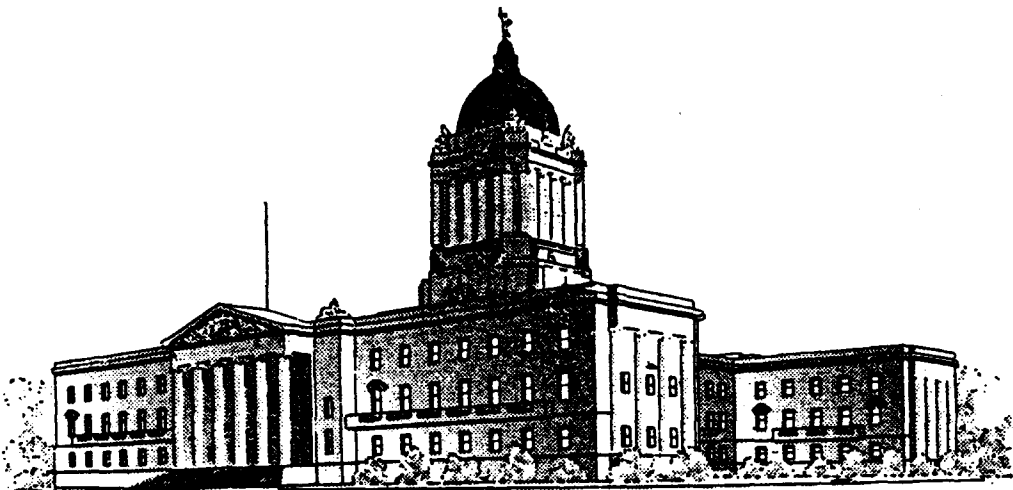




**Fifth Session - Thirty-Fifth Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**  
**(Hansard)**

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authority of  
The Honourable Denis C. Rocan  
Speaker*



**Vol. XLIII No. 11 - 1:30 p.m., Thursday, April 21, 1994**

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

**Members, Constituencies and Political Affiliation**

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NAME	CONSTITUENCY	PARTY
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
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
KOWALSKI, Gary	The Maples	Liberal
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MACKINTOSH, Gord	St. Johns	NDP
MALOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCORMICK, Norma	Osborne	Liberal
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	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
ROBINSON, Eric	Rupertsland	NDP
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
SCHELLENBERG, Harry	Rossmere	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary, Hon.	Fort Garry	PC
WOWCHUK, Rosann	Swan River	NDP

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, April 21, 1994

The House met at 1:30 p.m.

### PRAYERS

#### ROUTINE PROCEEDINGS

#### PRESENTING PETITIONS

##### Curran Contract Cancellation and Pharmacare and Home Care Reinstatement

**Mr. Clif Evans (Interlake):** Mr. Speaker, I beg to present the petition of Rachel Ihsan, Sharon Lupichuk, Derwin Petri and others requesting the Legislative Assembly of Manitoba urge the Premier (Mr. Filmon) to personally step in and order the cancellation of the Connie Curran contract and consider cancelling the recent cuts to the Pharmacare and Home Care programs.

**Ms. Becky Barrett (Wellington):** Mr. Speaker, I beg to present the petition of Len Raffey, Cesar Dimalanta, Mario Pimenkl and others requesting the Legislative Assembly of Manitoba urge the Premier to personally step in and order the cancellation of the Connie Curran contract and consider cancelling the recent cuts to the Pharmacare and Home Care programs.

**Mr. Doug Martindale (Burrows):** Mr. Speaker, I beg to present the petition of Wanda Kuchinski, Ramil Paredes, Janet Gutierrez and others requesting the Legislative Assembly of Manitoba urge the Premier to personally step in and order the cancellation of the Connie Curran contract and consider cancelling the recent cuts to the Pharmacare and Home Care programs.

#### READING AND RECEIVING PETITIONS

##### APM Incorporated Remuneration and Pharmacare and Home Care Reinstatement

**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?

**Some Honourable Members:** Dispense.

**Mr. Speaker:** Dispense.

*The petition of the undersigned citizens of the Province of Manitoba, humbly sheweth that:*

*WHEREAS the Manitoba government has repeatedly broken promises to support the Pharmacare program and has in fact cut benefits and increased deductibles far above the inflation rate; and*

*WHEREAS the Pharmacare program was brought in by the NDP as a preventative program which keeps people out of costly hospital beds and institutions; and*

*WHEREAS rather than cutting benefits and increasing deductibles the provincial government should be demanding the federal government cancel recent cuts to generic drugs that occurred under the Drug Patent Act; and*

*WHEREAS at the same time Manitoba government has also cut home care and implemented user fees; and*

*WHEREAS the Manitoba government paid an American health care consultant over \$4 million to implement further cuts in health care.*

*WHEREFORE your petitioners humbly pray that the Legislative Assembly urge the Premier to personally step in and order the repayment of the \$4 million paid to Connie Curran and her firm APM Incorporated and consider cancelling the recent cuts to the Pharmacare and Home Care programs.*

##### Curran Contract Cancellation and Pharmacare and Home Care Reinstatement

**Mr. Speaker:** I have reviewed the petition of the honourable member (Ms. Barrett). 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?

**Some Honourable Members:** Dispense.

**Mr. Speaker:** Dispense.

*The petition of the undersigned citizens of the Province of Manitoba, humbly sheweth that:*

*WHEREAS the Manitoba government has repeatedly broken promises to support the Pharmacare program and has in fact cut benefits and increased deductibles far above the inflation rate; and*

*WHEREAS the Pharmacare program was brought in by the NDP as a preventative program which keeps people out of costly hospital beds and institutions; and*

*WHEREAS rather than cutting benefits and increasing deductibles the provincial government should be demanding the federal government cancel recent cuts to generic drugs that occurred under the Drug Patent Act; and*

*WHEREAS at the same time Manitoba government has also cut home care and implemented user fees; and*

*WHEREAS the Manitoba government is giving an American health care consultant over \$4 million to implement further cuts in health care.*

*WHEREFORE your petitioners humbly pray that the Legislative Assembly urge the Premier to personally step in and order the cancellation of the Connie Curran contract and consider cancelling the recent cuts to the Pharmacare and Home Care programs.*

#### **Handi-Transit Service Long-Term Plan**

**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 (by leave). Is it the will of the House to have the petition read?

**Some Honourable Members:** Dispense.

**Mr. Speaker:** Dispense.

*The petition of the undersigned citizens of the province of Manitoba, humbly sheweth that:*

*The Manitoba government has decreased funding to the City of Winnipeg Transit budget by \$300,000; and*

*At the same time the City of Winnipeg has increased funding to Handi-Transit by \$430,000; and*

*The Filmon government has refused to provide the City of Winnipeg with sufficient funding to maintain Handi-Transit service; and*

*As a result of the province's refusal to cost-share with the city for Handi-Transit services, Handi-Transit has cut back on approximately 42,000 trips per year; and*

*Over 10,000 disabled Manitobans rely upon Handi-Transit as their primary means of transportation; and*

*Handi-Transit operators are now turning down over 200 ride requests per day; and*

*This lack of transportation will result in many disabled Manitobans losing their independence and dignity and being forced to be institutionalized at far higher costs to the taxpayers of this province; and*

*The Filmon government has refused to even send a representative of the government to sit on the Handi-Transit Task Force committee.*

*WHEREFORE your petitioners humbly pray that the Legislative Assembly will urge the Minister of Urban Affairs (Mrs. McIntosh) to consider working with the City of Winnipeg and the disabled to develop a long-term plan to maintain Handi-Transit service and ensure that disabled Manitobans will continue to have access to Handi-Transit service.*

\* (1335)

#### **Curran Contract Cancellation and Pharmacare and Home Care Reinstatement**

**Mr. Speaker:** I have reviewed the petition of the honourable member (Mr. Schellenberg). 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?

**Some Honourable Members:** Dispense.

**Mr. Speaker:** Dispense.

*The petition of the undersigned citizens of the province of Manitoba, humbly sheweth that:*

*WHEREAS the Manitoba government has repeatedly broken promises to support the Pharmacare program and has in fact cut benefits and increased deductibles far above the inflation rate; and*

*WHEREAS the Pharmacare program was brought in by the NDP as a preventative program which keeps people out of costly hospital beds and institutions; and*

*WHEREAS rather than cutting benefits and increasing deductibles the provincial government should be demanding the federal government cancel recent cuts to generic drugs that occurred under the Drug Patent Act; and*

*WHEREAS at the same time Manitoba government has also cut home care and implemented user fees; and*

*WHEREAS the Manitoba government is giving an American health care consultant over \$4 million to implement further cuts in health care.*

*WHEREFORE your petitioners humbly pray that the Legislative Assembly urge the Premier to personally step in and order the cancellation of the Connie Curran contract; and consider cancelling the recent cuts to the Pharmacare and Home Care programs.*

#### **TABLING OF REPORTS**

**Hon. Rosemary Vodrey (Minister responsible for the Status of Women):** Mr. Speaker, I am pleased to table the Annual Report 1992-93 of the Manitoba Women's Advisory Council.

**Hon. Leonard Derkach (Minister of Rural Development):** Mr. Speaker, I am very pleased this afternoon to be able to table the Annual Report 1992-93 for the Conservation Districts of Manitoba.

**Hon. Jim Ernst (Minister charged with the administration of The Manitoba Lotteries Foundation Act):** Mr. Speaker, I am pleased to table the Annual Report 1992-1993 of the Manitoba Lotteries Foundation, and the Third Quarter Report of the Manitoba Lotteries

Corporation for the period April to December, 1993.

#### **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 Red River Community College, 19 Secondary Language students under the direction of Ms. Shelley Bates. The school is located in the constituency of the honourable member for Point Douglas (Mr. Hickes).

Also this afternoon, from John Henderson Junior High School, we have fifty-seven Grade 9 students under the direction of Mrs. Manuella Vieira. This school is located in the constituency of the honourable member for Elmwood (Mr. Maloway).

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

#### **ORAL QUESTION PERIOD**

##### **Economic Growth Rate Government Forecast**

**Mr. Gary Doer (Leader of the Opposition):** Mr. Speaker, my question is to the Deputy Premier (Mr. Downey) or the Minister of Finance.

This week the government was quite exercised, if I can use that term, about allegations that their predictions were off and that the people of Manitoba could not have any confidence in what they were saying versus the reality of their predictions. Yet, today we see, two weeks after the Speech from the Throne, a major discrepancy from what the government was saying two weeks ago when the Speech from the Throne was tabled in this Chamber and what we see in the budget that was tabled by the minister and the government.

In the Speech from the Throne, the government stated, and I quote, that Manitoba will in fact have, quote, growth exceeding 3 percent and quote, placing us in line with the national average, giving the impression that we would have a certain growth level. The national growth level is 3.6 percent; the government's own prediction now is 2.8 percent in their budget, below 3 percent.

How can the people of Manitoba have any confidence in any numbers that this government produces when it is 25 percent off on the major statistic in government, that is the growth rate in terms of the Manitoba economy?

**Hon. Eric Stefanson (Minister of Finance):** Mr. Speaker, I do not want the Leader of the Opposition to leave the impression that we totally on our own create the economic projection figures for the province of Manitoba. Not unlike any other province, we use a series of the economic indicators prepared by all kinds of reputable organizations, from the Conference Board of Canada through to a series of organizations that project that kind of data on behalf of provinces.

So there is a range of projections for Manitoba that run anywhere from in the high 1 percent to in the low 3 percent. Depending on which one of those agencies you talk to, they will give you a different percentage of economic growth for Manitoba.

We have used a particular formula in this document which we feel is fairly conservative in terms of the economic growth of Manitoba.

If the Leader of the Opposition takes the time to look at what we are showing as revenue growth items in the province of Manitoba—and I know he realizes there is not always a direct correlation between economic growth and revenue growth—he will note that our revenue growth projections for the province of Manitoba are approximately, on our own source revenues, about 2.6 percent, and our own income tax revenue is about 2.9 percent.

Once again, very conservative projections, Mr. Speaker, and being well received to date by the many underwriters and people who support the financing of operations in Manitoba that were here yesterday in attendance for the budget.

\* (1340)

**Mr. Doer:** Mr. Speaker, the minister did not answer the question.

The question was: Why did the budget have one number in terms of predictions of growth, and why did the real numbers come out two weeks later after the Speech from the Throne, and it was not

revenue predictions as the minister has just answered, it was, quote, real economic growth will exceed 3 percent?

Is the minister now saying that he is using one set of numbers to prepare his budget and his Premier and his cabinet are using another set of numbers to prepare the Speech from the Throne? Whom can we trust in terms of the confidence of the people of Manitoba?

**Mr. Stefanson:** Mr. Speaker, if the Leader of the Opposition takes the time to go through the budget that he was provided with yesterday and he goes through Budget Paper A, which I am sure he has done, and he looks at the Manitoba Outlook at a Glance, which projects economic growth for the periods '93 to '95, he will see at the bottom that it represents the average of private sector forecasters, except employment and unemployment rate for '93.

So again, as I have already said to him—and he should know this full well, having served in government—there are about seven agencies that provide different economic growth factors for Manitoba, as they do for Ontario, as they do for every province, as they do for Canada.

Ultimately, it is not a science. It is not an exact, precise item that can be calculated. So all of these forecasters have different ranges. Some have projected growth in excess of 3 percent for Manitoba; some have projected growth below 2 percent.

We have taken an average, and we end up with economic growth projected of approximately 2.8 percent in 1994. We feel we are being reasonable with the kinds of economic growth projections that we are showing for Manitoba, and we are taking reasonable approaches and assumptions in the preparation of our budget.

#### Social Assistance Spending Decrease

**Mr. Gary Doer (Leader of the Opposition):** Mr. Speaker, I understand the numbers that were used in the budget preparation, but the minister has not told us why we had a shell game in the Speech from the Throne that was presented on this floor

two weeks ago—25 percent off, a quarter-billion-dollar error in terms of what the people of Manitoba were given in terms of the growth rate in this province.

We are getting used to a shell game now with numbers that are loosely used by this Conservative government.

The minister has not answered why there was this discrepancy, this major, major discrepancy over two weeks. The government has a modest prediction in terms of work-for-welfare programs of about \$6 million out of about a \$514-million budget. They have been off \$60 million in their social assistance predictions and had special warrants for over \$60 million in the last four years. That includes the huge \$200-million increase that has been used by this government to get the \$500-million social allowance budget in this province. They are now predicting a decrease in social allowance spending in this budget.

I would ask the minister: Does that decrease in social allowance spending include the high unemployment rate that they are predicting, the very modest programs that they are introducing, and the fact that the federal government has reduced UI benefits and therefore offloaded social assistance costs on the province in their last budget by about \$40 million?

**Hon. Eric Stefanson (Minister of Finance):** Mr. Speaker, again, on the economic growth numbers, as I have already indicated to the member, the Conference Board projects a certain number. Average indicators come out to 2.8. They are approximately the same as was referred to in the throne speech at roughly 3 percent. The economic growth in Manitoba over the last three years on average has been amongst the best in all of Canada.

When he talks about budgets and being on target, I have already indicated to the Leader of the Opposition, our own Estimates for 1993-94 and our own expenditures are coming in on target for overall expenditures. When he refers to a special warrant, Mr. Speaker, the special warrant brought down by our government this year was the lowest special warrant in the last 10 years in the history of

government. So he should look at the record and look at the kinds of special warrants brought in when he was part of a government here in this province.

We have taken all of the assumptions that he brought into play into consideration. We brought in a series of new initiatives and welfare-to-work programs with the cities, a series of initiatives on infrastructure that will create thousands of jobs, Mr. Speaker, between the home renovation and the home purchase plan. When all is said and done, there will be thousands of jobs for Manitobans here in our province, and we look forward to seeing the results.

#### **Employment Creation Strategy Government Forecast**

**Mr. Leonard Evans (Brandon East):** Mr. Speaker, this budget document contains the same old rhetoric about economic progress under this government that we have heard for the past six years. The Minister of Finance is claiming now that his fiscal policies have created a positive economic climate. What do we find here? The facts: In the first three months of this year in Canada as a whole, jobs have increased, but in Manitoba in the first three-quarters of this year, jobs have decreased over last year. In fact, we have the worst performance of any of the provinces in Canada except for New Brunswick in terms of job creation.

So how can the Minister of Finance claim that we are on the road to economic recovery when it appears that we are going to have fewer jobs in 1994 than we had in 1993?

\* (1345)

**Hon. Eric Stefanson (Minister of Finance):** Mr. Speaker, obviously the member for Brandon East has not been listening to the reaction of Manitobans today. I had the good fortune to be out in Brandon this morning to meet with people who live in Brandon, to be on an open-line talk show and to hear directly from Manitobans. Manitobans are receiving this budget very well because they know that it will lead to additional economic opportunities. They know it will lead to more jobs.

Last year within Canada, Manitoba had the third largest growth rate in jobs in all of Canada, and I predict that our job growth in Manitoba here in 1994 will be excellent. I challenge the member for Brandon East to get out and be in touch with Manitobans, listen to the reaction of the construction industry, listen to the reaction of the home builders industry, listen to the reaction of the mining industry, as I am sure the member for Flin Flon (Mr. Storie) is interested in, Mr. Speaker. The reaction of Manitobans is positive today.

#### **Manufacturing Investment Government Forecast**

**Mr. Leonard Evans (Brandon East):** Mr. Speaker, how on earth can the Minister of Finance claim with a straight face that Manitoba is poised for economic growth with this budget, when in this very budget, on page 11 of Budget Paper A, it contains data indicating that Manitoba will experience disinvestment in manufacturing in 1994? That is a decline in manufacturing investment, which is the basis of jobs, of 16 percent. How can you say with a straight face we are going to have economic progress?

**Hon. Eric Stefanson (Minister of Finance):** Mr. Speaker, it is amazing how the member for Brandon East has a knack for always attempting to find a negative statistic in any of the economic indicators.

If he wants to talk about manufacturing investment, what province led the nation in 1993 in manufacturing investment, industrial growth? Manitoba. If he wants to talk about manufacturing investment over the last five years—in excess of 50 percent right here in Manitoba.

When you talk about programs like the Manufacturing Investment tax credit that we are extending for another year, and you talk about the relief that we are now going to be providing on the sales tax on electricity, and what that will do for companies like Simplot in Brandon and Canadian OXY in Brandon, and the list goes on and on, HBM&S, Mr. Speaker, our record in terms of manufacturing investment is outstanding.

**Mr. Leonard Evans:** Well, the fact remains that this document says manufacturing investment is going to decline by 16 percent this year. That is what it says.

#### **Private Investment Government Forecast**

**Mr. Leonard Evans (Brandon East):** Mr. Speaker, my question: How can the minister claim with any validity that this government has been successful in attracting private investment, when private investment has declined in four of the past six years of this government and is now—again, I refer to this document. It has forecast a decline in total private investment by 4.8 percent in 1994, and in fact, the total private investment situation is the poorest of the 10 Canadian provinces. How do you explain that?

