alcock) in his faulty analysis. [interjection]

I hear honourable members opposite talking about all the favours they have done for us in the past, and I say, please, do not do us any more favours. The people of Manitoba cannot stand any

more NDP favours, because those favours that the NDP have provided for their friends, and a few others, have got us into the mess that we have found ourselves in and that we are slowly working our way out of. If honourable members opposite want to ignore the reality and ignore the real economic indicators out there that show that we are heading the other direction, then they will pay the price for that next time they ask the people for their support, because they are going to be offside with the people whose views they say they represent.

Mr. Speaker, I invite honourable members opposite, in both parties, to think really, really hard before they decide to vote against this budgetary measure, because if they think really, really hard and listen to their constituents instead of just whipping up whatever anger they can find out there, if they would actually listen to people, they might find that there is support out there and lots of it for the approach that is being taken by this government.

There are some honourable members opposite who, no matter what the issue, it is a philosophical issue. You know, no matter what the issue, whether it is the environment, whether it is resources, whether it is fiscal or economic, whether it is health care or education, it is always a philosophical approach—the Tories on the one side and the NDP on the other, or the Liberals on the other. It is always like that. Well, Mr. Speaker, issues do not always just fit into neat little philosophical boxes. You see, the people out there are too smart for that approach, this philosophical approach that the honourable members opposite want to keep harping at.

It is that hidebound, 30-year-old approach that has not been changed that is going to put NDPs and Liberals under for some time. They do not want to recognize that the world is changing. We cannot just build a little fence around our country and pretend the rest of the world does not exist, but if they want to keep putting that message across, I am sorry, Mr. Speaker, but the people are smarter than honourable members opposite.

The people of this province and the people of this country ought to be listened to by their politicians instead of just hearing from honourable members opposite, and the likes of them, spouting their left-wing philosophy. It did not work in the Soviet Union and it does not work in this country. It never has worked in this country, and I suggest to you it is not going to, certainly, in the '90s when we are in a

global economy that calls for nonphilosophical approaches but correct approaches.

Thank you, Mr. Speaker.

Mr. Speaker: Order, please. Prior to recognizing the honourable member for Dauphin (Mr. Plohman), I will recognize the honourable member for Gimli with his committee changes.

Committee Change

Mr. Edward Helwer (Gimli): Mr. Speaker, I move, seconded by the member for Niakwa (Mr. Reimer), that the composition of the Standing Committee on Privileges and Elections be amended as follows: the member for Lac du Bonnet (Mr. Praznik) for the member for Roblin-Russell (Mr. Derkach).

Motion agreed to.

* * *

Mr. John Plohman (Dauphin): Well, we have had, Mr. Speaker, eight days of debate on this budget, and if it was all of the same quality from the government side as the last speaker's, then we know that they have been a dismal failure in defending this budget—dismal insofar as keeping to the facts about the history of Manitoba and the previous records of governments, not only of their own government, but of the governments that came before them.

What we have seen here I think, Mr. Speaker, is a budget that has attacked those who are the most vulnerable in society. Those who are least able to pay have been foisted with a major tax increase.

* (1640)

This sixth budget of this government comes as a result of five previous failures insofar as budgets are concerned in this province, and what we see the results of are the poor economic planning by this government insofar as the economy of the province, the failure to move the province out of the recession that we have been wallowing in for the past number of years during the Tory government, and additionally we have seen the budget mismanagement of this government.

Those two major principles are what I want to deal with in this budget speech in the time that I have, because clearly the economic policies of this government have failed. They have failed over the last number of years. As I mentioned earlier, through six budgets we have seen the results.

As a matter of fact, we have just come off what is, I am sure, the greatest shame for this Minister of Finance and these ministers in trying to face themselves and their families, their constituents, their neighbours, their communities, and that is the largest deficit in the history of this province, \$862 million deficit, as clarified by the member for Rossmere (Mr. Neufeld).

They have attempted to portray it as \$562 million. When you add on the rainy-day fund and you add on the fact that they have not allowed for \$100 million in money they owe to the federal government, we have a budget deficit this year of \$862 million. Even if we took the lower figure of \$562 million we would still be the highest in history, because the previous high was \$559 million; \$562 million, but we have to add on that other \$300 million, as the member for Rossmere, an accountant, has said in this House. That \$862 million accurately reflects the kind of ballooning deficit that this government has experienced.

And they want to talk about management? They want to tell us how to manage the economy and manage the spending of this province. It looks to me that we are dealing with Grant Devine all over again here. We can only look to Saskatchewan to see the mess that the Conservatives have placed that province in, and it would be extremely unfortunate to see that same mess happen in the province of Manitoba. It has come about as a result of their spending decisions and their taxing decisions and the fact that they are not recognizing a major problem that we have in our economy today, and that is unemployment. If people are not working, they are not going to be paying taxes. They are not going to be contributing to the government's coffers. They have failed in dealing with that issue and moving this economy over the last five budgets, and the sixth budget which we see today, of course, is even more of a failure.

What bothers me when I look through these speeches and I look through the information that has been coming out from ministers of the government is that they are trying to misrepresent facts and the history. Throughout the Minister of Finance's budget speech you can see that.

As a matter of fact, for example—and I will just show you one example of how a piece of misinformation as far as the total story is concerned is carried on by other ministers—the Minister of Finance said that 42 cents of each Manitoba

personal income tax dollar goes towards servicing our debt. What he does not point out is that is only 25 percent income tax, is only 25 percent of our total revenue dollars for the province, so that we are dealing with only a quarter of our revenue source in the first place, so if you divide that by four, we are down to 10 percent of our total revenue used for servicing our debt.

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

Now, that debt that we are talking about is our combined operating and capital debt that we have in the history of this province, \$6 billion dealing with paying for all of our highways, with all of our hospitals, with all of our schools, with all of our government buildings, all of the capital that has been spent and the operating cumulative \$6 billion. It is not 42 cents of each income tax dollar. That is the relevant point here. It is 10 percent of the total budget, which is the second lowest in the country—in Manitoba, the second lowest. Has that ever been told to the people of Manitoba?

What are they trying to do here? Fearmonger, to leave the public with the impression that the deficit is going to drag, at this point in time, this province into oblivion, and that it is totally unmanageable, that it is the worst in the country. Yes, we have a serious deficit brought on by this government's policy. Look at the fact, \$862 million this last year alone. It is more than double of most other deficits in the highest years of the Pawley government—for two years. So what we have, they say 42 cents of each income tax dollar goes for servicing the debt. As I have mentioned, it is irrelevant in terms of the total revenue. It is only 10 percent of the total revenue that goes to servicing the debt, but they talked 42 percent.