**Hon. Eric Stefanson (Minister of Finance):** Mr. Speaker, if we had to rely on the NDP to help support private investment in this province, we would not see Ayerst Organics expanding in Brandon under the kind of approach that had been followed by that party. We would not see the opportunities coming from Louisiana Pacific with the kind of approach taken by that government.

I tell the member for Brandon East, talk to Manitobans, read today's Free Press, read the reaction of Manitobans, watch the news, listen to the radio stations—any radio station. Listen to Manitobans and you will hear the reaction of business in Manitoba towards this budget is very positive, and they are going to create jobs and economic opportunities here in our province.

#### **Post-Secondary Education Student Financial Assistance**

**Mr. Paul Edwards (Leader of the Second Opposition):** Mr. Speaker, our party believes that one of the most important reasons that we are here is to equip our young people for the future and to ensure equality of opportunity. We cannot hope to solve every social ill, but we can ensure equality of opportunity.

Mr. Speaker, yesterday the Minister of Finance (Mr. Stefanson) said and recognized the importance of equipping our citizens with the



skills necessary to compete successfully in today's world, and he mentioned his government's commitment to ensuring all Manitobans have comparable access to education.

One week ago, the federal government for the first time in 10 years increased the student loan ratio in this country to ensure further access for all Manitobans and all Canadians to post-secondary education. Yesterday, Mr. Speaker, this government took funding down on their social assistance 29 percent, from 10 million to 7.1. That is on top of a three-year decrease since 1991 of 38 percent, and in addition to that, as if that was not enough, the ACCESS program for special needs students was further cut by \$2 million or 20 percent.

Mr. Speaker, why has this government perpetrated this cruel joke, given the words? The federal government for the first time stood up for equality of access to post-secondary education. This minister clawed it back yesterday.

\* (1350)

**Hon. Clayton Manness (Minister of Education and Training):** Mr. Speaker, the question covers a number of points and two of them wrongly, I might add.

Mr. Speaker, the announcement by the federal government offloaded on the Province of Manitoba a cost that really we cannot even factor yet, because now we are sharing the first 40 percent of the \$165 per week coverage under the first tier of the Canada Student Loan, and for the first time ever, the Province of Manitoba is going to have to pick up 40 percent of dollar one under the Canada Student Loan. So if the member wants to apologize for that, he is welcome to do so.

But let me also say with respect to the numerical drop in the line as printed, that is a reflection of the final outcome as to the decision made a year ago, which was brought in, whereby now Manitoba's contribution to the student loan, the second part would be loan, and, Mr. Speaker, the commitments that flowed from that decision a year ago were written at the print of around ten million, and not needing those commitments this year, that number can be written down.

The question on everyone's mind is, I am sure, will there be the same amount of money for those who want access to post-secondary education under a loan basis, and the answer to that is yes.

**Mr. Edwards:** Mr. Speaker, this government in the past three years, I remind this minister, has reduced social assistance by 38 percent since 1991. That is the bottom line. The minister should try to refute that—38 percent in three years.

Now, Mr. Speaker, the minister yesterday talked about a 2.7 decrease to post-secondary institutions. The fact is, when you look at the lines and you realize that a \$998,000 program has now been transferred to the post-secondary institutions out of I, T, and T, the fact is there is a 3.4 percent decrease to funding to post-secondary institutions.

Mr. Speaker, can the minister now come clean on that statistic and tell Manitobans the real truth, which is that universities have been cut by a further 0.6 percent than they indicated yesterday?

**Mr. Manness:** Well, Mr. Speaker, again, the member is having trouble with numbers. He says post-secondary institutions. I am wondering if he is talking about universities per se or if he is talking about all the post-secondary institutions, because with respect to universities, if I factor in capital, the net reduction to universities is about 0.6 percent down.

So, Mr. Speaker, if he wants to look at the operating cost which we have to put through the Universities Grants Commission, a large portion of which is, of course, an offset against taxes which our institutions have to pay, then the number is around 2.6 percent down. And, yes, if he wants to look then at the pure operating grant with which universities have to deal with, that number is 3.5 or 3.6 percent.

**Mr. Edwards:** Mr. Speaker, can the minister indicate why it was that he took the Faculty of Management grant line from I, T and T to the post-secondary institution line to try to make those post-secondary institution lines look better? Will he acknowledge that the real cuts to universities and post-secondary institutions are far more serious than we were told yesterday? Will he acknowledge that in this House?

**Mr. Manness:** Mr. Speaker, one thing we do is we do keep our commitments, and that was a commitment that flows out of the five-year agreement. As we indicated, after we are through the five-year period, that funding in support of the commitment to the Faculty of Management would come out of the global funding under the Universities Grants Commission.

Mr. Speaker, that is part of the record. The University of Manitoba knew that was part of the discussions, and it is reflected in the decisions as brought forward in the Estimates book.

\* (1355)

### Child Care System Funding

**Mr. Doug Martindale (Burrows):** Mr. Speaker, last year the Filmon government increased parent fees for child care, reduced the number of weeks for searching for work for child care and did nothing to enhance salaries. This year we learn from yesterday's budget they have taken \$300,000 out of the child care budget.

Can this Minister of Family Services justify the policies of her government which, on the one hand, gave over \$20 million in tax benefits to corporations and businesses and, on the other hand, cut \$300,000 of money that should be going to children and child care centres?

**Hon. Bonnie Mitchelson (Minister of Family Services):** Mr. Speaker, I am pleased to stand up and answer a question from my honourable friend across the way regarding our record and our commitment to child care in the province of Manitoba.

We have in the last six years of government increased by over 50 percent—I think almost 70 percent—the amount of funding for child care for Manitobans and Manitoba children and families. We have increased the number of subsidized cases by over double in the last six years, twice as many as were there under the former NDP administration. We have increased the number of licensed spaces throughout the province of Manitoba. We have increased the flexibility for parents to choose the type of child care they would

like to choose by making more flexibility within our subsidy.

Our record is clear, and as far as the \$300,000 reduction in the budget, I was pleased to have the opportunity to meet with leadership within the child care community at noon today and explain to them the situation around the decrease.

We will continue and maintain the status quo in child care funding except for the number of absent days that we will provide for under subsidy.

In the past, Mr. Speaker, parents were allowed to have a 25 percent absentee rate—one out of every four days absent and the taxpayers of Manitoba would pick up that cost. We have reduced that to 15 percent so that, indeed, parents and children still have the opportunity to be absent from their daycare spot for 39 days out of the year.

Mr. Speaker, that equates to a four-week holiday and 19 sick days, and I believe that is fair.

**Mr. Martindale:** Mr. Speaker, the minister knows that the child care centre's costs continue even if a child is away for a day.

### Accessibility

**Mr. Doug Martindale (Burrows):** Can the Minister of Family Services who says she is concerned about single parents tell the many single parents who want to get off social assistance and into the paid workforce what she is doing to help them to bridge into employment, particularly by way of making child care more accessible and more affordable, instead of capping the number of spaces as they did last year?

**Hon. Bonnie Mitchelson (Minister of Family Services):** Mr. Speaker, I have already indicated my commitment to single moms through pilot projects that are going to be up and running this year in co-operation with the federal government.

We realize the difficulty with single moms having access to job opportunities, to training opportunities and to child care opportunities.

Those pilot projects will take into consideration all of those factors. As we do our assessment—and we are already starting to meet with clients, those who are on social assistance who are single moms

to find out what the specific needs are. Once we find out what the needs are and once we meet with the private sector to find out where the jobs are going to be in the future, and once we consult with the front-line workers that do provide the service and see where the disincentives are, we will be able to put in place a comprehensive package that will deal with the issue of getting single moms off welfare and into the workforce.

### Salary Enhancement

**Mr. Doug Martindale (Burrows):** Mr. Speaker, this indicates another shell game of this government, cutting two human resources opportunity centres and then starting a new program to replace what they cut.

When is this government going to do something positive to provide worthy wages to child care professionals, since the level of wages is directly linked to the quality of care?

How long do child care professionals have to wait before this government is going to do something positive to enhance their salaries?

\* (1400)

**Hon. Bonnie Mitchelson (Minister of Family Services):** Mr. Speaker, I think our record in Manitoba speaks for itself also on the issue of wages.

We have the second highest wages across the country for child care workers, and we have the highest wages across the country for child care directors.

I think that in the overall picture of the support that we have put in place, budgeted some \$47 million for child care in the province of Manitoba, that we are being very fair.

We want to place our focus on children and families.

### Manitoba Home Renovation Program Eligibility

**Mr. George Hickes (Point Douglas):** Mr. Speaker, my question is directed to the Minister of Housing.

Under the Home Renovation Program introduced in yesterday's budget speech, it was explained homeowners must spend \$5,000 to be eligible for a \$1,000 rebate.

Mr. Speaker, the people most in need of this program cannot afford to spend \$5,000 on home renovations, regardless of the government rebate that they may or may not receive.

Can the Minister of Housing tell this House how she plans to help the many Manitobans who qualify for this program but are unable to put \$5,000 up-front for the renovation projects?

**Hon. Linda McIntosh (Minister of Housing):** Mr. Speaker, I must say, first of all, that after all of the complaining that comes from the other side of the House that we are not doing anything to help get employment and jobs going and the economy stimulated, I am surprised that I would hear opposition to this program which will create hundreds of jobs and provide opportunities for young married couples who are just getting started to fix their homes and so on.

I think it is a very good program. It will benefit a lot of Manitobans.

We have programs in place already for low-income families. We have the Emergency Home Repair Program which homeowners can— [interjection] I am answering the question. If you would listen, you might hear the answer.

We have in place already programs both provided provincially and federally for low-income earners. We have the Emergency Home Repair Program, which is 100 percent provincially funded which provides up to \$3,000 for homeowners who need to do structural repairs or those kinds of repairs on an emergency basis to their homes. That is 100 percent provincially funded. We serviced about 255 families last year with that.

As well, the federal government continues with the RRAP program which is indirectly funded by the provinces because the money for that comes from cost savings put in place by systems management of provinces.

### Emergency Home Repair Program Budget

**Mr. George Hickes (Point Douglas):** All we are asking for is fairness here.

Mr. Speaker, my supplementary question is also to the Minister of Housing.

Can the minister explain to this House why funding for the Emergency Home Repair Program which she just spoke about, a program targeted towards low-income homeowners, was cut by \$370,000 from \$400,000 to \$30,000 in yesterday's budget?

**Hon. Eric Stefanson (Minister of Finance):** There will be some changes announced on that program. The program becomes a 10-year interest-free loan program of \$3,000, also qualifying for the 20 percent recovery under the Home Renovation Program so individuals would receive the support to do the emergency requirements that they need.

They would receive up to 20 percent in the form of a grant. They would receive the balance as a 10-year interest-free loan.

### Home Repair Programs Accessibility

**Mr. George Hickes (Point Douglas):** Will the Minister of Housing consider introducing an alternate program where a percentage of the total renovation costs, up to a maximum of \$1,000, is covered by Manitoba Housing so that people who can only afford to spend, say, \$1,000 to \$3,000 on renovations will still be eligible for a prorated rebate? That is fair.

**Hon. Eric Stefanson (Minister of Finance):** As the Minister of Housing (Mrs. McIntosh) indicated, there is the Emergency Home Repair Program that covers those in need with emergency home repair.

Here in Winnipeg there is the Residential Rehabilitation Assistance Program which, under the formula of the federal government, is a 50 percent grant and a 50 percent loan. Once that program reaches \$5,000, individuals would qualify for the \$1,000 recovery under this program,

thereby reducing their loan element from \$2,500 down to \$1,500.

We also, in the development of this program, looked extensively at what some other provinces have tried. We looked at Saskatchewan. We learned from their mistakes in terms of developing our program much more around fundamental structural improvements, not unlike we are seeing now, the province of Quebec introduced a program in January of this year, Mr. Speaker.

So we are not going to allow some of the more so-called luxury items like jacuzzis or whirlpools or skylights or those. We are dealing with housing improvements, foundation improvements, home renovations, structural improvements, and, by and large, a good number of those end up equating to at least a \$5,000 cost today.

### ACCESS Programs Funding Reduction

**Ms. Jean Friesen (Wolseley):** The Roblin commission clearly underlined the success of Manitoba's university ACCESS programs. Yet, last year this government cut ACCESS support by 11 percent, and in this year's budget they cut it again by 20 percent. The result will be increasing hardship for students and an absence of any direction from government for staff and administrators of these internationally significant programs.

My question for the Minister of Education is: On what basis did government yet again make that choice to limit the educational opportunities for the most disadvantaged Manitobans?

**Hon. Clayton Manness (Minister of Education and Training):** Firstly, Mr. Speaker, we are not limiting the opportunities. Secondly, when we move into Estimates, the member will have an opportunity to move into the complexity with respect to the changes.

But let me say on the surface, Mr. Speaker, the changes for the most part are reflected in some of the courses. With respect to the Limestone training agreement which has, of course, long run its course, they have been stopped at this point in time and that is around a \$500,000 reduction.

Also, there is going to be a requirement for all students under that program to be treated no differently from other students in society, and the first call will be by way of loan in their support. That is one of the greater changes.

But, again, as I said in answer to a question put earlier by the Leader of the Liberals (Mr. Edwards), the main question is will there be a limit or reduction in intake, and the answer to that question is no.

**Ms. Friesen:** Mr. Speaker, will the minister confirm whether there will be a reduction in the support for students? Will he confirm that a cut of 20 percent for a family of four on an ACCESS allowance will bring them to \$10,000? Will he confirm that this is well below the poverty rate for a family of four, in a city the size of Winnipeg, of \$30,000?

**Mr. Manness:** Mr. Speaker, I will not confirm any of that because the member is coming at this, I would suppose, from her own perspective. What I am confirming—[interjection] Well, the word “fairness” has been used and that is exactly what this change provides for, because anybody accessing post-secondary education, there must be some expectation on them that the state does not pay all of it, and that is the case.

Here now, there will be a requirement for individuals who are under the ACCESS program to also have some indebtedness upon graduation, Mr. Speaker, no different than most of those of our citizenry who, of course, aspire to have training in post-secondary education.

**Ms. Friesen:** Mr. Speaker, could the minister explain then, how he made the fair choice in his department to cut ACCESS programs while ensuring, for example, that Holt Renfrew received a \$2,000 rebate to train their workers in customer relations under the Workforce 2000 program?

**Mr. Manness:** Well, Mr. Speaker, that was not a choice at all, because indeed we have not reduced at all the number of intakes and indeed we are at a greater degree of equity now because we are asking all students, for their first call upon provincial funds, that that be done by way of supported loan, underwriting and guaranteeing the

loans that are going to be in place, no differently than any other citizen of the province.

That is the fairness I think members want for all post-secondary students in the province of Manitoba.

### Crown Corporations Capital Tax

**Mr. Paul Edwards (Leader of the Second Opposition):** Mr. Speaker, my question is for the Minister of Finance.

Yesterday, amidst all of the verbiage and rhetoric about no tax increases, there was an interesting paragraph in the minister’s comments about Manitoba Hydro and Manitoba Telephone System beginning to pay capital tax.

Can the minister indicate what the financial impact of that will be in the coming fiscal year for those two Crown corporations?

**Hon. Eric Stefanson (Minister of Finance):** Mr. Speaker, I would expect that those two Crown corporations will be able to absorb that from within the projected earnings that they both have for the current year. Both are projecting to be above budgeted surpluses in the coming year.

What has happened with this particular change is that corporation capital tax, as the member has indicated, will now apply to Hydro and to Manitoba Telephone, not unlike any of the other utility companies that they do compete with and not unlike every province other than one that currently has a corporation capital tax within Canada. Every other province other than one applies it on an equitable basis to Crown corporation utilities and to competing companies that compete in that industry.

Mr. Speaker, to conclude, the Public Utilities Board recently approved the current hydro adjustments for the next two years at 1.2 percent. So those are in fact locked in. I would anticipate in both of those multimillion dollar corporations, when they do come forward to the Public Utilities Board, this is one component out of many. I do not expect that it will have any impact on the rates that Manitobans pay in either one of those utilities.

\* (1410)

### **Crown Corporations Capital Tax**

**Mr. Paul Edwards (Leader of the Second Opposition):** Mr. Speaker, I would like to take the minister's word for that, but the fact is, he knows that the projected earnings he talks about must be maintained at a certain level. That is an argument that they have put to the Public Utilities Board and the Manitoba Telephone System will put to the CRTC.

My question for the minister today is: Can he give a guarantee, can he assure Manitobans that his putting these Crown corporations under the capital tax regime in this province will not result in increased rates for them with either of those utilities? Is he giving that assurance today in this House?

**Hon. Donald Orchard (Minister of Energy and Mines):** Mr. Speaker, in terms of Manitoba Hydro, my honourable friend the Leader of the Liberal Party ought to be assured by the Public Utilities Board hearing which has set the rate increases and the rates for Manitoba for the next two years. My honourable friend says that does not sound like assurance. Is he questioning the integrity of the Public Utilities Board now?

Mr. Speaker, what my honourable friend and the Liberal Party may not be able to come to grips with is the potential value to manufacturers in the mining industry in Manitoba, of the removal of the sales tax on electricity used for manufacturing mining and metals processing in Manitoba. As of yesterday, it is fully expected that that will increase the level of consumption by those industries and the revenues to Manitoba Hydro. Is that not, Sir, what we should try to do, to use our utility in Manitoba to create greater economic activity, greater wealth and greater revenues to Manitoba Hydro?

**Mr. Edwards:** This is the great government of its all coming up roses next year. Mr. Speaker, this is the seventh year in a row they have said that.

My question to the Minister of Finance—and I want to respond to the comment about the Public Utilities Board. Many utilities have gone back to have their applications reviewed and revisited by

the Public Utilities Board, most recently Centra Gas. The minister knows that.

Mr. Speaker, I want an answer from this government. Can they assure us, can they produce documentation from those Crown corporations or assure ratepayers here today that they will not see increased rates as a result of putting these Crown corporations under the capital tax regime? Can we have that assurance on the floor today?

**Mr. Orchard:** Mr. Speaker, my honourable friend the Liberal Leader says, say yes or no. The Minister of Finance (Mr. Stefanson) said yes just two questions ago. I said yes just the previous question. My honourable friend does not want to accept the answer that he does not like to have.

My honourable friend the Leader of the Liberal Party, I know is troubled with this budget because this budget provides opportunities for business in Manitoba, provides opportunities for growth and creation of wealth in Manitoba, provides opportunities for success in Manitoba—all of which my honourable friend is going to have a difficult time voting against.

Now, Mr. Speaker, let me invite my honourable friend to the annual review of Manitoba Hydro before the Public Utilities and Natural Resources, and we will explain how the corporation expects to maintain their ability to supply the lowest cost electricity in Canada to both industrial and residential consumers with the rate structures approved for the next two years before the Public Utilities Board.

### **Health Public Policy Programs Funding**

**Mr. Dave Chomiak (Kildonan):** Mr. Speaker, can any Manitobans have confidence in this government that last year undertook the most vicious and mean-spirited cuts in the history of health care in this province, and this year try to restore some of those back, but could not even come close to the cuts that they restored last year?