Then the Minister of Education (Mrs. Vodrey) picks up this little tidbit and puts it in a letter that she sends out to 12,000 teachers and, gosh knows, how many other staff throughout this province, costing about \$8,000 or \$10,000 to mail this letter out to every teacher in the province and staff in the province. She uses the same irrelevant figure, a misleading figure designed to fearmonger on the deficit, designed to fearmonger to get people upset to think that they have been living beyond their means. That there is no other alternative. This government has not taken the appropriate economic policies to lead this province forward, to

eliminate the deficit, to create jobs and stimulate the economy.

Let us look at the past. We can look at the past. We can look at the future. We can make comparisons. The deficit has never been as high in the history of this province. It is these mismanagers, this government here that has mismanaged the economy of this province.

Now I think we have to look at the ideology, Madam Deputy Speaker. I heard the member for Brandon West (Mr. McCrae) talk about tax-and-spend of the previous government. Well, if we have ever seen spending, we have seen it from this government at \$862 million in all the wrong ways—mismanagement of spending, clearly, \$862 million. It is mismanagement when we see the largest deficit. But in terms of taxing, when the Minister of Justice, the member for Brandon West, became part of government, he inherited a tax regime; at \$40,000 for a family of four, that was the second lowest in the country, not the myth that they tried to perpetrate on the—[interjection]

The Minister of Northern Affairs (Mr. Downey) is saying, not true, the highest. He is still believing this rhetoric that has been handed to him in the back-rooms in the briefing sheets of misinformation that have been handed to him time after time. So, naturally, he continues to believe that it was the highest tax regime. At \$40,000 it was the second lowest in the country. Remember that our debt-servicing costs are the second lowest in the country right now. Keep that in mind when you go out and try to tell the people of Manitoba that we are just short of bankruptcy.

Where they are just short of bankruptcy is in Saskatchewan where they had a Conservative government for eight years, the government of Grant Devine which ran that province to the brink of bankruptcy.

That is what we saw with Conservatives, not in Manitoba to this point, but if we give these Conservatives a few more years we might be at that stage because of their failed economic policies at the same time that they are tearing apart the fabric of society and the fairness and equity that has been built into the society in Manitoba through the work of such New Democratic governments of Ed Schreyer and Howard Pawley, and the efforts of the CCF and New Democrats at that the national level that have made us a more caring society in this

province, in this country, than we have seen in the United States.

Through the efforts of these Conservatives to Americanize our country, to do away with those social services, those support services that provide equity and fairness in society that have made Canada a caring nation, that have made Canada unique in the world today, to tear apart those special programs and the fabric of Canadian society is the mission that these Conservatives are on, pushed by Brian Mulroney, supported by Gary Filmon and his Conservative bunch here in the province of Manitoba.

So they are tearing up the fabric of society through unfair measures that they have put in, and let us look at a few of those.

Over the last number of years they said, we are not going to provide adequate funding for the public education system. They only provided about 13 percent increase over the last five years, including this year's budget. To the private schools, during the same time, it has been about a 150-percent increase in funding.

* (1650)

They have underfunded the public school system over those years, and they said, we are going to let the local taxpayers pay for it if you want to put in additional dollars. We called that the GFT, the Gary Filmon tax which was offloading onto municipalities and school divisions.

Now the GFT has a nice ring to it because it sounds a lot like the GST which is also an unfair tax, but this one was foisted on the taxpayers, on the property owners by this Conservative Government here, this PC Government right here, this government in Manitoba.

What they have done over the last number of years is offloaded their responsibilities onto the municipalities and the school divisions. So they got criticized for this, and finally they said, oh, well gee, this criticism is getting a little heavy, we are going to have to put a stop to it. So they brought in a measure to cap the special requirement at 2 percent because they are going to tell the school divisions, you cannot increase your local property taxes. The reason that they did that is because they were getting criticism on this GFT.

But what do they do? Oh, yes, they put a cap on it. They said to school divisions, you cannot make those kinds of decisions, but here is the hypocrisy.

It is precisely the property taxes that they have chosen for their major tax increases contrary to what the Minister of Finance (Mr. Manness) said. He said, there have been no major tax increases for the fifth, sixth year in a row—no major tax. [interjection]

Now, there is the Minister of Northern Affairs (Mr. Downey) saying there has not been. What do we have this year? Is it a minor tax if it is over \$400 a year for a family of four in this province? Is that a minor tax increase? What are you talking about? What do you think people are? Do you think people are stupid, they are going to believe that? We are not going to believe that kind of nonsense. They are not going to stand for that unfairness.

We have seen a major—let us use the word now, all together—major tax increase in this province of Manitoba this year from this budget—a major tax increase. Over \$400 for a family of four, \$40 million from the sales tax to make it regressive, \$53 million from property tax to make it regressive—that is what they have done in this year.

In addition to that, the Minister of Justice (Mr. McCrae) of Brandon West was proudly saying he is pleased to see the payroll tax reduced even more for companies with a payroll of \$750,000. Is that not nice to see the pride in their voices, see their pride in cutting those taxes? Is that not helping the families in this province, the people on the bottom end of the income ladder, the people who are out there consuming every dollar they have to just continue their daily lives?

That is going to help them, this trickle-down theory. They are going to cut this payroll tax. That is going to help the average family in this province. No way. The trickle-down theories have not worked. The trickle-down approach by this government has not worked.

You can give everything away you want to the corporations, they are not going to pass it on to the average person. They are not going to create jobs, and they are not going to stimulate the economy. They are going to walk away and laugh at you. They are laughing at you. They will give you some in your coffers for your election, of course, because they want more, but they are not going to create jobs so do not try and fool the people with that. You have to take a different approach. You have failed. Your \$862-million deficit last year proves you have failed. You failed miserably over the last five years—\$862 million—

An Honourable Member: Why are you sitting over there?

Mr. Plohman: Well, the Deputy Premier (Mr. Downey) is saying, why are we sitting here? Now, let us just take a look at this. Is he going to call an election this fall, or is he going to wait and screw up his courage in a year or two? We are going to see about failure. Let us talk while you can talk, because you will not have much of a chance to do it after the next election.

Let us look at the \$250 minimum tax. This Thatcherite poll tax that they put in place this year is ensuring that many of the poorest people, many senior citizens with small modest homes in small rural communities throughout this province are going to have a \$250 minimum property tax by this government who said they are going to cap property taxes and the local levy for school divisions because they could not manage it right, because the municipalities could not be trusted with that right. They cut that right off with Bill 16 and said they no longer can increase their taxation locally on property taxes. Then they put in place a \$250 poll tax in the province of Manitoba, a Thatcher poll tax which hits every homeowner for \$250, minimum, in this province.

Many of those property owners did not pay property taxes before, and they were unable to. Where did this government look for its sources of revenue? It attacked those senior citizens. They did not even relate this to income. The \$250 minimum applies to everyone.

In addition to that, many of those same people are going to be hit with another \$75 increase, because the property tax credit is going to reduce by \$75. So in addition to the \$250, they are going to have another \$75. Now that is \$325.

If their income is over \$23,800, they are going to be hit with another \$175 loss, the Pensioners' School Tax Assistance Program. There will be some seniors in this province and some poorer people in this province who are going to be hit, because \$23,800 is not above the poverty line. At \$23,800 some of those people are going to be hit with a \$500 tax increase—the lowest in this province in terms of their ability to pay, a \$500 tax increase.

They think that is not a major tax increase. I would dare them to go door to door in their constituencies to some of those homeowners and ask them if they think \$500 is a fair tax increase. Is

that a fair one? I do not believe any one of those people would say that is a fair tax increase, when you get a \$500 tax increase.

There will be people in this province who are going to have a \$500 tax increase just on their properties alone by this government, a punitive government, preying on those most vulnerable in society, and they talk about fairness.

The Minister of Justice (Mr. McCrae) talked about fairness in his speech. He should be ashamed of himself. He has been reading the rhetoric of the Minister of Finance (Mr. Manness) and believing it. That is what makes it even worse, because he actually believes it. He believes what he reads from that Minister of Finance who is misleading the people of Manitoba, misleading them right in this budget.

Now, in addition to that \$500 increase, they decided to prey on the poor some more. They went with a sales tax increase that preyed on those who least can afford to pay it and to ensure that it is the most regressive sales tax in the province. They moved to harmonize it with the federal government to a large extent.

By doing so, they said, oh, yes, we did not raise the sales tax, but in fact they are collecting another \$40 million by hitting families who have to buy personal hygiene items, baby supplies, safety equipment, school supplies, hamburgers. This is the kind of thing that this minister taxes. He can go out for a meal. Sure, he can say, I have to pay sales tax, but those people who cannot afford those meals, maybe they could afford a hamburger. Now he is even going to tax them in addition to the personal hygiene items that he is taxing in school supplies. [interjection]

I want to know how this is going to stimulate the economy. That is a good point that my colleague brings up. They are talking about stimulating the economy through the payroll tax deduction or reduction for some businesses in this province. All we are going to see is a further decline in the economy and a greater recession in this province because of those tax increases. [interjection] Well, we have to tell the truth in this House. It is nice to talk positive, but, you know, the Minister of Finance (Mr. Manness) is saying, oh, you are so negative.

* (1700)

What has he been doing for the last five years, and his Premier (Mr. Filmon)? Talking in glowing

terms about how great things were going to go and how the changes—he now says, in this budget, there is going to be an explosion of jobs as a result of his budget. How ridiculous. How misleading. If we could use stronger terms in this Legislature, if we could use terms that accurately describe it, I would use those terms in this House. It is, mildly put, misleading the people of Manitoba.

So the sales tax increase, another regressive measure, and he calls it a minor tax increase. Let us get a definition from this minister. What is a major tax increase? We have already established some homeowners a \$500 increase. We are going to have sales tax increases. We have a sales tax increase, and this is minor. These are minor little increases, incidentals.

What about the fees that they have put in place, the punitive fees to go along with their unfair tax increases? Look at them—five-hundred-dollar increase because people may have some income besides their basic pension. Oh, a \$600 increase—twenty dollars a day times 30.

Now we are talking about nursing homes. Madam Deputy Speaker, in addition to the poll tax on property that they have put on, they have endeavoured now to pull every dollar out of every senior citizen who has to be in a nursing home that has any income at all besides the basic pension. They are going to bleed that money out of them.

In addition to that, they are going to charge user fees for crutches, colostomy bags, walkers, bandages for home care patients—another priority. Meanwhile, you contrast that to what they have done—there is the Minister of Finance rubbing his hands as if he is proud of what he has done. He should be ashamed. He should hang his head in shame after what he has done. He picks the larger corporations for tax breaks and charges those most vulnerable and least able to pay in society. Ability to pay, what is he talking about? What is he talking about, Madam Deputy Speaker?

While he is giving \$100 million in tax breaks, \$100 million of tax breaks to corporations for each of the last five years, \$500 million over the last five years, he says, we do not have any money left. The cupboard is bare. We are broke. So what does he do, Madam Deputy Speaker? He cuts the dental program out of the province of Manitoba for children in rural Manitoba who have received dental care services. He cuts that out while he gives tax cuts to

the corporate sector in this province to the rate of \$100 million a year. [interjection] Well, yes, he is not making the rich pay. He is going after the marginal, and he is giving the rich a break. We know it. Yes, he is.

The dental program cut is counterproductive. Prevention that is inherent in that program will lead to much lower costs in the future. Now they have cut that program, and, indeed, the overall cost to society will be much higher over the next number of years. They have cut child care. They have cut human resource centres in this province. I tried, Madam Deputy Speaker, to bring to the attention of these ministers the absolute futility and negativeness of a cut to the human resource centres where they are servicing people who can turn their lives around.

I have met with people who have had their lives turned around through their involvement with the Human Resource Opportunity Centre. They have even been referred from probationary services. They have received support, and they were able to get out of the life of crime and the cycle of crime that they have been involved with, perhaps, substance abuse, poverty, and they were able to begin a productive life and eventually gain a meaningful job and to work and to contribute to society and to contribute taxes to the government of Manitoba and to the Government of Canada instead of drawing on welfare and other social programs and, indeed, prisons at a cost of \$50,000 a year.

This government is cutting a basic program that has served the Parkland for some 20 years and that provided a new start, a new beginning, a new life, for many of those people. That is gone now. They are going to turn, they will have no alternative but to turn back into the life that they came from—in many cases, back on social assistance; in many cases, in trouble with the law again; in many cases, in prison and costing society much more. Where are the brains in that kind of a decision? Where is the cost-effectiveness in that kind of a decision? Where is the saving? There is no saving to government overall. It costs much more to have troubled people and paying for their rehabilitation whether it be through AFM or through prison or whatever it might be. It is ridiculous, to say nothing of the human suffering, and they throw that all away with these cuts to human resource centres.

The Minister of Education (Mrs. Vodrey) now has inherited those programs. She has a big job to do,

to turn that around. If she does care, she can show. She is going to have to make some strong representation to turn around those punitive, negative decisions on very vulnerable people. We saw that in the friendship centre cuts. We saw that in the public school system, the 2 percent cut across the board which manifested itself in terms of 3, 4, 5, 6 percent for its school divisions. We saw that in the cap that they placed on the ability of school divisions to raise money locally. We see it in the university social assistance reduction of 1,200 people who could be attending university while on social assistance to, again, get out of this vicious cycle of poverty, become productive citizens.

These people in this government have withdrawn that program, that source of hope, that support to those people. They have done it in Pharmacare with the increases in the deductibles. They have done it in foster care. They have done it in the health care system with the user fees that have been put in place. They have cut back on youth employment programs. They cut the clinicians who were servicing rural Manitoba to save a couple of million dollars in the budget.