In this budget, the government cut by 7 percent its programs to promote Healthy Public Policy—something the former minister said was the central theme of the government's reform policy in his

speech, and actually put out documents to that effect.

Can the minister advise why it has cut funding to programs like Healthy Child Development, Women's Health and preventative programs?

**Hon. James McCrae (Minister of Health):** Mr. Speaker, the changes the honourable member is speaking about are primarily at the administrative or bureaucratic levels of government. You see, we have been listening to the nurses and others in this province who have said, look at the administrative costs, too, Mr. Minister, as you are looking at reform.

The Department of Health has to come to the table with clean hands, and is prepared to do so by looking at its administrative structure, by taking the layers out of the bureaucracy.

At the same time, while we do that, we are able to make \$2.6 million more available for home care, we are able to make \$500,000 more available for support services for seniors and, Mr. Speaker, no doubt you will want to hear more later.

#### **Home Care Program Equipment/Supply Costs**

**Mr. Dave Chomiak (Kildonan):** Mr. Speaker, since the minister is on that tack, can the minister tell us today, in this new-found understanding of the public of Manitoba, that those who now have to pay for their home care equipment supplies, for their crutches, their walkers, their gauze, their bathroom aids, for their ostomy supplies, will those people now not have to pay as a result of this government's somehow change of heart? Can he give those assurances today?

**Hon. James McCrae (Minister of Health):** Mr. Speaker, some months ago, I met with the ostomate society of Manitoba to work out methods by which we can address any problems that might have been created for those who have difficulty with this.

Representatives of the ostomate association made it clear to me that they agree that their members ought to make a contribution. Their concern was that perhaps there might be some small number of people who would be negatively

impacted. We have worked with the ostomate association to work out those difficulties.

The honourable member wants to talk about last year's budget because this year's budget is too good for honourable members opposite to talk about.

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

### **NONPOLITICAL STATEMENTS**

#### **Death of Graeme Stuart Garson**

**Mr. Gary Filmon (Premier):** Mr. Speaker, it is with a great deal of sadness that I rise today in the Chamber to advise members of the passing of Mr. Graeme Stuart Garson, who died last night in Yellowknife as a result of a massive heart attack.

Graeme was a native son of Manitoba, and is well known to members on both sides of this House, most recently when he served for several years as Deputy Attorney General and Deputy Minister of Justice for our province.

His record of public service spanned 32 years, including eight years as provincial court judge in the Criminal Division as well as seven years as the first executive officer of the Manitoba Law Society.

Two years ago Graeme chose to return to work in the Northwest Territories as the principal secretary to the government Leader. He had previously spent a few years in the Northwest Territories and enjoyed it very much, so much so that despite the challenges and satisfaction of serving as the Deputy Attorney General in his home province, the lure of the North was too strong.

Serving the public good was always the first priority for Graeme. It was that commitment over the years that led to his being honoured with the Lieutenant-Governor's medal in recognition of his commitment to public service by the Institute of Public Administration of Canada, in 1992.

In the earlier days of his career Graeme followed the political urges that he inherited. He served as executive director of a political party and took a turn at running for office. He did so out of desire to

serve his province and his country. In fact, my earliest memory of Graeme was when he spoke to my high school class at the invitation of my then physics teacher, Bobby Bend.

However, when the time came to serve the public interest he never let those earlier days of partisan politics influence his sound judgment or interfere in offering the best possible advice to those he served. Many in this government benefited from his wisdom.

In his years as deputy minister in Manitoba Graeme became a true member of the team. His self-deprecating humour and his exuberance for life bolstered many a sagging spirit.

Graeme had left Manitoba because he had developed a keen passion for the Arctic. The opportunity to live and work north of the 60th Parallel was too great. Other members of his family joined him and his wife in the North. His friends missed Graeme when he left, and we will certainly miss him now.

I had the great pleasure of spending some enjoyable times with Graeme after the meetings of the western Premiers last November in Canmore as part of our delegation met with Graeme and some of his colleagues from the North.

As happens at times like this, we share in the sadness of his passing and mourn with his family. They and all who knew him can share the happy memories of Graeme and take solace in the many contributions that he made to life in our province.

\* (1420)

**Mr. Speaker:** I am not even going to ask for leave for the honourable member for Kildonan. The honourable the First Minister (Mr. Filmon) neglected to get leave, so I will allow the honourable member for Kildonan to add on to what the honourable the First Minister just put on the record.

**Mr. Dave Chomiak (Kildonan):** Mr. Speaker, I, too, on behalf of the New Democratic Party, would like to join in offering our condolences to Mr. Garson's family and to express a few words of appreciation for his life and for the manner in

which he touched all of those with whom he came in contact.

I think that the words—often in this Chamber we talk about individuals in a less than favourable fashion, but certainly it is most appropriate for this particular individual who touched and who had an impact on all who he met.

I had the pleasure of dealing with Mr. Garson both when he was the executive director of the Law Society of Manitoba and also during the time that he was the Deputy Minister of Justice in this province.

The words that come to mind in reflecting on Mr. Garson are civility and decency. Those words jumped to mind immediately when I heard about his passing. I think they capture the spirit and the decency of the man and his life.

When one looks at someone to emulate in the legal profession, in the public service or as a man or as a human being in general, I think he serves as a wonderful example to all of us in this Chamber. I am sure all my colleagues join in the very eloquent words of the Premier (Mr. Filmon) in expressing our sympathy and condolences to his family.

**Mr. Speaker:** The honourable member for River Heights I believe also has something to add to the record.

**Mrs. Sharon Carstairs (River Heights):** Mr. Speaker, I thank my Leader for allowing me to speak today, because I knew Graeme better than anybody else in the present caucus of the Liberal Party in Manitoba.

There are many of you in this Chamber who knew Graeme, but there is no one better who knew Graeme than someone sitting in the gallery, who of course is my assistant Al Munroe. He and Graeme Garson were friends for decades. They worked very closely together in the Liberal Party in Manitoba when Graeme was the executive director of that party from 1966 to 1968. Their children were raised together, although Al's were somewhat older than Graeme's. They used to spend Christmas Eves together until Graeme finally took residence in the North. So to Al I give



my deep sorrow today as he joins with us as we pay tribute to Graeme Garson.

I also had another very close connection to Graeme of course. Graeme had twin sons, Robert and Rodney. Robert was my executive assistant for a number of years. He has another son, Doug. They are now 28, and 31 in the case of the twins. Although Robert tried very hard not to become a lawyer, decided that he would go back and do a master's degree in history, he eventually did succumb and he too became a lawyer, and all three of them fell in their father's footsteps.

He was not originally a lawyer. He was originally a teacher. That is where he met his wife, Florence. He had been born in Ashern, became a political activist when he was eight years old. The then-Premier, who also happened to be his uncle, was being accused of course, as are many Premiers, of stealing the people blind. Poor old Graeme had to defend him, as an eight-year-old, in his class that he did not think his uncle was going to jail, at least not in the immediate future. That made Graeme a political activist, and that he remained all of his life.

It is no accident that the kinds of organizations that Graeme Garson was involved in were always for people who were disadvantaged in the society. It is also no accident that when he became the secretary of the Law Society and the executive director that it was often the young lawyers that he took a particular interest in.

Judy Edmond, who is a member of our research staff, recalls coming from Saskatchewan to Manitoba and having to be accepted to the Manitoba Bar and the rules and regulations and Graeme taking a very special interest in her case because he wanted to make sure that young lawyers could practice and could practice to the height of their academic qualifications and of their ability.

My remarks today are particularly directed to Florence of course, his wife of long standing, his sons, Robert, Rodney and Doug, and to Al Monroe.

**Mr. Speaker:** Does the honourable Minister of Health have leave to make a nonpolitical statement? [agreed]

**Hon. James McCrae (Minister of Health):** Mr. Speaker, I of course join with all the others in making some comments on the very, very sad and unexpected passing of Graeme Garson.

Not everybody knows this, but I have known Graeme Garson since the late '60's when I was a court reporter. Graeme Garson, in those days, was a practitioner of the law practising not only in the city but in the country, too, and looking after the needs of his clients. He was always a very dedicated practitioner in looking after the needs of his clients.

Then I went away, and we went our separate ways, Graeme to the bench, to the Law Society and so on, and I went to Ottawa and did my different things. But we seemed to find ourselves back here in Winnipeg a few years ago. We were so fortunate when we were able to get Graeme to agree to be the deputy minister of Justice, and I guess it was during those two years that I got to know Graeme best. It was more than just a minister and deputy minister relationship, Mr. Speaker. It became a genuine friendship.

There were, I guess, a couple of things about Graeme that maybe described best how I feel about him, and maybe Al Munroe will understand this, too. It is his way of either slapping his knee or his desk or whatever is nearby when he is laughing, which was very often. Then the other magic that he did for me is he always had me believing that all his good ideas were mine, and I always appreciated that in Graeme.

I do pass on my very profound sympathy to Graeme's family and wish them the best in this very difficult time.

**Mr. Speaker:** The honourable Attorney General also has something to add to the record.

**Hon. Rosemary Vodrey (Minister of Justice and Attorney General):** Mr. Speaker, I would like to add my condolences as the Minister of Justice and Attorney General to the family of

Graeme Garson, but also my personal thoughts and condolences to his family as well.

I first met Graeme Garson when he was a member of the committee around my admission to law school. At that time, he and I had a very long discussion about what it was like for someone who had a growing family and who had had at least two other careers to embark at thirty-eight years old on a law career.

I remember on the day of my interview, he also said to me because he had a keen interest in politics, and what will you do if you run again? He and I agreed on that one that we just have to wait and see. I was ultimately admitted to law school and enjoyed the studying that I was able to do there.

I saw Graeme Garson about three and a half weeks ago at the ministers of Justice conference in Ottawa. He and I had a talk at that time, and I reminded him of his comments around my admission to law school and where in fact it had led me now. So he and I had some enjoyable moments at that time.

I want to say to all of his friends in Manitoba that the message he gave me was to please say hello to everyone, that we were in his thoughts and that he still held a very personal relationship with those people who are his friends in Manitoba. I would close by saying that my description of Graeme Garson is that he is a gentleman.

\* (1430)

## ORDERS OF THE DAY

### BUDGET DEBATE (Second Day of Debate)

**Mr. Speaker:** On the adjourned debate, the second day of debate, on the proposed motion of the honourable Minister of Finance (Mr. Stefanson), that this House approve in general the budgetary policy of the government, standing in the name of the Leader of the official opposition.

**Mr. Gary Doer (Leader of the Opposition):** Mr. Speaker, I want to rise today and speak about the budget, the seventh budget that has been presented by this government and the last budget that will be

presented by this government. For a government that is making announcements to the year 2004, I can approach certain things with a little more certainty than the year 2004 for members opposite.

We have stated before that we will evaluate the government's performance, its economic budget in terms of the reality to which people feel in the communities across Manitoba, not on the words that we see in the document and the predictions that we see contained within the document. We will be evaluating this document based on reality, not based on words and statements and PR statements from the provincial government.

I have said before, Mr. Speaker, and it bears some repeating today, that we believe there has only been a couple of areas of expansion since this government has been elected, and those expansions are not in the areas that the government would have the people believe.

When you look at the performance of the whole government across all the sectors—and even today the government was talking about housing. I remember seeing 6,000 housing starts a year, year after year after year. Now we see some very modest efforts and very modest results, results that are 300 percent below previous years.

Tragically, we feel there have only been two growth areas in government. One has exceeded our expectations. Gambling now brings in more revenue than liquor, and close to \$200 million now is being generated by gambling in the province of Manitoba. If the government wants to brag that this is a growth industry in the province, let them do it, because they are right. It is one growth area in the province of Manitoba.

The second area that is improving and growing in a tragic way as well is in the area of social assistance. The largest percentage increase in spending on any department of government in any category is in the area of social assistance. It has gone up over \$200 million, and this government says the welfare state is dead. In his speech the Premier (Mr. Filmon) said that, misquoting—  
[interjection]

Well, you would know that person is not a social democrat.

**An Honourable Member:** Oh, what is he?

**Mr. Doer:** He is a Conservative. The only thing this Premier has been running in terms of an expanded economy has been expanding social assistance. We are now spending over \$500 million.

The only thing we can hear from this government after six tired years in government is they are going to have a federal-provincial program to develop the infrastructure program and a \$3-million pilot program; \$514 million dollars, an expansion of over \$210 million. This is what we see from this government.

Oh, there are a couple of other areas of expansion in the budget. One area, I thought, was rather curious. The biggest increase in exports to the United States—they did not tell us this in the speech from the Minister of Finance (Mr. Stefanson)—electricity imports increased 112 percent and surged in such importance thanks to the start of power exports from the Limestone Generating Station, and some \$203 million is projected in that area. The government, of course, takes credit for their exports, but does not give credit back to whoever was responsible for developing those proposals.

Mr. Speaker, I want to review the five goals that this government's budget set out in very specific terms. The government said and I quote, that Manitobans want secure jobs. That is objective or goal No. 1. Two, they want their children to have an education that will enable them to be successful in a highly competitive labour market. The third area that the government said was their so-called goal, they want to be confident that our health care system and social safety net will be accessible and effective far into the future. The fourth goal they said, they want a balanced budget free from mounting deficits. And the fifth goal the government established is they want to be able to walk on their streets and in their neighbourhoods in safety without fear.

So let us evaluate this government in terms of its five goals and let us see what the reality is, not the words are. First of all, let us start with this duplicity of the Premier's Speech from the Throne

that was tabled in this House two weeks ago. The Premier tabled a Speech from the Throne that had two untruths in it, and that is from a government that wants us to have confidence in its numbers, confidence in its predictions, confidence in its budget and confidence of where they are going.

The government stated, and I quote on page 2 of the Speech from the Throne: . . . that Manitoba will have as their economic recovery continues. Current forecasts indicate Manitoba's real economic growth in 1994 will exceed 3 percent, and we will be in line with the national average.

Well, Mr. Speaker, in 1994 our growth rate is below 3 percent, and in 1994 we are predicted to be 25 percent below the national average.

Now if the Premier was telling people the straight goods, he would not have put those sentences in the Speech from the Throne. He would not have given people the impression that we were going to be at the national average and exceed 3 percent when they had numbers in their own budget that said it would be below 3 percent and 25 percent below the national average. No wonder people believe that these people are playing shell games with their futures, shell games with their lives, shell games with their opportunities, because if you cannot even trust the Premier's Speech from the Throne, why do you not just call an election and go back to talking about the truth?

I have never seen a Premier exercise such duplicity in terms of the facts in my life. I expect all political parties to say things positively about their performance, positively about where they think things are going to go, positively about where they want the province to go. To have facts in a Speech from the Throne that are contradicted two weeks later, I do not know how you can look in a mirror in the morning and keep a straight face, because I find that reprehensible. I guess this government—[interjection] You think the Speech from the Throne should be full of mistruths that shows us how desperate the Conservatives have become in Manitoba.

Mr. Speaker, this follows last year where the government predicted a 2.7 percent growth, and

again they came in at 1.1 percent, and again they came in below the national average. This is a government that talks every year about being at the national average and exceeding the national average. Every year the reality for Manitobans, they miss it; they miss it by a dramatic amount. That is why we have gone from lowest or second lowest in unemployment to the fourth or fifth highest unemployment rate in Canada.

**Hon. Clayton Manness (Minister of Education and Training):** We use the same way of measuring forecasting, the same thing that Howard Pawley used for six budgets.

**Mr. Doer:** The former Minister of Finance states that we use the same method. I have absolutely no problems with what is in this budget in terms of the growth forecasts and in terms of methodology used to get those growth forecasts. What my problem is is not the Minister of Finance's (Mr. Stefanson) document; it is the Premier's document two weeks ago, which is totally contradicted by the budget. That is why we on this side are concerned, Mr. Speaker.

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

There are less people—if you think it is funny, if the Minister of Rural Development (Mr. Derkach) thinks there are less people living in rural Manitoba today than when he got elected is funny, that is fine. If he thinks it is funny that there are less people working today than when he got elected, let him laugh. If he thinks it is funny that there are more people on social assistance than ever before, let them laugh.

Madam Deputy Speaker, the government is clearly failing on the job situation. They are clearly failing in terms of attaining their first objective or first goal in their budget. Their trickle-down theory is not working. Tax breaks, the business in essence for jobs has failed, and because of that, the government is failing on their own goal.

\* (1440)

They are already failing on their own prediction in the budget. They are saying that unemployment will go down from 9.2 percent to 9 percent. The

first three months of this year unemployment has been over 10 percent twice and is slightly below 10 percent this month.

Clearly the government has to create 10,000 jobs to get down to the 9 percent figure, and even the 9 percent figure is way above levels in past years— [interjection] Perhaps, we could have a little order, Madam Deputy Speaker.

**Madam Deputy Speaker:** Order, please.

**Mr. Doer:** There are a couple of things in the budget that are a good start. The infrastructure renewal program is something we have called on in budget speeches and questions in this House year after year after year, particularly after 1990. I remember asking the Premier (Mr. Filmon) that question in 1990 and 1991, and he said, we do not believe in investing in the capital investment of this province, we just believe in stepping aside. We will step aside and let the private sector create all the jobs. Well—

#### Point of Order

**Hon. Gary Filmon (Premier):** Madam Deputy Speaker, on a point of order, the member opposite knows full well that this government entered into the SDI program and the National Highways Program to invest in the infrastructure of the province.

What we were against was short-term, make-work jobs, planting flowers on the side of the road, like New Democrats do.

**Madam Deputy Speaker:** The honourable First Minister does not have a point of order.

\* \* \*

**Mr. Doer:** If the Premier would spend more time getting his Speech from the Throne honest for the people of Manitoba, Madam Deputy Speaker, perhaps we could debate these issues intelligently instead of in such a partisan and cheap way as we find from the Premier across the way.

We think the Home Renovation Program has again some potential but, as the member for Point Douglas (Mr. Hickes) has pointed out, its application for people that are not able to access it is very, very unfair. We also believe that there could have been greater focus in the criteria of the

Home Renovation Program. We note that there have been some excellent proposals dealing with energy conservation. In fact, this government cancelled energy conservation renovation programs. They give you the triple benefit of having renovations, having jobs and having energy conservation.

Now, Madam Deputy Speaker, the government is coming back with a latter-day conversion on renovations but without the same focus that we saw in previous years, not the kind of focus that we need for the future in terms of conservation, and not the focus we see in terms of fairness for people who are on low income who could really use a program like this. They do not have \$5,000. The Conservatives cannot develop every program from their own perspective, from their own reality. There are people out there who do not have \$5,000. There are people out there who will not be able to access this program. I would ask the Premier (Mr. Filmon) and the government to look at the advice given by the member for Point Douglas (Mr. Hickes) to make this program fairer in its application and to make this program more focused in its application.