Even then, the Minister of Education (Mrs. Vodrey) has the gall to stand in this House and say they are going to be getting better service and she is doing more, when in fact the budget line shows that the cuts in those services of clinicians, the fact that many school divisions in rural and remote areas will not be able to afford to hire those professionals to provide the services. Even if they want to, they may not get them there because they will not travel to those areas, in some remote areas of the province.

This kind of unfeeling decision making, uncaring, unfairness is typical of this government. Throughout this budget we see it interwoven. It is unfair. [interjection] You know, the Minister of Natural Resources (Mr. Enns) after a quarter of a century in here surely would have a conscience, surely would stand up, not go to his right-wing roots, but to stand up for fairness after 25 years of hearing the fairness that has been provided in speeches in this province, advocated in this Legislature. Surely some of it would have rubbed off on the Minister of Natural Resources, and he would have made strong representation to his newer right-wing colleagues in cabinet who are pressing this agenda, this Minister of Finance (Mr. Manness), the Minister of Health (Mr. Orchard), the Minister of Northern Affairs (Mr.

Downey), with their right-wing agenda, and all of the rest of them, dragging them into it.

I want to say that the results of these kinds of decision making are not going to be as positive as the Minister of Finance's polls might have indicated. He might have thought, after his extensive polling and millions of dollars—who knows, because they have hidden it in various departments and appropriations? We will not know exactly how much they spent on polling, but we know they have spent hundreds of thousands of dollars, perhaps millions of dollars, on polls, and they have determined—[interjection] I believe it is millions, yes, but I do not want to overstate it, so I said hundreds of thousands. As a result, they think that they can get away with attacking the most vulnerable in society, whether it be foster parents, foster children, whether it be homeowners, seniors with a minimum tax and so on.

All of these things they believe they can do and get away with, but this is percolating now within the people of the province. They now see the true colours of this government after five years. They have been able to kind of skirt around the issues. In minority government they did not want to implement their true right-wing agenda, so they stayed away from it for a number of years. They inherited—and the Minister of Finance (Mr. Manness) has never admitted this in this House that I recall. I think it would do him justice in terms of his integrity if he would stand up and tell us about the surplus he inherited in 1988 and the tremendous, the positive fiscal situation that he inherited as a result of tax measures taken by the former Minister of Finance, Eugene Kostyra, at that time.

* (1710)

He has never admitted this in this House, and he would do a great deal for his integrity if he would in fact start admitting the facts, Madam Deputy Speaker—[interjection] Yes, I know. I have about 10 seconds, and I could take a little more.

I want to say to the Minister of Finance (Mr. Manness) that we have seen the truth in this budget. They have not been able to fool the opposition. I do not believe they are going to be able to fool the people of Manitoba with their statements that everyone is going to be hurt equally. Hurt equally to a Tory, fairness to a Tory, is poll-tax mentality. That is what they have implemented. That is the kind of thing they have done in this budget. They

have done it with the cuts to the most vulnerable in society. Their kind of fairness has no place in this province. The people of Manitoba will not tolerate it for long. That is my considered prediction.

Hon. Clayton Manness (Minister of Finance): Madam Deputy Speaker, it is a pleasure to rise and defend one of Canada's best budgets—some are saying, maybe the best in all of Canada. I will not say that. That would be taking on just a little too much credit.

Madam Deputy Speaker, when I am talking about using the word "credit," I would like to share an awful lot of the commentary, some of the good commentaries that are coming from this side with members of the Treasury Board, because it is only proper that those other members of the Treasury bench, who sit on that committee of cabinet—in this case, I refer to the Minister of Urban Affairs (Mr. Ernst), the Minister of Culture, Heritage and Citizenship (Mrs. Mitchelson), also the Minister of Environment (Mr. Cummings), the Minister of Industry, Trade and Tourism (Mr. Stefanson), and the Minister of Consumer and Corporate Affairs (Mrs. McIntosh). I would like to personally extend my thank you to them for the many, many hours they devoted.

Of course, Madam Deputy Speaker, it is rightful and proper, and I must say that I wish to thank Mr. Julian Benson, Secretary to Treasury Board, plus all of the staff at the Treasury Board Secretariat, because without their efforts we certainly would not have reached the goal.

What was the goal, Madam Deputy Speaker? Well, the goal was to acknowledge the fact that revenues were not increasing, to acknowledge the fact that revenues were going to remain flat, no doubt, for a few more years to come. The goal was not to increase taxes, the major tax areas. The goal was to try and impact on expenditures on the marginal rate of 1 or 2 percent so that a government, whoever they would be, a few years from now, sitting on this side, does not have to cut them back at the rate of 8, 10, 12 or 15 percent.

Madam Deputy Speaker, the members across the way—the member for Dauphin (Mr. Plohman) said that we must have done a lot of polling, because it looked like it was a deliberate attempt to attack those who maybe did not support us. First of all, he is wrong. No polling was done. Secondly, if members want to attribute a motive to me as to how

I took into account not only the difficulties we have on the revenue side but also the expenditures, if they want to say, were you building some politics into it, I will say, yes, I built politics into it to this extent. I remember the budget of 1987. I remember the NDP's last budget that was accepted in this House.

An Honourable Member: What was it? Tell us about it.

Mr. Manness: Madam Deputy Speaker, I do not have the time, but the members opposite, those who were here in 1987 are sitting across the way because there was a taxpayer revolt in 1987. [interjection]

Yes, we were playing politics. We focused the attention to line 236, because at that time—the member for Dauphin (Mr. Plohman) talks about a poll tax. The poll tax of all poll taxes was the 2 percent tax on net income. A little later on I will show you the impact on those earning \$10,000 and less of that particular tax.

Nobody has to tell me the quickest way to go from this side of the House to that side of the House is to say to the taxpayers, you are going to pay—we are going to make the rich pay; we are going to build in this progressive tax system. But the reality of it is, Madam Deputy Speaker, it is just like the NDP found out in 1988, and like they are finding out in British Columbia, there are not that many wealthy people and there are not that many wealthy corporations that can be taxed.

So, ultimately, when an NDP Finance minister goes to an NDP cabinet and says, I need money, ultimately all the people pay, and ultimately that is what happens. You are relegated to the opposition side not for one term, two terms, but I dare say three, because the people never forget. So if the members opposite are going to try and force us as a government to forget what happened in 1987, Madam Deputy Speaker, so that we are going to levy taxes on our people who they would like to say are the rich, but ultimately and accurately are everybody at \$10,000 income and more, I say to them, no, we will practise prudent expenditure-side discipline and that is what we have done again in this budget.

Now, Madam Deputy Speaker, I want to lay to rest this myth that they left us with a surplus. I have brought down representing this government—and it is an honour to do so as the Minister of Finance—six

budgets. If one wants to count backwards, if somebody wants to count backwards from '93-94—and I think even the member for Elmwood (Mr. Maloway), if he put up six fingers could count backwards—that if he wanted to do it, he would recognize that the first budget that this government brought down was in 1988-1989.

Now, what was the lead-up to that budget? Well, Mr. Kostyra brought down the 1988 budget in February, I believe late February in 1988. That budget called for deficit financing, a deficit of \$330 million. There was a certain gentleman who sat, and I forget, I think right where the member for St. Vital (Mrs. Render) sits, and that member said he could not tolerate a \$330-million deficit and voted against that and the government fell. We came to government after the election on May—I think we were sworn in May 8—[interjection] May 9, pardon me, and the budget for the 1988-89 year was brought down in August.

Madam Deputy Speaker, I will tell you what happened. In between the defeated budget of \$330 million and, indeed, the one that ultimately came down and the one that I called—by the way, at the time I said was going to come in at \$150 million deficit. [interjection] \$187, thank you—several things happened, and reference is made to the revenue side and, yes, there was then the recognition that there were some improvements on the revenue side.

What I realized, once the news started to come in on the federal equalization side, I said to myself, if the federal government can miss it going up, as sure as I am standing and the Lord made little green apples, they can miss it on the side going down.

The government of the day deliberately took that money and said, things like this just do not happen, they just do not fall out of the sky. There is going to be a day of reckoning. And what we did was we set up the stabilization account, and, yes, we had the support from the NDP to do so. [interjection] Okay, so let us get back to that.

And what else we did with it, yes, we did reduce taxes by about \$60 million made up of two parts. We took the basic tax of federal 54, and we dropped it to 52. Then we took another \$30 million roughly—and I do not have the numbers quite right—and we built up the support on the tax credit side. We took those with children from \$50 to \$250. That is what we did.

So let not anybody from the other side say that we were out to attack the poor because our first budgetary measure, the first taxation measure, was to help the so-called poor by way of the tax credit.

Madam Deputy Speaker, that is the revenue side, and I am not going to talk about the mining tax increase because that is part of the record, but I want to talk about the expenditure side. Do you know how much money we took and changed around from the NDP defeated budget and our own?—\$140 million. That is how much we took out. Secondly, do you know how much was not even accounted for in that defeated budget?—\$60-some million.

* (1720)

Now, I cannot blame the NDP, the fact that they had not budgeted in election expenses. That is not their fault. But, Madam Deputy Speaker, the volumes associated with the growth and some of the social programming, No. 1, were missed out.

Number two, the forest fire account had no money in it, no money, and we go into the year of the greatest drought of all time and there was no money put in. Yet we put all that money in, we put the proper volumes in, and we still said that there would be a forecasted deficit of \$167 million.

Now, throughout the year there was some additional good news that continued to come in, and I did not even need to draw from the stabilization account the first year because that news kept coming in. [interjection] Shell game, well—but the reality is, do not let anybody, and certainly not at least the NDP, say that they turned over a surplus budget to us because they did not do the budget for '88. This government put into place the budget for '88-89.

So when I look at the reviews, and it said there was a \$59 million—these are the year-end audited amounts—so-called surplus, yes, before taking that surplus in part and putting it into the stabilization account, whose budget was it? What government brought it down? This government.

So I hope once and for all we can put away that myth. I know the NDP feel happy about it, that they have convinced the media that they indeed had some surplus. I am here to tell you, nothing is further from the truth—nothing is further from the truth.

Madam Deputy Speaker, then let us move to 1993-94. We remain on the course as the most

prudent of spenders and certainly no apology for that. We are near the bottom of the lowest per capita spenders in Canada over the past six years. I think if I did the analysis, and it is hard always to compare province versus province, but I dare say that we would be the lowest, and without stripping the basic service that Manitobans want.

An Honourable Member: Lowest spending?

Mr. Manness: No, per capita over the last six years. That is right. Yet, I tell you, I think this government is incredibly proud of its achievement, because we have not had to resort to significant tax increases. I will argue with anybody.

I know the members are trying to make the issue and, indeed, I even saw where Ms. Billinkoff in her article on this weekend accepted the NDP logic that in essence it was a 1.4 percent increase, that if you took the tax measures in broadening the taxes and some other measures that that translated to a 1.4 percent increase.

Madam Deputy Speaker, I say to you, okay, if that is the logic you are going to use, then acknowledge that the price of fuel has not gone up, acknowledge that others have still gone down, acknowledge the fact.

An Honourable Member: The price of fuel has not gone up?

Mr. Manness: No, if you are going to factor all the tax increases into the provincial sales tax, you can have it one way, you cannot have it the other way. You cannot have it both ways. Even in opposition, you cannot have it both ways.

The member does not understand what I am saying. I am saying if you are going to factor all the tax increases, the nominal into the smaller areas and you are going to somehow make that a 1.4 percent increase in the sales tax, then acknowledge that you have not had an increase in the fuel tax.

Likewise, if you are going to use that logic, then why are you not so honest as to say that the base is not 7 percent, that the base basically is 6.7 percent because, over a number of budgets, when I took away the cascading, \$30 million in addition was put into the pockets of all Manitobans. So in essence then, the 7 percent rate is not in existence, it is 6.7 or 6.6 percent.

If you take into account the fact that we have taken off a provincial sales tax on a number of the reserve costs, and I am thinking of telephone

charges and I am thinking also of the 1-800 numbers off on all of the province, then acknowledge that we do not have a 7 percent sales tax in this province, that we have a 6.5 percent. Let us let consistency be a rule. The NDP are saying basically it is a 1.4 percent increase in sales tax, so they are wrong.

Madam Deputy Speaker, I have listened to the criticism that budget has taken and, again, I must say I take no satisfaction in some of the specific things we had to do. The problem is that all easy choices have already been made. Only difficult choices remain. I defy anybody in this House to say that any of the choices that were made were not easy, and I do not think anybody will say that but, likewise, I would like to hear the members opposite say that there are still easy decisions that could be made.

I listened to the Leader of the NDP (Mr. Doer), and I listened to him on soapbox after soapbox talk about this \$15 million that we put away, gave to the Vision Fund. Madam Deputy Speaker, all of that is loan. The Leader of the Opposition knows that. That has not been granted. That is all a loan of which there is interest accruing.

Madam Deputy Speaker, the first was between spending cuts and tax increases. These are the choices I am talking about. We successfully avoided tax increases through five budgets, but the magnitude of the deficit problem this year required that we move on both fronts. I acknowledge that we have moved on both fronts. There is no good tax increase. We chose the least offensive. Broadening the sales tax base was required in order to have the sales tax collected at the border by the federal government. This measure will help level the playing field for Manitoba retailers. Thus, the base-broadening served the twin objectives of raising more revenue and helping Manitoba retailers compete.