Madam Deputy Speaker, we could have also had it targeted for health care and health care reform. There are going to be some people who will be able to use this, again who have money, that will be able to use this for health care additions and renovations. There are other people who need health care renovations who will not be able to have the \$5,000 and who may have capital investment below \$5,000 in terms of renovations they need. Not all people will need a lift. Some people may require a ramp which may be quite a bit less than what this program targets. So, again, we think there are some good suggestions in this program, but its fairness is really wanting. We do not agree with the fairness of this program, and we do not agree with the lack of focus. Change it and make it better, improve it.

The government talks about how many housing starts will begin with their two programs. I remember the days when there were 6,000 housing starts a year and it was not under this government,

Madam Deputy Speaker. It was under a previous government that had a growing economy, a growing population, growing opportunity, not the restrictive restrained government opposite under the acute protracted restraint that we see now under the Filmon Conservative government.

Madam Deputy Speaker, the government has admitted that this program has been modelled after Grant Devine, and it is perhaps very appropriate that it has been modelled after Grant Devine because we see the same kind of deficit deceit in terms of this government that we saw previously. So we think that this is a good start in this program. Take away the \$5,000 and make it much more focused in its application for social goals and Manitoba goals.

The initiatives to small business are basically retreads from previous programs; \$1 million allegedly is going to create 300 jobs. There are a number of other programs for business, Madam Deputy Speaker. This government has tried this year after year after year. It has tried to give away grants to business to create jobs, another \$20 million in this budget. This trickle-down theory did not work in the United States. It is not working in the U.K. It did not work in Canada when the Mulroney government was in, and I suggest to members opposite it is not working in Manitoba.

Madam Deputy Speaker, it would be better to keep that \$21 million invested in our hospitals and our schools so that we are not laying off teachers and nurses, because right now you are not creating wealth. You have a decline in private sector capital investment and you have a decline in the economy of this province.

Madam Deputy Speaker, we find that this government again is wanting in their whole first goal of economic growth and economic development. It is pretty sad when 9 percent is the surrender number for this government in terms of unemployment. It is an absolute disgrace to have an unemployment rate of 9 percent in this province as your so-called pre-election goal. It is an absolute disgrace of what that will mean for retail sales. It is an absolute disgrace of what that will mean for private sector construction. It is an absolute

disgrace in terms of what it will mean for the people in this province.

Madam Deputy Speaker, the government has said they are going to deal in their economic strategy with unfair trade harassment. I wish this government well. They promised us unfettered access to the United States in exchange for unfettered access to our energy under the trade agreements. We will see tomorrow how much unfettered access members opposite have by doing the hallelujah chorus to the American government and doing the hallelujah chorus while we are giving away our energy and our resources that are our economic ace in the hole.

\* (1450)

I hope you people are right. I hope you people are correct. I hope we have unfettered access to the U.S. markets. We will see. We will see what happens with the American senators, because I am afraid, with every time you deal with the Americans, it is heads they win, they get our energy, and tails we lose, we do not get access. That is why we were always afraid of giving away our energy and our resources.

Even Margaret Thatcher did not give away—oh, no. We do not have any problem with access and trade. We do not believe in giving away energy at the same time.

Madam Deputy Speaker, the government has promised rural economic development throughout their budget. Again there are less people—[interjection] Well, the member for Portage (Mr. Pallister) may not care, but there are less people living in rural Manitoba today than when you came to office. Between 1981 and 1988 there was a 3 percent—[interjection] Between 1981 and 1988 there was an increase in rural population and now there is—[interjection]

**Madam Deputy Speaker:** Order, please. I wonder if I might ask those members who are having private meetings that they do so either in the loge or outside the Chamber.

**Mr. Doer:** Madam Deputy Speaker, there are less people living and working in rural Manitoba today than when this government took office. There was

an increase between '81 and '88, and there is a decrease under the Conservatives.

I know they do not like bottom lines over there, less people working, less people living in rural Manitoba, but all your fancy video tapes, all your fancy speeches, all your fancy comments about decentralization, you have decimated many programs that rural—[interjection]

I know it hits a nerve over there, but I would suggest to members opposite they read the Stats Canada reports on population numbers. They will find, their five or six years in office, they have failed to increase jobs in rural Manitoba. They have failed in terms of the previous government, and there are less people living in rural Manitoba today—

**An Honourable Member:** Payroll taxes and job creation going on.

**Mr. Doer:** Well, the member for Portage (Mr. Pallister) continues to just yap from his seat, but why does he not ask the Premier (Mr. Filmon) a question tomorrow about why there has been a decline of population in rural Manitoba, and why they have not done anything about it since 1988?

**An Honourable Member:** That is why we supported decentralization.

**Mr. Doer:** The member for Roblin-Russell (Mr. Derkach), again from his seat. He has got decentralization all right. All the jobs are going to Russell, and no jobs are going to any other part of his constituency.

I was in the community of Shoal Lake. They have lost 16 jobs in the last 12 months, and this is the Minister of Rural Development's own constituency. Madam Deputy Speaker, there are 16 jobs.

The Minister of Rural Development (Mr. Derkach) may not know it, but a lot of his own communities in his own constituency are really suffering from jobs in telephones, jobs in Hydro, jobs in Natural Resources, jobs in Highways that have been removed from his community. That 16 provincial government jobs would be the equivalent of a major plant in Winnipeg closing

down, and that is just the community of Shoal Lake alone.

So every time the government giveth, they taketh away considerably more, Madam Deputy Speaker, and that is why all your video tapes and all your PR and all your puffy little speeches will not change the bottom-line numbers—less people working today in rural Manitoba than when they came to office in terms of the provincial government.

Madam Deputy Speaker, so on the goal of jobs, we believe in a secure job, less people working today than when they took office. They have failed, very simply, they have failed. You have not succeeded. You have not created one net job increase since you were elected.

Let us move on to their second goal, education. Madam Deputy Speaker, the government again has acted in a way that has been very, very unfair to the people of this province in terms of access and availability. On the one hand, they have enhanced grants to the private school system; on the one hand, they have enhanced grants to the private sector through training grants and Workforce 2000; and on the other hand, for the last two years, they have cut back grants to the public education system.

They have done this in the most indiscriminate way, and the formula just trickles down into the various school divisions, without any thought to enrollment, without any thought in terms of what this will mean to the school divisions. I can tell you when you go to community to community—for example, two weeks ago, I was in the community of Stonewall. The government's cutback to that community, with an increasing enrollment, makes absolutely no sense to investing in our young people and investing in our future.

Madam Deputy Speaker, as the member for Wolseley (Ms. Friesen) has identified on a number of occasions, there is no correlation between their grants to universities and their cutbacks to universities and economic opportunity in the province of Manitoba—cut after cut after cut without any thought of what that will mean for our future competitive position.

Further, we have a situation today where the government is talking about enhancing our community colleges. You will excuse us if we have a great deal of difficulty. We are glad you have flip-flopped on this issue. We are glad that there is a minister in that department now that can take on the Premier's (Mr. Filmon's) bias against community colleges, because we recall the Premier defending a 7 percent cut to community colleges.

When we argued three years ago that those cuts were totally counterproductive to the future investment of this province, the Premier stood in his place and talked about the community college cuts and bragged about those cuts. Of course, he was hoisted on his own petard when the former Conservative Premier of Manitoba, one Duff Roblin, said that this Premier of Manitoba does not know what he is talking about when he cut the community colleges. He said that these people are not investing properly.

How can this government justify grants for IBM, grants for various motors, Keystone Motors, grants to Birchwood Motors, grants to various companies at the same time they are cutting back ACCESS, New Careers, Student Social Allowance, all the programs that bridge people from dependency to independence.

All the programs that allow people to get off dependence and off the social allowance roles have been bombed by the Tory government, and we will restore the bridges of opportunity for the people of this province.

What about health care, their third goal? We saw last year after five years in office that the government did not have a reform proposal. They said they did after four years. They gave us a document, but it never had any dates, times, places, action. There was no action plan to the action plan. There was just a statement of intent that nobody in this province could have any difficulty with.

Since then, last year, they were so devoid of any ideas they had to hire Connie Curran and pay her \$4 million U.S. to reform our health care system. Madam Deputy Speaker, we see—[interjection]

**Madam Deputy Speaker:** Order, please.

**Mr. Doer:** Madam Deputy Speaker, we see that there are cuts to community services. There are cuts to women's health. There is a cut to Healthy Child by 38.6 percent. There is a cut to the Healthy Public Policy program by 7.2 percent. The programs in the communities have not even been returned to their rates of last year. As the member from Kildonan (Mr. Chomiak) pointed out in his question today, many of the cutbacks to equipment, to programs for people on home care have been cut by this government, and we do not even see the reinstatement of funds for those programs.

\* (1500)

We also do not know what is going to happen to our hospitals. There are 300 layoff slips sitting on the Minister of Health's desk. We do not know whether there is going to be an additional 1,500 layoff slips in terms of St. Boniface and Health Sciences Centre. This government is cutting back in our hospitals; it is cutting back in the communities; it is cutting back in the clinics. There is no plan; there is no vision; there is no fairness; and the Tories have no idea of where they are going. The only innovation they have had in the last couple of weeks, Madam Deputy Speaker, is to bring in a profit home care system, a We Care home care system. Health care now is going to be a profit centre for the Tory government, and we know that the Tories are only concerned about Americanizing our health care system.

Madam Deputy Speaker, this government does not inspire any confidence in our side in terms of where they are going on health care and where they are going in health care services. The reality of what we see, the reality of what we feel, the pressure the patients are under is a tremendous amount of stress to families in Manitoba, and this government alleges that this is one of their so-called goals in their government. It is not a goal, because they have botched their health care system for six years running. They have no compassion. They have no effective health care reform in place, and we on this side have absolutely no confidence in the Premier's ability to deal with our health care

system. He has shown absolute neglect and contempt for our health care over the last seven years. Again, a goal of this government is failing and failing miserably in terms of the reality for the people of Manitoba.

The government now talks about their priority of social affairs and social services in the province. We would acknowledge that there is a growth amount of money in social allowances in the province, although in this year's budget there is a decrease of some \$14 million. We have found in the past though, Madam Deputy Speaker, that we cannot trust the numbers of members opposite on the social allowance envelope. They have been off some \$60 million in terms of their projections in social allowances in just four short years, and they are now up over \$200 million in extra spending to something over \$500 million since they have obtained office, the highest increase of any area in government spending in the Legislature.

Madam Deputy Speaker, we believe that the government has no idea six years after of where to go in this area. We have one little pilot project and a potential federal-provincial program they are going to announce, a \$500-million expenditure and we get a latter-day, last-minute \$3-million pilot project from this government. They have no creativity. They have no imagination. They have no energy in terms of getting programs to get people working. They just sit back and let things drift along and drift along and drift along.

We do not trust the numbers in this budget on social allowance, because we do not believe this government has built in the UI cuts that have been made by the federal government, which will impact on social allowance by some \$40 million. We do not believe the government has put that in the budget. They are giving us rosy numbers as they have in the past on social allowance. The Minister of Finance (Mr. Stefanson) has not included the impact of the UI cuts in this budget number, and, unfortunately, after the next election, whoever is in government, Madam Deputy Speaker, is going to see—

**An Honourable Member:** Oh, no confidence, eh?

**Mr. Doer:** Well, the people will decide.



Madam Deputy Speaker, we clearly believe there is going to be a decrease in the social allowance provisions in this province.

What about the increased cost of gambling on the social allowance window? The government says we like to put more money in the pockets of people. Where do they think the \$185 million is coming from? Do they think it is manna from heaven, or do you think it comes out of the pockets of people? It comes out of the pockets of people. We know that in many communities now the gambling policies of this government—and I do not want to be too sanctimonious on this. All provinces are doing it and all governments of all political stripes are increasing gambling. There is no question about this. This government does not have the lock-up on this issue.

I think it is a challenge for all of us, because \$185 million is an awful lot of money. It is a very serious question of how you would replace it if you got rid of part of the gambling revenues.

I happen to believe that a lot of money is being vacuum cleaned out of a lot of communities, particularly in rural Manitoba, with VLTs in particular. VLTs do not create a lot of jobs. I note though they are essential services jobs. A VLT repairperson will work on Fridays. It is not like the Maytag repairman. They will be out there on Filmon Fridays, but a public health nurse in a clinic, a person who is working with child abuse, a person who is working with vulnerable people in the courts will not be working on the Filmon Fridays. There is a bit of a discrepancy for us in terms of those jobs and the essential services of this government.

Madam Deputy Speaker, you cannot say that you have fully evaluated the social allowance costs in this budget. The UI cuts from the Liberal government are not factored in, in our opinion. The high unemployment rate which continues in this province is not factored in and the high social costs of gambling.

We have said, Madam Deputy Speaker, that we should have public hearings on gambling. We have talked to aboriginal people about being open to a Minnesota model in their—[interjection] Yes, I

have said that for three years. We would like to discuss that in public hearings as well.

Madam Deputy Speaker, we do not believe the social costs of gambling have been factored into this budget. I say to you that just like the Premier (Mr. Filmon) was off in his Speech from the Throne on his growth revenue numbers compared to the budget, I suggest to the Minister of Finance (Mr. Stefanson) that when we have this conversation one year from now, you will be off on your social allowance numbers, just like this government has been off four years running in the terrible costs to our budget and the bigger social costs to the dignity and the hope of people in Manitoba. So, again, we do not believe that this government has reflected its other goal in terms of the social system, the security of the social system.

Madam Deputy Speaker, we find other decisions in this government which are consistent with no consistency in this area; the cutback on child care two or three years running, the number of people in poverty. The children living in poverty now is the highest amount in the country, and this Premier promised in 1991 to do everything possible to eradicate child poverty. We see this government going in the opposite direction. This Premier is doing nothing to eradicate child poverty. This Premier is going in the opposite direction, taking away the opportunities, increasing the number of people at food banks, increasing the number of people on social assistance, increasing the number of people receiving UI and increasing the despair in this province.

We note, Madam Deputy Speaker, that the government is cutting back on community living and vocational rehab programs. They are increasing those programs—I want to correct myself—but at the same time, Children's Special Services, we do not think has been reflected adequately in this budget. The child care system and daycare system in Manitoba has even been evaluated by the chamber of commerce in 1986 to provide an economic investment in Manitoba. It creates income. It gets people off social assistance. There is no better program from single moms than a strong accessible affordable child care system.

This government is going in the opposite direction. They are in a time warp. They are way back in time. Not all families have the luxury of being able to raise our children the same way as we were raised 40 years ago or 30 years ago. You cannot make decisions in the 1990s on the basis of the nostalgia that we see across the way. We would ask the government to look realistically in a fair way at a single mom's program, and the best place to start is in the area of child care.

\* (1510)

Lastly, Madam Deputy Speaker, this government has talked about one of its goals being the deficit. The deficit is another shell game. The growth rate, the unemployment rate and the deficit are the three major troikas of the shell game for members opposite. We have seen a deficit that was at \$766 million. Remember Harold Neufeld in his speech last year, the former member for Rossmere? He said the number is not \$562 million. The number, he argued, was \$862 million of real deficit. You know what? When you look at the bottom-line numbers of this government, he was right. It was \$866 million. You have to take a look at the \$566 million that they ran, the \$200 million that they moved from the '88 surplus of the NDP to last year's budget and the \$100 million they moved to a prior year's adjustment.

Why is this government off \$100 million this year in their estimate projection on the deficit after they put \$40 million or \$50 million in to keep it below \$500 million? Why is Saskatchewan on target? Why are the Tories off target? Why is Saskatchewan \$100 million below this government this year? If you want accuracy on deficit numbers, bring in the NDP from Saskatchewan, throw out the Tories of Manitoba in terms of predictions in this province.

So, Madam Deputy Speaker, we will see the real deficit numbers. We will see the results. We will see, sometime in the future, the actual deficit from this government. I would note, and it should be a concern for all members, that interest rates have gone up close to 2.5 percent in the last six weeks.

**An Honourable Member:** That is what you wanted.

**Mr. Doer:** No, I do not want that. I want to say for the record that I would allow the dollar to go down. I do not agree with the Liberal financial policy of —[interjection]

**An Honourable Member:** How far down would you let it go?

**Mr. Doer:** I can recall speeches on high interest rates from members beside us.

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

**Madam Deputy Speaker:** Order, please.

**Mr. Doer:** The Liberal Leader (Mr. Edwards) wants to increase interest rates. Well, we do not want to see the 1.5 percent increase in interest rates, and we would prefer to have—

**Madam Deputy Speaker:** Order, please.

#### Point of Order

**Mr. Paul Edwards (Leader of the Second Opposition):** On a point of order, the Leader of the official opposition has put a totally spurious and false comment on the record about me wanting increased interest rates. Nothing could be further from the truth.

My question to the member is, how low would he let the dollar go? He talks about letting the dollar go. How low—

**Madam Deputy Speaker:** Order, please. The honourable Leader of the Liberal Party does not have a point of order.

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**Mr. Doer:** The Liberal Leader should just relax a bit. Sometimes policies made in Ottawa are good for Manitoba, and sometimes policies made in Ottawa are bad for Manitoba. The real question is, is this Liberal Leader going to stand up every time interest rates go up and defend his Liberal brothers and sisters in Ottawa or is he going to start standing up for Manitoba?

I did not know the Liberals were so touchy. I wanted to give all of us a cautionary note on the Minister of Finance's (Mr. Stefanson) budget because in the last five weeks I remember members opposite asking lots of questions about high interest rates. I have not changed my mind on high interest rates. If they have, that is fine.

Madam Deputy Speaker, I would let the dollar float to its natural level, and I would not raise interest rates because I believe it kills jobs. I believe that low interest rates creates jobs, and if the Liberals want to kill jobs with high interest rates, let them go ahead and do it, but we are against that. I believe—[interjection]

**Madam Deputy Speaker:** Order, please.

**Mr. Doer:** Madam Deputy Speaker, on my cautionary note, interest rate increases are bad for this province; they are bad for jobs; and they are bad for our exports. I think we have had an increase in our exports because of the lower dollar. I have always believed that the dollar should be at its natural level. We should not have a monetarist policy of high interest rates. I have always been against the monetarist policy of high interest rates. [interjection]

**Madam Deputy Speaker:** Order, please.

**Mr. Doer:** Madam Deputy Speaker, I guess—

**Madam Deputy Speaker:** Order, please. I am certain that most of you are going to have your own individual opportunity to speak to the budget speech. Currently, the Leader of the official opposition is attempting to put his remarks on the record relative to the budget. Thank you.

**Mr. Doer:** Thank you, Madam Deputy Speaker.

As I was saying before as a cautionary note, the interest rates will impact on the minister's budget, and I would bet, I would guess, that the Minister of Finance (Mr. Stefanson) is with us and obviously against the Liberal position on high interest rates. We are opposed to it. It kills jobs. It kills confidence. We have gone through a long period of time, and if we have to make the choices—and we do have to make choices; we do not live in fantasy land like members beside us—we believe that the dollar should float to its natural level. We should not prop up the dollar with high interest rates. We would allow the interest rates to stay down, and that would help this budget. It would help our jobs. It would help our deficit of payment with the United States. It would help our trade, and we just will agree to disagree with the monetarist policies of the Liberal Party beside us. I would

hope that this will not have too negative an impact on the Minister of Finance's projections again on the deficit.