Leaving the rate unchanged at the second lowest rate in the country helped to keep retail products as affordable as possible at a time when retail sales have not been growing strongly. In short, this seemed the least bad revenue choice. The second choice was among all the possible spending cuts. The easy cuts, the trimming of fat, the elimination of unnecessary programs had already been made. What remained was to decide between categories of spending that are all worthy or necessary in some way. Inevitably the choices made will each have a negative impact on some group of Manitobans. We

have tried to be as fair as possible in making these choices. Thus, we opted to reduce the pay of all civil servants slightly and compensate them with time off, rather than laying off more staff. We are taking action to apply this model throughout the provincial public sector.

Our tax credit program was one of the most generous in the country. A relatively modest reduction combined with protection for low-income citizens still leaves our low- and middle-income earners paying less total tax than they would in several other provinces.

Since there were no easy spending or taxation choices left, all our decisions were difficult. Therefore, all our decisions, taken individually, are easy to criticize, and I acknowledge it. What responsible critics must keep in mind is the context in which these choices were made, Madam Deputy Speaker, two decades of nonstop deficits, debt service costs that now exceed the combined spending of 14 departments.

All I have to refer members to is the article today in The Globe and Mail titled: "No Rae of sunlight in Ontario debt." I am not going to smile with glee at Ontario's problem, but this is what happens when you have two decades of nonstop deficits. I quote: "Having expanded Ontario's public debt by almost two-thirds after only 30 months in office, Premier Bob Rae's government now confronts two bitter facts."

I do not lay all the blame on Premier Rae. That would be foolhardy to do that. We have tried to make this comment over and over again, so I know the members opposite will not listen to it coming from me or probably other members of our government, but maybe they will if they read it: "First, its fastest-growing spending program now consists of payments not to the needy, whom the New Democrats have always vowed to help most, but to investors wealthy enough to have bought all the new provincial bonds the government has issued to finance its deficits." That is who now is receiving the greatest spending increase.

"Second, the province's welfare rolls probably won't shrink over the next few years—even in the face of a solid economic expansion."

That is the reality of the time. There is not an NDP government, there is not an NDP Leader in the country who is going to be able to run from that fact. It is a reality.

* (1730)

Madam Deputy Speaker, it talks about the three factors as to why we have problems. Revenues are growing more slowly. Interest payments on the debt are rising rapidly. If the government cannot produce a credible plan to cut the deficit, then the province's credit rating would drop. The formula is the same. I do not care. This refers to Ontario. It is the same everywhere.

This is the salient point that I want to share, those three factors. The government must fall back on its biggest spending programs, health, education and welfare. Madam Deputy Speaker, that is not ideology. Again, I state, that is pure arithmetic, nothing more but pure arithmetic.

Madam Deputy Speaker, that is where we find ourselves. Going on, why have the choices been so difficult? A lingering national and international recession which makes fiscal stimulus by a small provincial government futile; 4 percent of the national economic pie of the economic wealth, futile; a \$94-million cut in federal transfers, that is what we have experienced.

I know we could set up the coalitions, like the NDP government before us, and try and bash the dickens out of Ottawa. That is exactly what my colleague Glen Clark is doing in B.C., because he thought he could really make the people in British Columbia walk with him and blame the federal government. You know what they are doing, they are going to walk all over him, because people are not stupid. They know that they still are taxpayers or contributors to Ottawa. They know the Ottawa situation, and they understand it.

Madam Deputy Speaker, if your wealthiest provinces, Ontario, B.C. and Alberta, are experiencing problems, can it be any other expectation that those of us who rely on transfers are worried, continue to be worried, scared to death as to what Mazankowski is going to say in his next budget? The reality is a \$94-million cut in transfer payments, no revenue growth to speak of, a deficit that threatened to exceed \$700 million if we did not take action. So we took action and are very proud of the actions we took.

Madam Deputy Speaker, yet, across the way—I particularly look at the member for Transcona (Mr. Reid). He wrote me a letter asking what we can do for taxes, what are we going to do in taxes to help the railways? I know why, because the unions are

scared to death with taxes being applied to the railways.

Yet when we try and reduce the locomotive fuel tax by 25 percent in this province and doing what we can to try and maintain jobs—not that the saving of a few million dollars of taxes is going to significantly help the bottom line of the railway industry, but a signal to let them know that the elected representatives, the people's representatives understand that taxation, per se, is going to kill jobs. Yet the member for Transcona is going to vote against this budget, No. 1. Secondly, he brings an attitude to this House that says that we were wrong in reducing it.

Madam Deputy Speaker, the Leaders of both opposition parties would do well, I say, to talk to their compatriots who govern in other provinces. Talk to Roy Romanow or Bob Rae, talk to Clyde Wells or Frank McKenna. Get a first-hand account from someone you like. Obviously, you do not like us. Get a first-hand account from somebody you like and trust and ask them what fiscal options are available to provincial governments in Canada today. Do not take our word for it. Take the word from other people who you feel closer to.

Saskatchewan—and I tell you I am very supportive of what Saskatchewan has been trying to do, very supportive. It has the highest provincial total debt per capita, has been forced to increase taxes and cut expenditure. The sales tax rate was increased to 9 percent, the second increase in two years, and the base was also broadened. Gasoline and diesel fuel taxes have been increased 50 percent in the past year. The gross annual impact of these and other tax measures introduced in Saskatchewan over the past two years is over \$400 million. Spending cuts include a 4 percent reduction to education, a 2.8 percent reduction to hospitals, an 8 percent reduction in grants to urban and rural hospitals and a 25 percent reduction in the number of government agencies, boards and commissions.

Madam Deputy Speaker, I do not have time to dwell on it, but the members opposite have seen the press release of last week from Saskatchewan, 61 rural hospitals impacted. You do not see the members on this side standing and using as political fodder the reality of what Saskatchewan has had to do. [interjection] No, you do not, because they have to govern and they have to make tough decisions.

Madam Deputy Speaker, New Brunswick provided a string of tax increases, most notably by raising the basic provincial income tax from 60 percent to 62 in '93 and to 64 in '94. I could talk about Newfoundland. I could talk about every other province. Despite the introduction of new taxes and increased rates for existing taxes and despite increased increases in federal transfers to British Columbia—and I would just like to dwell on British Columbia for a second.

The '93-94 deficit in that province is still \$1.5 billion—\$1.5 billion—and that province has taken some of their capital. They have set up a capital authority outside of the budget, outside of the balance sheet, which will put them over \$2 billion.

An Honourable Member: What is their per-capita deficit?

Mr. Manness: Per-capita deficit—\$2 billion and you divide it by three million people, and they are almost double the per-capita deficit as the Province of Manitoba. Yes, almost double. We are 370, and we are all in. Madam Deputy Speaker, we are all in.

An Honourable Member: Talking about this year's budget, the one you are debating.

Mr. Manness: No, no. We are debating '93-94. B.C. is now where Manitoba was 10 years ago. The 1993 B.C. budget is exactly the kind of budget Manitoba's New Democrats introduced in this province from '82 to '87. Somewhere down the line, the B.C. government will have to make the difficult decisions that this present administration is making.

Madam Deputy Speaker, the Leader of the Opposition (Mr. Doer) likes to claim that his government left us a surplus, and I have talked about that. I will not belabour the point other than to say we brought down the '88-89 budget. We changed it radically from what we inherited. Thank goodness we took some of that additional revenue and put it into a savings account.

I would just like to spend the last two or three minutes talking about the impact, the so-called rich. I do so because I listened carefully to the member for Radisson (Ms. Cerilli). I listened to her speech on the monitor this afternoon, and she says that we attacked the youth and the education. She says the young families are not afforded the ability to raise a family and that we do not care about them.

* (1740)

I can tell that member that almost every budgetary decision that has been made, certainly on the revenue side over the last five years, has been in support of the young family because I agree with her. The greatest threat to society as we know it right now is the ability of the young family with young children to aspire, first of all, to own their own home if that is what they want, but secondly, to maintain some standard level of living in support of those children.

So when I hear that member say that we attack that group, I am offended because everything that we have done over the last five years is to try to save harmless, to the extent we could, that particular family.

I would end, Madam Deputy Speaker, to talk about the impact on some of our tax measures, and I would point out that whereas the 2 percent tax on that income that the NDP brought in, 6.8 percent of the revenue came from those earning \$10,000 and less, and whereas roughly 40 percent of all the tax raised came from those earning \$20,000 and less.

We are trying, as we did, to make a fair recognition as between those who are what we call the working poor and those who are receiving their day-to-day sustenance from the taxpayer, from the state. What we did in this was to try within the very narrow restrictions of the tax form to provide the maximum relief for those who are working, continue to work and continue to raise a family so that the impact was the least.

Now members would say, why did you not relate? Maybe you should have taken the property tax credit, if you are going to do it, off the people who have the most ability to pay. Within the tax form we could not do that.

I would point out that on the income tax side there is not a tax schedule that is more progressive anywhere in Canada than the province of Manitoba. Today, basically below \$20,000, you pay no income tax. If the members wanted to compare our tax schedule as against any other province, they would see we have the most progressive tax on the personal income tax in the country.

Yet they would also find out, Madam Deputy Speaker, that if you factor in our 2 percent tax on net income and you add it to our basic 52 for anybody earning \$45,000, \$50,000 or more, we still have about the third highest tax, if not the second, in

Canada. So all the progressivity that the members talk about is in the formula.

My last comment: The members say, we have sort of applied it evenly. No, we have reached out and adopted the ability-to-pay model. That is what we used with respect to the personal care homes. If you have the ability to pay, you will pay. Governments across the land, and I do not care what political stripe they are, will be using the same slogan, the same model the members opposite have been encouraging us to use for several years—ability to pay.

Madam Deputy Speaker, I am very proud of this budget because I believe what we have done, not only this year but over the years to come, what this government has done, it will allow the government in the future, the government of Manitoba, to not have to do the draconian moves, the 5, 8, 10 percent significant reductions on the expenditure line that governments elsewhere will have to do, because today we have got our act together and we have got government in line. I honestly believe most Manitobans today realize that. Thank you.

Mr. Steve Ashton (Thompson): This is probably the most important debate of this or any other session. What I want to deal with in my comments first this afternoon and then later on this evening are what I believe are the bottom lines with this particular budget. I think it was indicated very much by the Minister of Finance (Mr. Manness), some of the lines, some of the communication spins, some of the types of arguments that this government is using to defend this particular budget.

In my comments today I want to point to the fact that what we are seeing from this government and this budget is what we see from Tories whenever they bring in budgets. It is the same type of statement. In fact, some of the wording could have been taken word for word from other speeches of this government, speeches of the government of Sterling Lyon, of many other Conservative governments in other jurisdictions.

I want to point to the fact that there are clear differences between what Conservatives say in budgets and do in budgets and reality, so I want to compare the comments to that reality. I also want to expose what we are seeing, I think, to a greater extent than we have seen for any time since the 1930s, and that is the propagating of Tory myths.

I want to deal with them today. I want to deal with them from the perspective of the people that I represent and the many people I have had the opportunity to speak to recently—myths such as, and you will find them in the budget, you will find them in the documents put up by the Minister of Finance (Mr. Manness), that these were tough decisions.

To quote the Minister of Finance: The most difficult and trying exercise of my political career—myth 1. Myth 2: we are all sharing the pain. I believe the Minister of Finance says that this is a government that has brought in a budget that is based on the ability to pay. That is myth 2. Myth 3—and it relates to both these other two myths—is that this is not an ideological budget, that all governments are facing the same problems, that all governments are bringing in the same kind of decisions, and we therefore have no choice in this province but to follow the blueprint of the Minister of Finance. Those are the Tory myths, Madam Deputy Speaker.

Well, I can tell you that I have not just sat in this building the last couple of weeks and gone through the documents put out by the Minister of Finance. I have taken the opportunity to talk to many of my constituents. I went and visited people in their homes last week for three days. I was at the plant gate at Inco. I have taken the opportunity to talk to many people in this city directly about the impact of this budget and budget decisions.

You know, Madam Deputy Speaker, I want to just begin by saying that the common-sense analysis of people out there is something that no government should ever underestimate, and particularly this government, because what I am finding is that a lot of people are not buying the Tory words, they are not buying the Tory myths. In fact, when I went around in Thompson talking to people, as I always do, I was struck by the fact that people remember what previous Conservative governments have done. People know what the Conservative government federally has been doing. A lot of people do not even bother listening to the kind of communication spin that we get from the Minister of Finance and the communications specialists within government, and from those who would spin it to the media. They do not buy that.

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

You know what they are saying, Mr. Acting Speaker? They are saying this budget hurts them.

They are saying it hurts their neighbours and their friends, and they are saying, and this is the key word I want to deal with throughout my remarks today, they are saying it is not fair.

Well, let us start by looking at what this budget is not. It is not what the Conservatives promised in 1988. Mr. Acting Speaker, in 1988 and 1990, when they ran an election, what did they have to say about taxes? Well, I took the opportunity to go through the Leaders' debate, 1990, and I can read many other quotes from before then and 1991.

* (1750)

I just want to be very clear, because sometimes we can in this House perhaps misinterpret words. We can perhaps not quite catch the meaning, the nuances, and I went back to the Leaders' debate to figure out whether what I had heard the Premier say in 1990 was actually what I thought I heard him say. Did the Premier in 1990 say that there would be no tax increases? That was my sense. Or did he fudge the words and suggest it was only certain types of tax increases? I went back and looked at the Leaders' debate from August 30, 1990. There is no doubt. The Premier said at that time his government would not increase taxes.