Finally, Madam Deputy Speaker, we want to talk about community services. You cannot have safe streets, you cannot have an objective of a secure community if you have dispositions in our youth offenders court that are going from 11 months to 12 months to two years—remand government across the way. The court system is so plugged up, and kids are being remanded so routinely without any disposition, without any consequences, that the words that this government uses are absolutely devoid of any reality outside this building.

Look at your budget. Is there any capital expenditure to introduce the so-called programs that you promise to bring in? There is no capital expenditure there. Are there any expenditures to deal with the remands, the 11-month to one-year to two-year remands? Is there any ability to deal with consequences in our young offenders court? Are there any resources there to deal with those great line-ups dealing with people charged with sexual abuse and physical abuse of their spouses and other partners? There is nothing in this document.

We have a remand government over there, remand after remand after remand. You have no investment in making our streets safer. You have nothing in this document to make our streets safer, and the words "the nine-point plan" that you have promised have no implementation to them in this budget. We think again the government has failed on one of its so-called five goals.

Madam Deputy Speaker, we have made some suggestions to this government. We have talked about increasing community policing; they have done nothing. We have suggested the crime prevention centre be declared; the government has nothing. We have suggested a training program for small business to give skills to those on welfare; this suggestion was ignored. We have suggested a youth employment strategy, something lacking in this budget and its predictions, and the government sits back and does nothing.

Madam Deputy Speaker, there were twice as many youth assisted by the youth employment programs in '87 and '88 as there are today, and youth unemployment is considerably higher today. We have suggested serious efforts to train welfare recipients, and the government responds with a limp \$3 million pilot project. We have suggested that New Careers and ACCESS programs be maintained. We have suggested that this government look at redeploying money from Workforce 2000 and from motivational programs for hairdressers to giving people an opportunity to be trained and working.

\* (1520)

We have suggested a health care reform act to deal with the accountability so that Manitoba can have a say on where their health care system is going. We want a new and improved continuing care program that gives needed care in the community. This government's response is the same old rhetoric of cuts, cuts and more cuts.

We have suggested improved benefits for part-time workers, and the government just shook its head. We have suggested improved minimum wages over the last number of years to address the high rates of poverty, and the government only gives tax breaks to companies and tax breaks of \$20 million to corporations.

We have suggested stable funding for our public school system, and this government cuts their funds and gives more money to places like Ravenscourt and Balmoral Hall.

We want a partnership with Manitobans to build a vision of hope, to build a vision of fairness, to build a vision of common sense. This government has no vision for the future and has no plan of action for tomorrow.

Madam Deputy Speaker, "fairness" is not a word the Tories use in their budget. Fairness is written all over this budget only in the sense of the lack of fairness that we see. It does not secure us jobs. We do not secure new educational opportunities. We do not feel that health care services are being changed effectively; they are only being diminished. Welfare program changes are not being made. Deficit projection numbers are

absolutely false every year, and crime prevention and safe neighbourhoods is not really a priority of this government.

Madam Deputy Speaker, we need a change. We need an election. Manitobans want hope. Manitobans want—we want a common-sense approach and a fair approach for everyone in Manitoba, not just a few people who can afford this Tory government. They want a government that is really committed to jobs, education and health care and community safety. They want a government that matches its words with some action, any action from this government.

Madam Deputy Speaker, this government has failed the people of Manitoba, and therefore I move, seconded by the honourable member for Brandon East (Mr. Leonard Evans):

THAT the motion be amended by deleting all the words after "House" and substituting the following:

Therefore regrets

(a) that this government's record of more tax breaks to business has resulted in fewer people working today than six years ago; and

(b) that this government fails to offer hope for the future by reducing educational training opportunities; and

(c) that this government fails to protect our most vulnerable citizens by introducing further cuts to health care programs; and

(d) that this government, in the Year of the Family, has failed to introduce measures to improve community safety; and

(e) that by this government's own admission Manitoba's economic performance will continue to be below the national average resulting in continued out-migration and record levels on social assistance; and

THEREFORE that this government has thereby lost the confidence of this House and the people of Manitoba.

(Mr. Speaker in the Chair)

**Motion presented.**

**Mr. Marcel Laurendeau (St. Norbert):** Mr. Speaker, this is a great day for the province of Manitoba. Our government has once again brought forward a budget that speaks to the hearts and minds of Manitobans.

Mr. Speaker, the sun is shining and so is the economic outlook for our province. I believe this budget addresses the needs, concerns and hopes of all my fellow Manitobans.

Mr. Speaker, it gives me great pleasure to rise in my place today and join in this debate—

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

#### Point of Order

**Mr. John Plohman (Dauphin):** Mr. Speaker, I would like to ask the member, who wrote this speech for him that he is reading?

**Mr. Speaker:** Order, please. The honourable member for Dauphin does not have a point of order.

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**Mr. Laurendeau:** Just for the honourable member's information, I sat up till 4:30 this morning, but I really had to work hard not to take any shots at him. If he will give me the opportunity to put this—I will take the high road if the honourable member will give me the opportunity.

Mr. Speaker, it gives me great pleasure to rise in my place here today to join in this debate on the budget. It is a special honour to speak to this great document and what it represents to the people of Manitoba. Each and every Manitoban is a responsible citizen worthy of respect and recognition. It is unfortunate that the Leader of the Opposition (Mr. Doer) felt compelled to fabricate negative points, but so be it. I rise today to underline the hope and bright future that this budget offers to my fellow Manitobans.

Mr. Speaker, this budget is first and foremost about job creation, an improved economic environment and fiscal responsibility. This budget recognizes and enhances small businesses in Manitoba. Small to medium-sized businesses create the wealth for social programs, housing, education and better standards of living for all

people in this province. Small business is the driving force of our economy. I think it is important for all members to realize this as we debate this budget. I would invite all my constituents and all Manitobans to join this government in renewed efforts to build long-term economic growth and development in Manitoba, for this is the only path to secure futures for us and for generations to come.

Mr. Speaker, fiscal responsibility is the only route we can take to accomplish this goal. Our government has been the leader in creating the climate to achieve this end. This is confirmed by the fact that other provinces across Canada, regardless of their political stripe, have followed our lead.

Mr. Speaker, the proof is before us all. In the recent Saskatchewan budget the NDP from that province recognized that this was the best province in all of Canada to live if you had an income of \$25,000 or less. The NDP in Saskatchewan recognized that we were the second best province to live if we had an income of \$50,000 or less. The NDP, and only the NDP in Saskatchewan, not this NDP party, recognized that we were the third best place to live if we earned \$75,000 a year.

\* (1530)

Governing is about dealing with choice and making decisions, oftentimes very difficult decisions. Bringing forward a budget is no easy task, and I believe the honourable Minister of Finance (Mr. Stefanson) should be congratulated and thanked for this worthy document.

The economic situation we face because of debt, and for that matter every province faces, is not as bright as it once was. Allow me to draw this analogy of our current situation. When wage growth slowed in the late 1970s, government spending did not, it accelerated. That spending was paid for with borrowing. Like the first few drinks of a drunken sailor's binge, this early borrowing was agreeable. Government could deliver the services it paid for plus an extra chunk paid for with the borrowed money. A dollar of taxes bought \$1.10 worth of services, very nice indeed. But as deficits followed deficits, debts accumulated. So

did the interest due. After a decade of these deficits, 25 cents of every tax dollar had to be handed over to the creditors, so we delivered 75 cents of services for every tax dollar we collected. Not so good, Mr. Speaker.

Have we learned? Yes, we have. This government is headed in the right direction. I will not stand here today and lay blame on anyone or any party for this situation. The honourable Leader of the Opposition (Mr. Doer) did enough of that whining already today. Rather, let me point out the positive initiatives my government put forward in this and our previous budgets.

Mr. Speaker, all members of this Chamber—[interjection] If the honourable member for Radisson wants to make comments I am always ready to listen. I do not kill jobs out in Brandon and in the country as you do. All members of this Chamber were elected to represent the people of Manitoba. What is it the people of Manitoba want? Do they want jobs? The answer is yes. Do they want their vital services protected? Yes. Do they want a fiscally responsible government? The answer is yes again.

Then how will my government ensure that people of Manitoba who have worked so hard on building a strong Manitoba receive what they are demanding? Mr. Speaker, the answer lies in this budget.

The taxpayer in this province has demanded we do more with their hard-earned dollars. The taxpayer has asked that we no longer increase their share of the burden. My government has frozen taxes for six consecutive budgets. That is no increase in personal income tax, no increase in corporate tax, and no increase in our provincial sales tax. Guess what, we have frozen taxes for the seventh consecutive time. There is once again no increase in personal income tax, no increase in corporate tax and, above all, no increase in our sales tax. This is unheard of in today's climate. No government can make this claim once let alone seven times. Why is this important? Because we were the highest taxed province in 1987. This province has gone from the highest combined federal-provincial tax rate to the fourth lowest. Our

basic provincial income tax rate is now third lowest in Canada. Our sales tax is the lowest of any province that charges a sales tax.

Mr. Speaker, clearly this has renewed optimism for doing business in this province. Manitoba is open for business. Winnipeg has been recognized as one of the very best places in Canada to do business by the Globe and Mail Report on Business Magazine. Diane Francis, the editor of the Financial Post, wrote: Filmon, in essence, is doing what all premiers should do, ignore political rhetoric and simply create a climate for prosperity through fiscal restraint. Prime Minister Jean Chretien, please take note. Filmon has turned an NDP antibusiness culture into a probusiness environment—jobs, real jobs.

Mr. Speaker, as we entered 1994, there were 13,000 more jobs in Manitoba today than when we entered 1993, 18,000 more than in the summer of 1992 during the low point of the recession. The members opposite would have the people of Manitoba believe otherwise, but our growth rate in job creation has been one of the best in the country. This will continue with this budget. Manitoba has recently welcomed: Unitel, 400 jobs; CP National Call Centre, 100 jobs; International Game Technologies, 26 jobs; Monsanto in Morden, 15 jobs; the Ayerst expansion in Brandon, 1000 jobs; GWE in Brandon, 100 jobs; Louisiana Pacific in Swan River, 300 jobs. The list goes on and on and on, and will continue to grow under this government and this budget.

We are creating this economic environment for this generation but also for future generations. Mr. Speaker, I cannot expect my children to pay for the luxuries that I enjoy today and leave them with little hope for their future. We need to put into place the tools for economic growth and prosperity. This budget continues on the path we have set out. We must reform the way government and social services have been handled in the past.

Mr. Speaker, our efforts are paying off. The fruits of our labours are taking root and growing in communities from one end of Manitoba to the other. In many ways, we are the envy of all of Canada. Our province has a very favourable bond

rating. This year, the Dominion Bond Rating Service cited Manitoba as being the most fiscally responsible province in Canada since 1987. This is quite an achievement.

Mr. Speaker, there will be no future in my Canada or in my Manitoba if we do not make the tough decisions that are necessary now. I earlier referred to the high priority placed on small business. It is the true backbone of our economy and consistently ranks as our most effective creator of jobs.

Mr. Speaker, Manitoba is facing enormous fiscal challenges brought about by flat revenues and increasing pressures on the provincial deficit. These factors have made it necessary for the government to give careful consideration to any new initiatives that may increase costs to government at any time that we are studying them.

Mr. Speaker, this being said, we have extended the successful Business Start program for an expected 600 additional jobs, just one part of our supportive climate for small business. The small business capital tax exemption will be doubled to \$2 million; as a result, some 600 additional small businesses will no longer pay this tax. As well, the small business corporate income tax rate will be cut from 10 percent to 9.5 percent for 1994, and 9 percent in 1995.

Mr. Speaker, business regulation is another crucial issue, especially for small business. Our government is responding in order to reduce red tape. We have created the Advisory Panel on Business Regulations along with Manitoba small business. We are waiting with interest for the panel's report in June.

We are committed to making regulations more efficient to help ensure Manitoba continues to have one of the best economic climates in all of North America. Small business preoccupies me a great deal. At this point, let me take a moment to thank the Leader of the Opposition and his party, for were it not for the NDP, I would not be here today. I was a small-business owner when they were in power. I remember the penalties they imposed on me as a small-business operator. They

called it a payroll tax but in reality it was a tax on incentive, on creativity and on jobs.

As a small-business owner, I had had enough. I am proud to say that my government has done away with 90 percent of this penalty on jobs for Manitobans. My government understands the role that small business plays in the economic growth of Manitoba. Over the past six years, our government has placed a high priority on supporting the needs and aspirations of Manitoba families.

Mr. Speaker, there are many young people in my riding of St. Norbert and across Manitoba. Consequently, we support utilization of registered retirement saving plan funds sheltered from provincial and federal income taxes to assist these first-time home buyers.

\* (1540)

Moreover, my government is introducing a sales tax rebate program for all new homes purchased by first-time home buyers; as well, a special one-year \$10-million program will assist Manitobans to renovate and upgrade their homes.

Mr. Speaker, as a further measure of assistance to lower-income homeowners, Manitoba Home Renovation Program grants will be extended to Residential Rehabilitation Assistance Program projects where the net cost to homeowners exceeds \$5,000. An estimated 600 jobs will be created and maintained as a result of these housing initiatives.

Mr. Speaker, earlier I alluded to the social safety net that is so dear to all Manitobans. This budget not only strengthens the social safety net, it also preserves it for generations to come. It is important that we instill self-reliance rather than foster dependency on our welfare program. The Departments of Family Services and Education have earmarked \$3 million for specific pilot projects. This is to provide welfare recipients with real hope and opportunity for their future.

Our overall strength and well-being as a province is due largely to our health and well-being as individuals and as families. One of the fundamental values that unites us as

Manitobans and as Canadians is the universal access to quality health care, Mr. Speaker.

In order to ensure the availability of quality care, our government offers the following budget measures: Home Care will receive an additional \$2.6 million; Support Services for Seniors will be enhanced through a special \$500,000 allocation from the Healthy Communities Development budget; regulated midwifery will be introduced as an important component in a comprehensive obstetrical service plan; Breast cancer and cervical cancer screening programs will be enhanced; funding for dialysis treatment will be increased by \$2.4 million, bringing the service closer to the patient; increased funding of \$1.3 million will be available for bone marrow transplants; establishment of Manitoba's first lung transplant pilot program means more and more Manitobans no longer need to leave the province for this vital service; Pharmacare will receive an additional \$5.6 million; community-based mental health services receives an additional \$4.3 million; adult daycare spaces will be increased throughout the province.

Mr. Speaker, this government cares about the patients in Manitoba. We put the patients first. I respect the diligent work and service our health care professionals provide, but patient care and quality service should not depend on a union card but, rather, a Manitoba Health card.

Education and training are the keys that unlock opportunity. It is essential that Manitobans are equipped with the knowledge and skills needed to compete in the next century. It is in this light that our government will increase the community colleges budget by 3.3 percent to build our success in enhanced technical and vocational training.

As well, Mr. Speaker, our government is directing \$2.25 million of new money for public schools, including the development of new curriculum, \$650,000; developing a system using a new technology to allow teachers to speak simultaneously to several remote northern Manitoba classrooms, \$750,000; linking rural libraries to share materials, \$80,000; and developing computer course materials, \$150,000.

Mr. Speaker, this increase will help to instill in Manitobans the strong base they require to become contributing members to our changing world. I respect the views of all members in this House, and I sincerely hope that this budget debate will be fruitful and productive. Each and every Manitoban is worthy of recognition and respect, and I believe this budget does just that. It offers the hope and the leadership required for all to live productive and rewarding lives, building towards a future and a legend our children will be proud of.

In closing, Mr. Speaker, I again want to thank the Minister of Finance (Mr. Stefanson) on his first budget and a special thank you to the member for Morris (Mr. Manness) for his sheer determination in successfully turning Manitoba's challenges into opportunities.

I am proud to be a Progressive Conservative in Manitoba, progressive in our policies to protect our social safety net, yet conservative in our fiscal responsibilities, and I wish to thank all my constituents for their continued support and look forward to next year's Progressive Conservative budget.

Thank you, Mr. Speaker.

**Mr. Jerry Storie (Flin Flon):** Mr. Speaker, there are many things in this Chamber that sometimes go unsaid, and perhaps there is no better time for the member for St. Norbert (Mr. Laurendeau) to leave unsaid that he is most satisfied with the fact that his nomination battle has been cleared up. That, in fact, is probably what satisfies him more than this budget. And the member for Morris says I am kind of satisfied these days and the member for Morris could not be more right.

I want to begin by continuing a theme that I presented when I gave my throne speech debate, and what we have seen in this budget is in large measure a reflection of the conversion that members opposite have undergone over the past couple of years. I am delighted, I am surprised, I am shocked that the member for Morris (Mr. Manness), the former Minister of Finance and that the current Minister of Finance (Mr. Stefanson), who takes on a new responsibility, can sit so gleefully and talk about this budget.



Mr. Speaker, I recall in 1982 being part of the government when, and sitting over here was the member for Pembina, sitting right in front of me, chastising me at length, ad nauseam, about deficit, deficit, deficit. I remember him asking me a legitimate question which I took quite seriously— [interjection] The member for Assiniboia (Mrs. McIntosh) says, what were your revenues?

Mr. Speaker, I recall as well a debate that she may want to familiarize herself with, and that is when we said that beginning in 1981, the former Liberals, carried on to the Conservatives, began to undermine our revenue on health and post-secondary education and equalization, the Leader, the now Premier (Mr. Filmon) of the province, said, quit whining. Maybe we could provide that advice to the member for Assiniboia now.

Mr. Speaker, what I wanted to say was that the member for Pembina at that time asked the question, in which he said, how do you support a \$500 million deficit? I answered the question, and I said, over the long term it is not supportive, that in fact we believed in 1981 and 1982, that what we needed to do was stimulate the economy, what we needed to do was put people back to work, something that I still believe has merit.

Mr. Speaker, I want to ask the member for Pembina (Mr. Orchard) a legitimate question. For the sixth consecutive year, this government has run a deficit, this government, the government who was just applauding itself and breaking its arm patting itself on the back about this particular budget, ran the highest deficit in the history of the province of Manitoba in 1982-83—the highest deficit in the history of the province.

\* (1550)

Mr. Speaker, the Minister of Finance (Mr. Stefanson) in his Budget Address boasts to the people of Manitoba that this is our seventh consecutive budget and for six years we have managed to average \$320 million deficits. My question to the Minister of Finance is, is this sustainable? It is sort of consistent with the sustainable rhetoric that we see on the environment, that it is now a sustainable deficit

that we have. It is six years, it averages only to \$320 million, are we not great?

I think that is an amazing conversion coming from a party that believes—certainly the former Minister of Finance said on more than one occasion in this House that the goal was to eliminate the deficit, we had to start dealing with the mounting debt.

Mr. Speaker, I just happen to have in front of me the 1994 budget document which talks about the net debt of the Province of Manitoba which has grown since this government took office from almost \$9 billion to what it is now, which is \$12 billion going on \$13 billion.

**An Honourable Member:** You wanted us to spend more.

**Mr. Storie:** Mr. Speaker, the former Minister of Finance says, you wanted us to spend more. What we wanted you to do was to be more accountable. What we wanted you to do was to recognize that all of the tax breaks, the \$100 million in tax breaks that are going into corporations in Manitoba this year have not created job one.

In fact, the record will show quite clearly that what has happened in this province since 1988 is that the number of unemployed has increased from 47,000 to 57,000. So when do we get to see the success of this philosophy, the philosophy that if we give tax breaks to Great-West Life, if we give tax breaks to Grapes Restaurants, somehow it is going to create employment, that it is going to create wealth?

When do we get to see the result? I was taught a long time ago if you try something and it does not work and you try something and it does not work and you try something and it does not work—we are now into four budgets, and you are trying something and it does not work and you try something and it does not work. Either it does not work or you are an idiot. That is the solution. That is the only conclusion. So I do not know; either their philosophy does not work, or they are stupid.

Mr. Speaker, it does not work. That is the bottom line. It did not work for Brian Mulroney in 10 years. It did not work for Maggie Thatcher. It did

not work for Ronald Reagan. Ronald Reagan kept saying he was cutting taxes, giving tax breaks to corporations in the United States, and what happened?

The bottom line is, this government sooner or later is going to have to wake up. The proposition somehow that you can create new opportunity, that you can create innovation, that you can create employment and improve the economy by providing tax breaks is fallacious. It is not true. It does not work, and the record of this government shows that more clearly than anything else.

Well, Mr. Speaker, you know I have had the opportunity to meet with the—we met recently with the Winnipeg Chamber of Commerce. I have met with chambers of commerce throughout this province, and if I asked them, when was your bottom line better, in 1986 or 1987 or today, or any time since this government has been elected, do you know what the answer is? The good old days.

**An Honourable Member:** The days when government borrowed.

**Mr. Storie:** The Minister of Finance wants to say, the government borrowed. Yes, we did. We also left this government a surplus—[interjection] Well, Mr. Speaker, I can only tell them to check with the Provincial Auditor's Report of 1988-89. He tells it.

I want to continue with my theme that this government is somehow, either they are being deceitful, the leopard is changing its proverbial spots, or there has been some sort of conversion. The fact of the matter is, in the throne speech, and I will go back to the example, this government cut the Student Social Allowances Program, a program that took single parents off welfare and put them into the workforce. What do we see in the throne speech? Oh, this is a great idea. Let us take people off welfare and put them to work, and maybe we should work with single parents—a magic conversion.

We had, the first time that I have seen in seven throne speeches, from this government a recognition that the government public enterprise, public planning and public thought have some role in determining the future of the economy. I think

the words in the budget were—public sector activity was the word that the budget used, and what does the government pride itself on when it talks about its supposed job creation in this budget? It talks about \$1 billion of public investment.

Well, my question is: If public investment was no good when the NDP did it, why is now the Conservative government saying that public investment is somehow the salvation?

Mr. Speaker, the irony is that Manitobans will not be confused. This is a death-bed repentance. It is an attempt to present—

**An Honourable Member:** Hey, four or five more years for the Conservatives.

**Mr. Storie:** Well, Mr. Speaker, the member for Lakeside (Mr. Enns) may want to believe it is four or five more years, but I think it is more like four or five months.

Mr. Speaker, not only in terms of the public sector involvement, but I want to again remind members opposite, and they include the member for Arthur (Mr. Downey) and the member for Ste. Rose (Mr. Cummings) and a number of other members who were involved in the opposition from 1981 through to 1988, I want to remind them of their antipathy towards the Community Places Program. The Jobs Fund provided money to the Community Places Program to build skating rinks, to build community assets. Every single speech was peppered with the rhetoric of, this is short-term job creation; this is wasting the taxpayers' dollars. What do we see the new Conservative government proposing in their 1994 budget? A \$4.5-million increase in Community Places because it is going to build these wonderful things for our community.

(Mr. Edward Helwer, Acting Speaker, in the Chair)

**An Honourable Member:** Are you going to vote against it?

**Mr. Storie:** Mr. Acting Speaker, the member for Arthur (Mr. Downey) asked me, am I going to vote against it. The answer is, yes, because this budget is developed and designed, and the rhetoric is

developed, simply for one purpose, to mislead the people of Manitoba. That is all. This is a death bed, pre-election budget that refutes, in essence, everything that they have said they believed in and they said would work for six years. It did not work.

I would like just to see a little bit of honesty from the front bench. I would like them to ask themselves the question: Is Manitoba any better off? I heard the remarks of the member for St. Norbert (Mr. Laurendeau). I do not know what planet the member for St. Norbert lives in.

Mr. Acting Speaker, I also visit small businesses throughout Manitoba. I have toured through communities like Neepawa, Gladstone, Swan River and The Pas. I have been to Lac du Bonnet. I have travelled up Main Street and down Pembina Highway.

The member for St. Norbert travels down Pembina Highway. There are strip malls on Pembina Highway that do not have a single business, not one small business in them. They are empty. They are vacant. Anybody who drives in this city and cannot see the "for sale" signs, "for lease" signs on business after business after business is blind.

If the member for Brandon West (Mr. McCrae) cannot read the bankruptcy statistics for the last six years and know that his government has been a failure, then he had better go back to remedial reading class.

The fact of the matter is, on every single item, this government and this throne speech is an attempt to paint over what is a particularly bleak picture, particularly for small business but also for the people who are looking for jobs right now.

Mr. Acting Speaker, I chuckle when I read the throne speech this year where it talks about the foundation is set. That is what the government said in 1988 after its throne speech. That is what it said in 1989.

**An Honourable Member:** It is solid.

**Mr. Storie:** Mr. Acting Speaker, the Minister of Education and Training (Mr. Manness) says it is solid. This government has just added two point some billion dollars to the debt of the provincial

government, to the taxpayers. Unlike the previous government, there are still some 60,000 people unemployed. There are more than twice as many people on social assistance. There are record bankruptcies.

Contrary to what the Minister of Finance (Mr. Stefanson) suggested in his speech, we are not making progress when it comes to manufacturing. In fact, if you look at the facts, the value of manufacturing shipments today is some \$6 billion, and it was \$7 billion in 1989 before free trade. We have lost about 15 percent of the value of the manufacturing shipments over that period of time. What has happened to employment in the manufacturing sector? Are we making any progress there? Never mind the rhetoric from the Minister of Finance (Mr. Stefanson). What is the fact? Well, the facts are that we have lost 11,000 manufacturing jobs since this government took office—11,000 jobs. In 1989 there were 62,000. There are now 51,000.

\* (1600)

Mr. Acting Speaker, we are going to hear the argument, well, that is happening all across Canada. Well, let us just look at the facts. What happened in British Columbia since 1990? They have had 24,000 more manufacturing jobs. The New Democrat government in British Columbia seems to be able to create wealth. Manufacturing is one of the most important wealth-creating sectors in the economy. The bottom line is that this front bench had better take off their rose-coloured glasses, because everything they have done has failed to do what they promised Manitobans it would do.

Mr. Acting Speaker, I reference the other word that you always see in the throne speech, and the Minister of Finance (Mr. Stefanson) spent some time talking about the importance of creating this climate. Well, what is the climate in Manitoba today? The climate in Manitoba today is the climate of fear and despair. That is what the 60,000 people who are unemployed feel. That is what the students who are on waiting lists who cannot get into their educational system feel. That is what the people on welfare feel. The uncertainty is felt by

every person employed in the province of Manitoba. We thought that this government's policies were going to lead to an investment climate that would have private-sector companies clamouring to come to Manitoba.

**An Honourable Member:** Hear, hear. That is what is happening.

**Mr. Storie:** The member for Brandon West (Mr. McCrae) says, that is what is happening. Well, maybe the member for Brandon West when he gets his opportunity—[interjection] Mr. Acting Speaker, perhaps the member for Brandon West when he makes his contribution to the Budget Debate will explain why this year private investment in Manitoba is going to fall almost 5 percent, the worst record in the country. If we have spent all of this time—we have changed the tax structure, we gave \$100 million in tax breaks to private corporations in the province of Manitoba; and private sector is not coming to Manitoba, it is fleeing. The private-sector investment is going to drop and did drop in 1990. So when are we going to see success from the Conservative government's philosophy?

Mr. Acting Speaker, the question is—and it is going to be interesting because many of the things that the government is announcing in this budget are very reminiscent—

**Hon. Harry Enns (Minister of Agriculture):** I wonder if the honourable member would permit a question at this juncture of his speech.

**Mr. Storie:** Mr. Acting Speaker, I would be more than happy to entertain a question if I have any time left when I conclude my remarks. I should warn—

#### Point of Order

**Mr. Enns:** On a point of order then, Mr. Acting Speaker.

Due to my nature and as a courtesy to the honourable member, I would like to give him some time to contemplate on what the question would have been. I would like him to explain, you know, where he went wrong in the rest of his contribution here.

**Mr. Storie:** Mr. Acting Speaker, I have to say that is not up to the member for Lakeside's normal contribution. I did not understand that question. Normally I can. I will give the member another opportunity to ask me that question.

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**Mr. Storie:** Mr. Acting Speaker, I want to continue on by remarking on the conversion that we have seen on the part of members opposite. I mentioned the deficit of course. The deficit is not a problem, \$320 million every year this government has been in office as a deficit does not seem to strike any particular measure of concern.

It is also interesting that many of the other things, and I mentioned the Community Places Program, a program that we put in place to help communities build. I was chastised by every member of the then opposition. They said, it does not work, it is short term, it is job creation, it is putting up signs.

What is it now that they are doing it? The infrastructure program, I spoke about this in the throne speech. I like the infrastructure program. I have been calling for an infrastructure-like program since 1988, since this government took office, once the economy started to slow down.

We know that our infrastructure is deteriorating, but the city of Winnipeg has literally thousands of miles of streets that are deteriorating, water and sewer lines that are deteriorating. Many communities in the province, including Flin Flon, have a significant need for infrastructure dollars.

Mr. Acting Speaker, unfortunately, this government did what political parties, what governments in power, particularly heading into an election, are prone to do and it used the opportunity to create basic, essential infrastructure in the province, turned it into a political pork barrel, turned it into 1,600 feet of sidewalk.

**An Honourable Member:** Who did?

**Mr. Storie:** This government, your government. Sixteen hundred feet of sidewalk, siding for this building, siding for that building, small projects in dozens of communities.

I want to make it clear that I am not arguing against any of those projects in those communities. I am saying, the government had an opportunity to do something critical, to do something long term, do something like the Winnipeg aqueduct, but other than the rural gasification project, which we have yet to see come to fruition—there are still some details to be worked out—we have not seen what this new information highway proposal looks like. They have spent, and some will say squandered, and if those members were on the opposition benches today and our government had introduced that proposal, they would have said squandered taxpayers money; that is what they would have said.

Again, Mr. Speaker, it is an election year, they can be forgiven. They will not be forgiven at the polls, but certainly I am in a magnanimous frame of mind and I can forgive them.

Now I want to talk about the other favourite Tory approach to economic development, a failed approach in every jurisdiction in the world, the approach that says, if we give the companies more tax breaks that will solve our problems.

I have just read into the record the facts about what the climate looks like from the private sector. They are disinvesting in Manitoba. I have just said what the climate looks like for the people who are unemployed. There are more unemployed now than when this government took office. Every year, successive year, it has got worse.

Mr. Acting Speaker, now I want to talk about the new smoke and mirrors that are introduced in the budget. This government wants to portray itself as fiscally frugal and fiscally responsible, but when it talks about its tax changes for 1994 on page 1 of the tax adjustment section, section C, in the budget document, it says there will be some changes in taxation. It mentions sales tax. That refers to the cutting in half of the sales tax as applied to electricity used in mining and manufacturing; cut in the fuel tax; cut in the corporate income tax; the small business tax rate; the manufacturing investment tax credit; changes to the corporation capital tax.

Well, there is one of those changes that should be of interest to most Manitobans, and it is not without some irony that in fact the tax breaks that go to the private sector corporations are, in fact, paid for by Manitoba Hydro ratepayers and Manitoba Telephone subscribers. That is what they are doing. They are undermining the credibility and the financial security of our Crown corporations to pay for tax breaks to private corporations.

That is what they are doing but, Mr. Acting Speaker, that is not where it ends. There are a whole list of other minute tax changes which may in fact benefit some small, medium-sized businesses, but there is not one shred of evidence that any of these tax breaks will create job one. They may in fact increase dividends. They may improve the bottom line of some companies in Manitoba, but there is no evidence that this kind of corporate giveaway does anything.

Mr. Acting Speaker, I table as proof of that that if this philosophy had worked it would have worked in the last six years. There is no evidence to support that at all. The evidence is that private sector capital is fleeing the province. The evidence is, there are more unemployed. The evidence is, there are more people on social assistance, and there are fewer and fewer dollars to distribute as a result of these tax breaks to schools, to universities, all of which were cut in this budget—fewer dollars to distribute. It is a backward, regressive policy that does not work.

When are they going to change their position? Well, they may not be able to. I am sure that to some extent there was this debate around the cabinet table, but they cannot change direction fundamentally. So the people only have one choice if they cannot change the direction of their policies—

**An Honourable Member:** What are they going to do?

**Mr. Storie:** Change the government. That is the solution. Change the government.

Mr. Acting Speaker, there was one other example of ideology run amuck, you know, where you cannot change what you are doing even

though you know in your heart of hearts that it is not right, and it has to do with this government's approach to Crown corporations. I have just said there is a lot of irony in the fact that the public Crown corporations here are going to be paying for the tax breaks of other private corporations.

\* (1610)

This government has also taken a particular delight in dismantling the assets of the Province of Manitoba, and they are referenced in this budget speech itself. They referenced the fact that they took Manitoba Data Services and privatized it, took a corporation that has contributed since the 1970s \$3 million a year to the coffers of the province of the government of Manitoba and privatized it. Did we get the head office that we were promised? No. Did we get the extra jobs we were promised? No. The member for Arthur (Mr. Downey) took a great deal of pride in privatizing and selling the Manitoba Oil and Gas Corporation.

**An Honourable Member:** Hear, hear.

**Mr. Storie:** And he says, hear, hear. He sold the Manitoba Oil and Gas Corporation for \$3 million when it had \$14 million of assets—oil, proven reserves, in the ground. Mr. Acting Speaker, \$14 million of assets in the ground.

The next victim of this ideology is going to be Manitoba Mineral Resources. Even the chairperson that they appointed said that would be a mistake, but their ideology will not be stopped. They are not going to let common sense and even the opinion of someone they appointed to the Manitoba Mineral Resources board override their particular ideology. They are going to dismantle that corporation. What did they do last year?

Mr. Acting Speaker, just as a prelude to this new approach to governing, they subtracted, they raided, they plundered Manitoba Mineral Resources of \$16 million to reduce their deficit. Now we hear the new Minister of Energy and Mines (Mr. Orchard), the guy who managed health care into the ground, is now looking after our interest in mining, and are we ever tickled pink, because what he is going to do is, he is going to plunder the remainder of the assets of Manitoba

Mineral Resources for some ideological kick, not because it is in the interest of mining in Manitoba.

I want this on the record for members opposite because I am sure the member for Portage la Prairie (Mr. Pallister) does not know this: Manitoba Mineral Resources, since 1988, has made for the province of Manitoba \$20 million. So what is the government going to do? Well, of course, it is going to sell it. It is going to sell off its asset. Is it going to sell off its asset at a reasonable market value? No, more than likely, it is going to give them away as it did the 49 percent interest MMR had in Callinan mine. Mr. Acting Speaker, you know, when it comes to competence, when it comes to business acumen, this government never had it. They never had it. They have not got it right. They still do not have it right.

Although they have painted this blue document surprisingly orange—it has a social flavour almost. You know, put people back to work; we are concerned. Unfortunately, the ideology behind it is as blue as the document ever was, and there has been no fundamental change, no fundamental appreciation for the destruction they are wreaking on the province of Manitoba, on our infrastructure.

Mr. Acting Speaker, we have the spectacle of the Minister responsible for Finance (Mr. Stefanson), the former Minister of Industry, Trade and Tourism, talking about how concerned the government is about trade harassment. Well, I remember the debate. The Free Trade Agreement and NAFTA were going to eliminate trade harassment. This was going to solve all the problems. It did not solve all the problems. It did for some companies. They have rationalized and moved their production down to the United States. Of course, others will be rationalizing their production and moving them to Mexico.

(Mr. Speaker in the Chair)

We now see the sheer hypocrisy of the government's opposition to NAFTA, the supposed six conditions that were never met. The government has now embraced it wholeheartedly. The only problem they are having with their trade policy is the fact that it is not working. That is the only thing that seems to be—the only shortcoming

with the trade policy is that they have embraced it fully but it is not working.

Mr. Speaker, I want to spend some time talking about the small-business sector. I have already talked about how, I guess, tortured—the only word I could think of is tortured—most small business owners feel right now because of course they have no customers. The fact of the matter is that most small businesses, particularly service sector businesses in the province of Manitoba, are struggling. The vast majority, and I said this to the president of the Winnipeg Chamber of Commerce not more than two weeks ago, I said, I will tell you right now that the vast majority, more than 50 percent, of all small businesses in the province have not made money in the last three years. In fact, restaurant after restaurant up and down Pembina, up and down Portage Avenue, up and down Regent Avenue, are bordering on bankruptcy, if they are not being pushed into bankruptcy by the banks. The president of the Winnipeg Chamber of Commerce would not deny that. He would not say, no, that is not right.

So what is this government doing for small business? Well, Mr. Speaker, when I was minister of business development and tourism in 1985, I created a panel to look at business regulation and the impact of business regulation on small business in the province. We put together a “blue-ribbon panel” that included the former president of the Manitoba Chamber of Commerce and the current president of the Winnipeg Chamber of Commerce and a couple of other members, and they produced some excellent recommendations.

This government had six years to implement one single recommendation from that task force. They actually were tabled in '86. Some of the recommendations—one part that dealt with how the government organized its regulatory affairs was changed. But there were a number of other recommendations that could have been changed.

Mr. Speaker, I am in the process of preparing, and our caucus is in the process of reviewing a piece of legislation that will be called the small-business regulatory relief act, which is based loosely on an American regulatory flexibility act

that was passed in 1980 that I am hoping that we will get support for. I have already checked with the Winnipeg Chamber of Commerce, and they may in fact support it. There is an element of, I do not know, cynicism that grows up around this issue when you have a government that supposedly supports small business, been in power for six years, done absolutely nothing, and on the eve of an election announces this new task force to study the impact of business regulation on small business. They had an opportunity to do something and they chose not to.