An Honourable Member: Read my lips.

Mr. Ashton: Well, it might as well have been read my lips. Not only that, he was criticizing the Liberal Leader for suggesting the Liberal Leader was going to increase taxes. The context is just as clear as the actual words—no increase in taxes.

Well, Mr. Acting Speaker, some of us remember the Autopac debates in 1988. In fact, members opposite remember it well when they said at that time there would be no big increases in Autopac rates and no political interference in Autopac, and indeed there were a whole series of promises.

Well, Mr. Acting Speaker, are there tax increases in this budget? There indeed are tax increases. One can only come to the conclusion that broadening the sales tax, that impacting on the tax credit system is a tax increase. It has become the "t" word. You know, we had a government that would not use the "t" word for a considerable period of time of recession. They finally recognized we are in a recession, but now when they bring in a tax increase, it is not a tax increase.

You know, I remember there was a comedy show in Britain that was entitled "Not the Nine O'Clock News." This is the budget that has "Not the Tax

Increases." This is the budget that calls user fees contributions. I like the word "contributions." Taxes are just decreases in the amount of disposable income in our pocket, and user fees are contributions.

We are into a brave new world of technospeak. We had the Minister of Education (Mrs. Vodrey) get up in this House and say that when she eliminated the Human Resource Centre in Dauphin that was providing a continuum of service. I think the word she was looking for was "oblivion," because that is what has happened to that service in Dauphin. It has gone into oblivion. There is no continuum. Dauphin is in the Parkland. Brandon is not part of the Parkland. Saying that service is available in Brandon—no one buys that in Dauphin, but the word is not "continuum."

I could go through extensively the comments made by members opposite, but you know what is interesting is that there is no accident to what is happening. Not just the policies, even the words that members opposite use give away a lot of what this budget is all about.

I want to deal with that. Let us first of all deal with—which myth should we deal with first?

These were tough decisions. Tough in what way? Tough in the sense that people might not agree with cutting aboriginal friendship centres or foster families or cutting back on daycare spaces and funding or people having to pay for crutches and bandages on home care or people having to pay dramatically increased rates for personal care homes?

If one was to accept the fact that those are not popular decisions with the people that have been targeted for those kinds of actions, indeed one can accept to a certain degree that those decisions might be difficult, the government might be unpopular. That is difficult at the best of times, but I ask the Minister of Finance (Mr. Manness), and I have known the Minister of Finance since I was elected. I have seen him speak in this House many times, I have heard his comments. I ask people in this House who know the Minister of Finance and Manitobans who know the Minister of Finance: Is there anything in this budget that does not fit in with the Minister of Finance's Conservative political ideology and philosophy?

Take the Premier (Mr. Filmon). Is there anything in this budget that anyone would suggest is unusual

for this government or any Conservative government? Does anyone really believe that those cuts were that difficult to make from a party that has consistently argued in this House as it has federally that it wants to ratchet down the size of government? It has used expressions like that. It wants to cut out programs. It wants to eliminate what it considers to be waste in terms of social spending, that has targeted people on welfare.

Does this surprise anyone that the Conservative Party might bring in a budget like this? Well, no, Mr. Acting Speaker.

The bottom line is, this is not a difficult choice at all for Conservatives. I would say the more difficult budget for this Minister of Finance and this government was when they did not have the convenient excuse that they are trying to use now of saying that we are in tough times so we have to cut. The difficult thing for Conservatives is when they cannot use that argument. So let us clear away that particular myth.

The next thing I would like to deal with is the myth that this is a budget where we are all sharing the pain. All sharing the pain? The Minister of Finance (Mr. Manness) is looking at the ability to pay? It is very convenient, the type of terminology that the minister applies. He was talking from his seat and saying that the Conservatives now were suggesting that the rich pay. Well, let us recognize that a budget deals with two sides of the ledger. It deals with taxation, the revenue side, and it deals with expenditures.

Now who does this budget target? Does it target the homeowner in Tuxedo who is paying \$4,000 a year in property taxes and still is going to get a rebate through the tax credit system? Reduced by \$75, pardon me. Does it target them? Does it target the diner at Dubrovnik's paying \$25 per person for a meal? Is there any increased sales tax on the diner at Dubrovnik's, Mr. Acting Speaker? Well, no. One looks at the taxation measures—and let us call them for what they are. They are taxation measures. Who do they hit? Broadening the sales tax. Who does that hit? It hits those who dine in restaurants where the maximum price is \$5.99. It hits people buying nonpharmaceutical drugs. It hits people buying the clothing for their kids over \$100, and that includes a lot of clothing nowadays in terms of parkas, et cetera.

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

It hits people that—

An Honourable Member: McDonald's.

Mr. Ashton: The McDonald's, indeed. Well, Madam Deputy Speaker, I take you one step further than that because it is obvious to anyone. Anybody I have talked to has said that this sales tax is going to hit us hard. It was the same debate with the GST. The difference between the PST and the GST, one of them, was the exemptions that were there because they are very clearly expenditures that are impacted upon greatly by low-income people. Did the Conservative government in bringing in the sales tax increase provide what the GST has, and input tax credit to prevent cascading? No. Did it provide any offsets in the way of tax credits which even the GST did? Even the federal Tories brought in a offsetting GST credit for low-income Manitobans. No.

So what they have done is they have taken revenue out of the hands of low- and modest-income Manitobans with no offset whatsoever. What have they done on the tax credit side, Madam Deputy Speaker? Well, they have brought in a minimum tax now. Who does that hit? Does that hit the person in Tuxedo or in areas of the Lindenwoods, in Charleswood? Does that hit people who are in that category? No.

Ironically, it hits many of the people in small rural communities the hardest, many modest income people who have been paying taxes but have had that offset by the tax credit. So the two main revenue measures in this budget target low- and modest-income Manitobans. There are no offsets. They are increases and expansions, in the case of the sales tax that hit the kind of expenditures that low-income Manitobans are faced with, and in the case of the tax credit system, the most significant change is to bring in this minimum tax which hits people on the low end of the scale.

If the First Minister (Mr. Filmon) thinks that it is a bunch of millionaires who are going to be impacted—he raised that comment from his seat, Madam Deputy Speaker, suggesting that these are the ones, wealthy individuals staying in these houses—then he has serious problems. So that is the second particular myth.

But, you know, there is a more important myth which I wish to deal with when I complete my remarks tonight, and that is that this is not an ideological budget. I will point out, Madam Deputy Speaker, that this is Conservative philosophy, Conservative ideology, through and through and should be exposed as such in this Legislature.

Madam Deputy Speaker: Order, please. When this matter is next before the House, the honourable member will have 25 minutes remaining.

The hour being 6 p.m., I am leaving the Chair and will return at 8 p.m. this evening.

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 19, 1993

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