Someone has to ask the question why. What prevented them from doing the right thing for small business when they had the opportunity? I am sure there are going to be a lot of small businesses who may be being approached at this very minute by the co-chairs of this small business task force asking the question: Where have you been for the last six years? Have you not been in government? Have you not been in a position to help if this is such an overwhelming issue, which small businesses believe it is?

The government has had more than its share of opportunity to support small business, and in virtually every instance the support that has been offered, particularly when it comes to tax changes, budgetary tax changes have gone to support big business—larger business, if not big business. The government is going to be hard pressed to get that support back from the small-business community, because most of them know that the single most important thing for the success of their businesses is customers with a job. That is the bottom line—customers with a job.

Mr. Speaker, this budget is going to go down in history as one of the softest documents we have had in this Chamber. This budget is full of rhetoric, is full of emotive language that talks about the concern the government has when we all know that there are many aspects of this document which do not fit with the philosophy of members opposite.

This document is replete with examples of programs that this government has cut and slashed in the last six years which it has now somehow decided to reinvent. I think of the Home

Renovation Program as an example, but even there the ideology of members opposite seems so pervasive that even programs that on the surface should be useful and helpful programs probably are not going to end up as helpful programs.

\* (1620)

I use the Home Renovation Program as an example. Here is a government that is offering a home renovation program, if you have five thousand bucks that you have in your pocket, they will give you a rebate of \$1,000. At the very same time as the Minister of Finance (Mr. Stefanson) is standing up and saying, is this not a wonderful program, we are going to create jobs, the Minister of Housing's budget is being cut. The emergency housing program that is for very low-income Manitobans is being decimated, virtually gutted in the budget process itself.

So what you have is, if you have five thousand bucks in your pocket to do renovations, the government will give you a thousand, but if you have no money, if you are a senior, if you are unemployed, if you are on welfare, if you are struggling, if you live in a northern community where there is no employment, then forget this new program.

Even when the government tries to do the right thing, its ideology gets in the way. If the government wanted some advice, the member for Point Douglas (Mr. Hickes) in his question today gave the government an out. He said, here is a way of making this program so it will work for every Manitoban who has a home that he wants to improve. For communities like the member for Point Douglas it is going to be a much more effective program if they take the member for Point Douglas's advice and change the program so it will work for Manitobans who need the support and who live in areas where the condition of the houses warrants that kind of support coming from the public purse.

Mr. Speaker, we are often chastised on this side for not providing constructive advice. The member for Point Douglas provided some constructive advice. It would be nice if just for a change, just to humour me, the government actually took that

advice and made a program that worked, because there have been woefully few programs this government has introduced that have actually worked. Unfortunately, there are many, many Manitobans who can speak to that.

I wanted to as well spend some time on the government's policies that are reflected in this budget. I heard the Minister of Finance (Mr. Stefanson) in his address and I heard the member for St. Norbert (Mr. Laurendeau) in his remarks talk about the increase that the government is going to put into Pharmacare.

Mr. Speaker, we find this rather amusing, that the government that has twice increased the deductible on Pharmacare, that has cut virtually every other program to support seniors and those who are victimized by ill health, they are now going to boast about putting more money into the Pharmacare program. The irony of that is that the most significant reason for the increase being required in the first place is the fact that this government refused to stand up when their federal colleagues were changing the drug patent legislation that we said was going to cost the province of Manitoba millions and millions and millions of dollars.

The \$5.7-million increase is just the tip of the iceberg, and the question you have to ask yourself again is, who is the benefactor? Does the person who goes to the local drugstore to pick up his prescription benefit from this? No. The reason there is a \$5.7-million increase in the budget is because the cost of drugs have gone up since that particular legislation was passed, and the legislation that was passed in 1993 is going to make the costs go even higher—[interjection]

Well, Mr. Speaker, the member for Sturgeon Creek (Mr. McAlpine) wants a simple solution. The simple solution is to make the new Liberal government live up to its electoral commitment to change the drug patent legislation, to make the changes. That is the solution, and we will save that money. [interjection] Yes, it was; it was a promise.

You will have to admit that there is a certain irony in the Minister of Finance (Mr. Stefanson) in the government of Manitoba, a Conservative,



standing up and saying, are we not great, we are putting \$5.7 million more into the Pharmacare program, when everyone in this Chamber knows that the \$5.7 million we are putting in is going into the pockets of patent drug manufacturers in Canada and the United States. It is not because they wanted to. It is because their policy dictates that the marketplace should not be interfered with, and it should not be interfered with in terms of patented medicines either. So we are paying \$5.7 million more.

The taxpayers are simply paying more for every prescription so that we can fund the multinational companies that are doing patent drug research in Canada, but primarily, unfortunately, in the United States and other parts of the world. So change the legislation.

Mr. Speaker, apparently I have just time to wrap up my remarks on the 1994 budget. I want to begin by saying I have been asked the question across the floor, am I going to support this budget, and the answer is no. I am not going to support this budget because this budget is deceitful. I am not going to support this budget because, in virtually every case, the little gimmicks that they have included in their budget, the little tax breaks, the little gimmicks, they are, first of all, gimmicks. They have not worked in the last six budgets, and they ain't going to work in this budget.

Mr. Speaker, we will take the mining tax breaks for example. They have some superficial appeal, but the bottom line is, and I would invite the member for Portage (Mr. Pallister) to check out the facts: 1994-95, what is the net impact on the revenue of the provincial government of the tax changes in mining? He does not know. The answer is zero. It is a gimmick. It is a joke, like the budget.

I rest my case, Mr. Speaker.

**Hon. Harold Gilleshammer (Minister of Culture, Heritage and Citizenship):** Mr. Speaker, I am pleased to join with my colleagues, Manitobans from all corners of the province, to speak on this budget and rejoice with a budget that has been well received right across the width and breadth of this province.

This is my first opportunity to speak on the throne speech or the budget speech, so I would like to, Sir, welcome you back again to your position here in the Chamber, and all parties look forward to the customary good decision making that we have come to expect from you. A welcome also to the table officers who help to make those important decisions and provide the information that is so necessary to keep this House going. A welcome to the new Pages. All of us have been very impressed with the way they have conducted themselves in the first days of the session.

I would like to also welcome the new members of the House from St. Johns, Rossmere, Rupertsland, Osborne and The Maples. We have already had an opportunity to either listen to or read their initial contributions to the House, and I say welcome to them. I was particularly impressed with the member for Rupertsland's (Mr. Robinson) first speech and his attitude towards the Legislature and the contribution that he hopes to make here. I think for a first effort he certainly did an outstanding job.

I also listened carefully to the other speeches, and certainly I share some of the views put forward by the new member for Osborne (Ms. McCormick) and the new member for The Maples (Mr. Kowalski) and some of the comments that they made on decorum in the House. I am sure that all members took that to heart. I would also suggest they may go a step further and take a look at some of the comments they made to do with other programs and items that the government is involved in, and I would suggest that a certain amount of intellectual integrity is also an important quality when they frame their questions here in the House.

I would first of all maybe suggest to the member for Rossmere (Mr. Schellenberg) in framing his first question regarding Handi-Transit, he got a very precise answer from the minister responsible that this is a municipal issue, that if there have been changes in the budgeting for Handi-Transit, that was purely a municipal decision. Yet the member having heard that answer persisted in talking about cutbacks. The minister also had

indicated that some millions of dollars more had been given to that particular municipality, and if they chose to make that a priority, they would have the ability to make those changes. So I suggest to him that I am sure that he has talked with his colleagues and had some assistance in putting forward those questions. I would suggest some integrity around the question is just as important as decorum in the House. [interjection]

I hear the former member for Ellice speaking, the current member for Crescentwood (Ms. Gray), and I know that the Liberals have had some difficulty making their mind up on the budget and have chosen not to make comment today. I would hope the comments that I am able to make will certainly convince them that they have no choice but to support a very progressive budget. I am sure they will get whatever assistance they need from the senior level of government in making a decision.

\* (1630)

The other point I would make regarding some of the comments made by the new members, many of them wanted to talk about provincial social policy. I have said before, and I know the member for Burrows (Mr. Martindale) agrees with me, that too often in this House and too often as politicians we have made social issues that we have tried to make a lot of political mileage out of. I would just suggest to the new members that perhaps they look at some of the real facts about those social issues before they make decisions on them and jump to conclusions.

I am being encouraged to put some facts on the record regarding social services, so I think maybe it is important that I do. I know the member has a deep and abiding interest in the Department of Health and the Department of Family Services, and I am sure her leave of absence will allow her to make a contribution within the civil service after the next election or beyond that.

Members opposite often want to talk about social assistance. I am proud that since we came to government that we have made dramatic increases and dramatic positive changes to the social assistance program. The Leader of the Opposition

(Mr. Doer) makes light of the fact that there are many Manitobans requiring to draw social assistance, but he never once recognizes the other very positive changes that have taken place within that social safety network. I know the member for Crescentwood is asking for more detail, and I would be pleased just to mention a few things which have been brought forward by this government to make that social safety net all the more effective.

Last year, for instance, we extended the health benefits up to one year for sole-support parents, so that they could transition from the social safety network into the world of work without the fear of losing those health benefits. I know that members of her party have supported that, and I think the member for Burrows grudgingly acknowledged that that was a good change.

We also exempted the Child Tax Credit and allowed that to flow through to recipients without having that considered as part of income. Again, not all provinces, and I might just remind the member for Burrows that the government in Saskatchewan claws that money back from the recipients. The government of Saskatchewan has never recognized the child benefits either through the GST rebate or through family allowances and have consistently clawed that back from low-income families.

I am very proud that this is the government that introduced the income assistance for the disabled. Again, something that Manitobans had long asked for. I know that the member for Flin Flon (Mr. Storie), who often gets to his feet and wants to say something positive, but his nature does not allow him to do that—I know that when we introduced this he just simply sat down and did not comment, but there was an \$8 million expense to that and, again, the first time ever that the Manitoba government recognized the additional resources required for the disabled who are on social allowance.

We also increased the liquid asset exemptions which under the previous government were very, very low, and we have allowed recipients to maintain a greater amount of the funds that they

are allowed to save or that comes to them in the form of lump sums from other sources, again, something I am very proud of.

Again, the Leader of the Opposition (Mr. Doer) often talks about the fact that the rate of social allowance, the number of people on social allowance in Manitoba, has increased dramatically, as it has in every jurisdiction in Canada. But he never once recognizes the other add-ons that this government has put in place for social assistance recipients.

I might maybe just skip over many of the other changes, but if the member for Crescentwood (Ms. Gray) wants more detail on those, I would be happy to even provide them in written form so she has an understanding of those.

I know another area that she is interested in is the community living area, and I am very pleased that we have had a dramatic budget increase in that area, an over 50 percent increase in funding in that area since the previous government was unceremoniously turfed out of office. I am proud that we were able to bring legislation forward last year, The Vulnerable Persons Act, which members of the Liberal opposition and the NDP supported in this House. So, again, a very positive step, and I would want her to convey to her seatmate and others who, I am sure, are taking care of very important business today these positive changes that have been made within the Department of Family Services that critics opposite are so willing to criticize without recognizing the positive changes. I say that particularly to the member for Crescentwood because I know she will pass that on to her new seatmate there.

The members talk about child care, and I think we are raising questions today in the House that the minister answered very clearly and showed the tremendous support that this government has given to child care. The member for Burrows (Mr. Martindale), who talks from his seat about cuts, need only look to his fellow travellers in the province of Saskatchewan and what they do in the whole daycare area. This government has put more resources into daycare than there was ever there before. In fact, the increase in the daycare budget

is some 73 percent since the 1987-88 year. Besides increased funding, there has been a tremendous increase in the number of licensed spaces and the amount of money dedicated to subsidies in that area.

The member wants to ask questions about salaries, and again the minister told him very clearly today that the salaries in Manitoba are amongst the highest in Canada. That is a factor that the member for Burrows (Mr. Martindale) is reluctant to acknowledge, but salaries for daycare workers in Manitoba in many areas lead the nation. Certainly for directors of daycares, they are the highest in the country.

**An Honourable Member:** What is the cost of living here, Harold?

**Mr. Gilleshammer:** On top of that, my colleague reminds me that the cost of living in Manitoba is probably the lowest in the country. As a result, if you factor that in, the daycare budget, which is now amongst the finest in the land, looks even better.

I might also mention the whole area of family dispute, because I know in the speech made by a couple of our new members, they wanted to talk about the whole area of shelters and the family dispute area. Again, we have increased the funding dramatically in that area. We have increased the number of shelters that are available across this province, and across the country we are recognized and acknowledged as having one of the finest systems in all of Canada. I think the department deserves a lot of credit for the development of that, and the government certainly deserves credit for putting the proper people in place in developing those shelters and putting the funding in place.

Under the previous government there was a very unfair funding system, and in 1992 a new funding system was put in place so that all levels of shelters, whether they be the small size, the medium size or the large ones, were able to use that funding to develop programs for the benefit of the clients that they serve. So I would just ask the new members when they are so willing to get up and criticize this government on social policy and programs that are under the jurisdiction of the

Department of Family Services that they take an honest look at the record and not simply rely on some of their caucus colleagues to put forward some ideas that sometimes have no basis in fact.

\* (1640)

I know that I always have higher standards for the member for Burrows than I have for his other colleagues, and I am hoping that sometime soon he is going to live up to those expectations I have of him, given his background in working with people and the image that he tries to create outside of this House. I know that intellectual honesty is something that he will certainly strive for.

Mr. Speaker, I want to make just a few general comments on the budget. Again, I am proud to be part of a government that has again frozen the major taxes in this province, and it is only recently that the media has taken to reporting that. For six years this government did not raise any of the major taxes, and now again for a seventh year. That is being recognized by people not only in Manitoba, not only the citizens of Manitoba, businesses in Manitoba, but it is being recognized in the print and the electronic media, and certainly it has not gone unnoticed across this country. The member for St. Norbert (Mr. Laurendeau) in his remarks earlier did some quoting from major national bond-rating institutions and others who take an objective view of this. Certainly the communities are believing that this policy of freezing taxes is paying off.

I just remind you, as you have been reminded a few times before but I think it is worth repeating, in 1987, Manitoba had the highest tax regime in the entire country. It has been hard work, it has been difficult budgeting, but for seven consecutive budgets now, we have frozen those taxes, and now we have the third lowest tax regime in the country and that has not gone unnoticed by business. It has not gone unnoticed by citizens, and it certainly has not gone unnoticed by other levels of government who want to emulate that.

The sales tax which was at 7 percent when we came to office is still at 7 percent, and of all of the provinces that levy a sales tax, this of course is the lowest sales tax in the country.

Others have talked about the payroll tax, the tax on jobs that was so popular with members opposite when they were in government. We have on this side people who have been in small businesses and have given personal testimonials to the very, very difficult time they had when they wanted to hire more people, and every time they hired more people and expanded, the NDP government reached into their pockets and put another level of taxation on them.

I am very proud that this government has been able to live up to its promise to maintain the vital services that are provided by the Department of Health, the Department of Education and the Department of Family Services. Through astute budgeting over the last seven budgets, we have been able to maintain those programs and enhance those programs. I have already talked about the Department of Family Services. The Health budget has gone from \$1.3 billion in 1987-88 to \$1.9 billion today. Yet members opposite and particularly the Health critic of the NDP never wants to acknowledge the very positive changes, never has any suggestions on how reform can be enhanced, simply criticizes, and we are still waiting for him to come up with his first solid idea that might enhance that.

Mr. Speaker, I would like to make a few comments about my new responsibilities as Minister of Culture, Heritage and Citizenship. This wonderful department—and I know that there was a quote in a major western Manitoba newspaper a couple of years ago describing this as the department of almost everything good.

I can tell you that since I have been in office, I hear nothing but praise about the previous minister: the very many positive reforms that she made in the Department of Culture, Heritage and Citizenship, and the recognition, while governments all over North America, whether they be municipal or provincial or federal, with the crunch that they are faced in budgeting. Manitobans who are involved in the arts are very pleased that this government has been able to maintain that support, whether it is for the major activities of the ballet or the symphony or the

opera, or whether it is simply funding that is given through the Manitoba Arts Council. There is a recognition there that this government has maintained that support and allowed the communities who are involved in the arts to continue their programs.

I have had a number of letters from people involved with the symphony, with folk festivals and others, complimenting the government on maintaining that funding and, in some cases, being able to increase it. Certainly with the good working relationship that has been established over the years by the previous minister, that is a very pleasant community to work with. They are very receptive to the government's position on the priorities they have set in funding but, at the same time, being able to maintain a significant portion of their funding for those events.

The public libraries, for instance, had been demanding for many years that a commission be put in place to study community libraries, to take a look at what they are doing. The previous minister did create the Public Library Advisory Board who have recently brought forward recommendations on how the public libraries can be improved in Manitoba. I am very pleased that we have been able to positively address the recommendations in that report.

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

The major recommendation was to put in place a system of automation. Through work of my department and the Community Services Council we have been able to dedicate over a quarter of a million dollars to the public library building in Brandon as well as many thousands of dollars to the small community libraries across the province to help them get more automated.

A second recommendation was to put more resources into the public libraries. I am pleased in this budget—and the Finance minister mentioned this the other day—that significant new resources will be put in place for those public libraries to enhance their collection and to be able to modernize and build on the libraries that they have. Again, this is being received with great

thanks in the some 40 public libraries across the province of Manitoba.

I recently had a chance to attend the recreation conference in Brandon that is supported by our department. I might just say what an upbeat mood there was at that recreation conference and the recognition that the government supports community groups in recreation.

I might just say to the Leader of the Opposition (Mr. Doer), who talks about a lack of preventative programs, the recreation directors that we support across this province play a major part in helping to change lifestyles out there. We know, from looking at the statistics in the Department of Health, that many, many people access the health care system, not because of biological needs but because of bad habits, whether it be diet, whether it be lack of exercise, whether it be other causes that they can have some control over. We feel and we will continue to study how the recreation departments across this province have such an important role to play in helping to change some habits out there and develop positive lifestyles which are going to enable people to less frequently be a drain on the health care system.

I can tell you, the few people we have in our department that work in recreation do a tremendous job in working with the community groups, the volunteers. Again, in this budget we have been able to maintain our support for those programs, and I am sure that we are going to see even more positive results in coming years.

I might just make a couple of other comments. The Minister of Finance (Mr. Stefanson) did mention that the Community Places Program does again have a budget line for this year.

\* (1650)

This is in response to the Union of Manitoba Municipalities and the MAUM organization and recreation directors indicating that there is still a need out there, hand-in-hand with the infrastructure program, to still address some of the needs in the community where some of the infrastructure that supports community groups, curling rinks, skating rinks and so forth still require

some funding. I am very pleased that program has been brought back.

I might just mention also that some of the funding that comes from this department to support the movie industry is now starting to pay back in a big way. There are movies that are being made in Manitoba; one recently made in Stonewall, another one filmed outside of Brandon which still has not had its Canadian release. We have been able to support through CIDO some of the talent that otherwise would leave this province.

I can remember joining the former Minister of Culture, Heritage and Citizenship on the front steps here when we were able to backfill funding that the federal government withdrew and being able to support that industry.

We have to think more and more of the jobs that they create out there and the economic activity. I think I saw a figure recently, for every dollar we spend it draws another seven dollars from the community. There is a great job creation that is being done in a very small industry that many Manitobans are not familiar with.

We are also very proud within the department that some of the performing artists got their start here in Manitoba with a little bit of funding from the Department of Culture. You know, some of the success stories, the Crash Test Dummies for instance were just on Saturday Night Live and the David Letterman show. Again, with a little bit of funding from the Department of Culture certainly these people have achieved tremendous success.

I am sorry the member for Crescentwood (Ms. Gray) maybe is listening so carefully she wants to get up and support the budget today instead of waiting for tomorrow. If that is the case I would be pleased to give way. But perhaps she wants to listen some more.

Mr. Acting Speaker, again there are many areas of the Department of Culture, Heritage and Citizenship that have a tremendously positive effect on lifestyles in Manitoba. I am pleased that our budget has remained fairly stable, and we are able to support those groups and receive that very direct recognition from those groups that that support is being maintained and appreciated.

Mr. Acting Speaker, there is one other area of responsibility that I would like to touch on before my time expires. The only opportunity I have had to speak so far is a question put by the member for Brandon East (Mr. Leonard Evans) on one of the first days in the Legislature. I think it is important that perhaps we revisit some of the comments that have been made.

I know while the member for Brandon East feels that his letter to the Brandon Sun perhaps clarified some of the misinformation that he was putting on the record, not only in the House here but in Brandon, I think that my colleague the Minister of I, T and T (Mr. Downey) had asked for a full apology from the member for Brandon East for the comments that he made which were very detrimental to Brandon and very detrimental to the CEO of McKenzie Seeds and certainly a slap in the face to the staff at McKenzie Seeds who have worked so hard over these last five or six years to turn a company around that was consistently losing money, that was having difficulty in the marketplace, to a company now that recently had the tremendous recognition by the Brandon Chamber of Commerce when Ray West was recognized in Brandon as Man of the Year.

That man of the year award was very important and very well deserved and very well earned by Mr. Ray West. Certainly, anyone who has worked that hard for a company for 36 years, has had such positive results on the balance sheet, such positive results with the workforce there, does not deserve to be maligned in the press when the member for Brandon East puts factually incorrect information out.

I know that the member for Brandon East in his comments here in the House—and I might just refer to some of them. This was on April 11. He says he was misrepresented. Now we know in this House that nobody has more skill in putting his spin on facts in the Brandon media than the member for Brandon East. I think that to say that he was misrepresented in the press—

**The Acting Speaker (Mr. Reimer):** Order, please.

### Point of Order

**Mr. Doug Martindale (Burrows):** Mr. Acting Speaker, on a point of order regarding the minister who is speaking, he has accused one of our members of putting information on the record that was factually incorrect. I have consulted Beauchesne, and it is not in the list of the phrases ruled unparliamentary, but it comes very close to almost identical phrases. I would like to ask the minister to withdraw his statement.

**The Acting Speaker (Mr. Reimer):** I thank the honourable member for his clarification. I would just point out to all members of the—oh, pardon me, the House leader on the same point of order.

**Hon. Jim Ernst (Government House Leader):** Mr. Acting Speaker, I think what we have here is a different view of certain information, and the view of the member for Minnedosa is somewhat different, obviously, from the view of the member for Brandon East.

It is clearly a question of dispute over the facts and is not a point of order.

**The Acting Speaker (Mr. Reimer):** Thank you very much for clarification from the House leader.

\* \* \*

**Mr. Gilleshammer:** Certainly the sensitivity surrounding this issue is not confined to the member for Brandon East (Mr. Leonard Evans), but I know the embarrassment that he feels is also being felt by the member for Burrows (Mr. Martindale), that the member for Brandon East has badly maligned a very important citizen in Brandon. His half-hearted attempts to change what he was saying a few weeks ago by saying that he was misrepresented in the press and that his statements were misconstrued, his statements were very clear, very concise, and I think that it is incumbent on the member for Brandon East to apologize to Mr. Ray West for those comments that he made.

One of the other comments made by the member for Brandon East was that, in reference to Mr. West, he was in my office pleading to sell the company in 1969. Now, he has since backed down on that and said that was not the case. I appreciate

that he has partially corrected the record and, while he was at it, he maybe should go all the way and do the right thing.

We have clearly put in place some preconditions by which anyone who is interested in partnering with McKenzie Seeds or joining McKenzie Seeds in some sort of strategic alliance, before any discussions would take place, there would have to be the understanding that these preconditions must be met: that there would be unconditional employment security in Brandon; that those jobs would be maintained there; that the operation would remain in Brandon; that they would maintain and increase the market share; that they would bring other talents to this partnership or alliance which would allow McKenzie to thrive for many years to come.

The member for Brandon East (Mr. Leonard Evans) chooses to ignore those, saying that the only way any company can survive is if it is a public one, or the government must always be involved.

I just want to point out some contradictions. The member for Point Douglas (Mr. Hickes), yesterday, was asking the government to intercede with one of the major banks and tell them where they should have their branches and that they have to be maintained. I suspect, with the attitude across the way, probably legislation would be brought in to try and dictate to them where they should be located.

\*(1700)

Yet, at the same time, the members opposite are very silent on a grocery store in Brandon that is going through a wage dispute. Where this particular store is saying we are going to have to close our doors, the member for Brandon East or any of the members opposite do not rise to their feet to say, we have got to save those jobs, we have got to protect those jobs in Brandon. No, they are silent on that. In fact, I am impressed with the negotiations that are going on, which perhaps will lead to a resolution and allow that store to remain open.

The other comment I would take some exception with is a comment that the member for Brandon

East (Mr. Leonard Evans) made when he said that 80 percent of the business of McKenzie's is in eastern Canada, and as a result, any company that bought McKenzie Seeds would immediately move this firm to eastern Canada. Again, with all due respect to the member for Burrows (Mr. Martindale), the member for Brandon East is factually incorrect. I would like to let him know that—

#### Point of Order

**Mr. Martindale:** Mr. Acting Speaker, I would like you to take this point of order under advisement and consult the Speaker and come back with a ruling on whether or not this minister was using unparliamentary language and accusing the member for Brandon East of putting factually incorrect information on the record.

Last time you did not make any kind of ruling. I would like to ask you to take it under advisement, consult with the Speaker and with Beauchesne and come back with a ruling on whether or not it was unparliamentary language. Thank you, Mr. Acting Speaker.

**The Acting Speaker (Mr. Reimer):** Thank you for bringing this point—just one moment.

Thank you very much. I would just like to point out to all members that even though there is a skirting of certain nuances and contents of words that are factually and unfactually in Beauchesne's Parliamentary Rules and Forms, I would caution all members in their choice of words and in addressing the members to be careful in their deliberations.

\* \* \*

**Mr. Gilleshammer:** I thank you, Mr. Acting Speaker, for your ruling and advice. According to the member for Brandon East (Mr. Leonard Evans), in Hansard, 80 percent of the business done by McKenzie Seeds is in eastern Canada. That is not correct. I would point out to you and to the House, in both operating divisions, that the amount of business in eastern Canada and western Canada is almost equal. There are \$7,000,600 spent in eastern Canada, \$6,000,200 spent in western Canada on consumer products. In direct

marketing, \$3,100,000 is spent in eastern Canada, \$3,400,000 is garnered in western Canada. So there is no 80 percent figure. Again, I am sorry, but the member for Brandon East was factually incorrect in putting that on the record and I think has acknowledged that was his recollection from 1969 or something.

The world has changed a lot since 1969, Mr. Acting Speaker. I know what hurts most over there is a direct quote in the Brandon Sun from April 8. In quotation marks, the member for Brandon East said: Brandon is not the most viable location. I can tell you—

**An Honourable Member:** That is the MLA who said that?

**Mr. Gilleshammer:** The MLA from Brandon said: Brandon is not the most viable location.

I can tell you that the city council in Brandon, the Economic Development Board, the chamber of commerce and all the citizens of Brandon disagree with that comment. Brandon is recognized in Chatelaine magazine as being one of the most beautiful cities in Canada to live in, a city with a low cost of living.

The member for Brandon East is saying, this company should be in Toronto under a government that has been raising taxes, raising taxes year after year and is saying that Brandon is not the most viable location.

I think the member for Brandon East is embarrassed to go back to Brandon, to go to a council function, a chamber function or anywhere where the public might gather when he is badmouthing the city that has given him some support over the last few years, and he is putting this sort of thing on the record.

Now I am not sure if this direct quotation containing about six words is the one that was misconstrued or not, but it is pretty clear to me that the member for Brandon East is badmouthing Brandon and saying that this is not a viable place to do business. I will give him credit. He is consistent. He said the same thing about GWE when that company announced they would be moving to Brandon and developing a call centre there.



It is consistent with members of that caucus who have been against the Ayerst PMU operation. A story in yesterday's Brandon Sun says that a certain group wants an assessment of the PMU operations. So there is a consistency here in not wanting businesses to develop in Brandon, not wanting businesses to develop in rural Manitoba, and he is being true to his beliefs there and consistent, although, in many cases, factually incorrect.

Mr. Acting Speaker, with those few comments, I would like to simply close by saying that the praise Manitobans have displayed for this budget is prevalent in Minnedosa constituency, where citizens are saying this is a tremendous budget, this is consistent with the infrastructure program, this is a budget that is going to be good for all of Manitoba. I have no trouble supporting it. I know that the Liberals who are in the House and who are thinking about this also, I am sure, will see things that way. Thank you, Mr. Acting Speaker.

(Mr. Speaker in the Chair)

**Mr. Martindale:** Mr. Speaker, since I did not get a chance to speak in the Throne Speech Debate, I would like to welcome you back to the Speaker's Chair. We are always pleased to see you there.

I would like to welcome the new Pages. It always amazes me, when talking to Pages, that most of them find this to be an educational experience and heightens their interest in politics rather than turning them off politics, which given some of the things that go on here, is really quite amazing.

I would also like to welcome the internship students. I believe the internship program is a very important program. I have always found the internship students to be very helpful in doing research for our caucus. I know that they learn and benefit from being here, and I hope that budget line can continue in the future to give more students the experience of working for all three caucuses in the Legislature.

I would also like to welcome our new MLAs, particularly the MLAs for St. Johns (Mr. Mackintosh), Rossmere (Mr. Schellenberg) and Rupertsland (Mr. Robinson). Recently I had the

pleasure of travelling to some of the communities in Rupertsland. I found that to be a very educational experience, although some of the things that we heard in terms of the problems in Rupertsland were very distressing indeed.

I would also like to welcome the two new members of the Liberal caucus, the member for Osborne (Ms. McCormick) and the member for The Maples (Mr. Kowalski). I look forward to getting to know them better.

Mr. Speaker, I was at a banquet some months ago and got talking to the Conservative representative at that time. He made the comment that he had gotten to know me better and knew where I was coming from. I appreciated the sentiment that he was trying to express, but I doubt if he does know very much about where I am coming from. So I would like to very briefly talk about that a little bit.

\* (1710)

I suppose I could start with the beard that I am trying to grow. There is a reason for it. A number of people have asked me. The reason is that I was given the honour of being asked to portray J.S. Woodsworth on May 1 in a parade and speeches that will commemorate the 1919 General Strike. As honourable members will know from seeing pictures, in most of the pictures of J.S. Woodsworth his beard was entirely white and his hair was white, so I am going to need a little assistance. But it has been very interesting doing some reading on J. S. Woodsworth and his role and involvement in the 1919 strike.

I am a successor, some 75 years later, to the late J.S. Woodsworth who was on the staff at All People's Mission, and I worked there in the same building for 10 years as well. It is interesting to me to compare the life story of some other members with my own. For example, the Premier of Manitoba (Mr. Filmon) came from the north end and now lives in Tuxedo. So he came from a poor family and has gone to relative affluence. My life journey has been the opposite. I have gone from a community that is relatively affluent to the north end. I am very proud to be able to represent people, many of whom are poor, many of whom are

seniors, many of whom are immigrants and aboriginal people.

There has been a great deal of continuity between my ministry in the north end and what I am doing now, because for 10 years I worked on housing problems and welfare reform, and for the first two and a half years that I was here I was the Housing critic and now the Family Services critic which includes social assistance.

So I have been working on the same problems, in the same neighbourhoods and representing the same people amongst whom I worked in the north end and now in the Manitoba Legislature.

When I listened to the Budget Address yesterday and when I read the Budget Address and saw some of the media coverage about it, unlike one of the members on the Conservative side who said he was delighted by the budget, the feeling that I get is one of sadness, particularly when I consider how it will impact my constituents in Burrows constituency.

This is a budget that is a bad budget for the constituents of Burrows. It is a budget that misses the mark. I believe that this government was aiming in a certain direction, but they missed the mark. In fact, that is what sin means, to miss the mark. So this is collective or corporate sin on the part of the government to aim in a certain direction but to miss the mark, particularly in terms of low-income Manitobans and also as it applies to my constituents in Burrows. For example, the government will spend a lot of time over the next few months talking about their Home Improvement Program, but very few people, if any, in Burrows will apply for or receive money under this program, because many, many people in my constituency and in fact in most inner-city areas of Winnipeg—

**An Honourable Member:** How about Tuxedo?

**Mr. Martindale:** —will not be able to spend \$5,000 in order to get \$1,000 back. But, as my honourable friend from Kildonan says, what about Tuxedo? Well, in suburban Winnipeg, particularly in Conservative constituencies, many people will be able to take advantage of this because they can afford to spend \$5,000 on home renovations. So

this government is, once again, subsidizing the rich at the expense of the poor.

Also, we will hear this government talking and bragging over and over again about their first-time home buyers program for the purchase of new homes, and these people will be rebated a maximum of \$2,500. Well, Mr. Speaker, how many renters in the constituency of Burrows will be able to buy a new home? Given the income levels of people in Burrows and in inner-city constituencies, my guess is very, very few. Most people in my constituency cannot afford to assume a mortgage and home maintenance and operation costs, even though Winnipeg is one of the most affordable cities to live in compared to other cities in Canada and a higher percentage of people here can afford to be homeowners, but not our constituents, not people in the inner city. This is going to benefit higher income people who are renting who can afford to buy a house. Chances are they probably do not need this kind of assistance. When interest rates are low, they can buy a house anyway.

On the otherhand, Mr. Speaker, this government is giving away \$23 million in tax breaks to businesses and corporations. As a shop clerk said to me over coffee this morning, it will not help me. It is going to help the business owners, it is going to help their bottom line, their profitability, but it is not going to help their employees, and it is not going to help low-income Manitobans and the people who need government assistance for, in many cases, their basic needs or their education.

This is a budget which does not give people hope for the future, particularly middle-income Manitobans and low-income Manitobans. There are many, many examples of this due to their cutbacks. For example, this government is taking \$300,000 out of the child care budget. This is a budget that was cut back last year and numerous restrictions were put in. For example, they put a cap on the number of cases, which used to be spaces but now it is cases, of children in child care. The cap is \$9,600, a reduction. They increased the fees.

Many of these cuts of last year have had devastating results for child care centres. Many parents could not afford \$2.40 a day and so they have withdrawn their children from child care centres. The result is that child care centres are having severe cash flow problems. Some have laid off staff. Many have vacancies, and in some cases child care centres have actually rolled back wages in spite of the fact that they have engaged in a worthy wages campaign for a number of years.

Many MLAs today will have talked to parents and child care employees outside the Manitoba Legislature today. I know that they had a meeting with the Minister of Family Services (Mrs. Mitchelson) today, and they are very disappointed with the minister because they say this is the status quo. I believe the minister used the expression "status quo" in answer to my question today. The child care community, the Manitoba Child Care Association, is very disappointed with the status quo. We will have to wait and see what the effect is of this \$300,000 cut. Is it going to mean children will be taken out? Probably not, but it is going to mean less money to child care centres and that is going to be harmful once again.

This government has cut funding to Healthy Child Development. They have cut Child and Adolescent Mental Health Services. There have been cuts in education. There have been cuts in ACCESS. I am particularly disappointed that this government does not see fit to provide more support to ACCESS programs, because many of my constituents take advantage of ACCESS programs.

Some of my constituents are attending, for example, the Winnipeg Education Centre, and for the last two and a half months I have been supervising four students in a social work field placement in Burrows constituency studying housing problems and writing a brief that they are going to present to the Honourable Lloyd Axworthy, to the Minister of Urban Affairs (Mrs. McIntosh) and to City Council about how some of the Winnipeg initiative money should be spent on housing in the north end in both Point Douglas and Burrows constituencies.

It has been a real honour to be a supervisor, a field placement supervisor, for these students. It has been very educational for me as well to get to know them better and to know what kind of obstacles they have overcome in order to go to university and get a Bachelor of Social Work degree from the University of Manitoba. Some of them are single parents. Some of them have several children. Some of them have not been in school for years. One of them has a Grade 8 education but has been accepted as a mature student and has gone back to university.

These students are overcoming many obstacles to go back to university, but because this government does not fundamentally believe in ACCESS programs, there have been severe cuts both to the Winnipeg Education Centre, to the social work faculty in Thompson, Manitoba, and to other ACCESS programs. The result is a kind of inequality of who now can be admitted. For example, students who have a treaty number who are sponsored by their band or being funded by their band, they are still going there, but there are many fewer immigrants and nonvisible minorities, poor people, who are able to use the ACCESS funding to go to university.

Basically now what they are saying to their students when they are being admitted is you have to bring your own funding with you or you cannot go to university, and that is most unfortunate. In fact, it is discriminatory. It is treating individuals on the basis of their income rather than their academic qualifications. In fact, I would suggest that maybe someone might like to challenge the government on the basis of The Manitoba Human Rights Act or the federal Charter of Rights and Freedoms.

There have been cuts in training programs. There is less for student financial assistance, and library programs have been cut by \$40,000. This budget offers no hope to the future of our province, namely, our children.

If I can just go back to ACCESS programs for a minute. One of my constituents wrote me a letter about how difficult it is to be a student at the Winnipeg Education Center and try to meet her

family's needs. Because the funding is so inadequate, what she is doing to go to the Winnipeg Education Center is taking money from her food budget and using it for bus fare. I think that is an undue hardship to deprive herself or her children, her four children, of food in order to pay for transportation to go to university.

\* (1720)

It is no wonder that many, many people are using food banks in Manitoba. In fact, I have the latest statistics from Winnipeg Harvest, which I think the Minister of Family Services (Mrs. Mitchelson) would be interested in. These are from February 1994. The number of referrals to Winnipeg Harvest has increased by 1,000 percent from February 1991 to February 1994. They also have information on the source of income and most of their recipients are people who are on provincial or city social assistance.

I have already outlined some of the cuts of this government but there are many, many more. More specifically, the cut to student financial assistance is down from \$10 million to \$7.1 million, but by contrast—and this is where this budget is one that is unfair—the Faculty of Management at the University of Manitoba, their funding is up from \$998,000 to \$1,139,000, or an increase of \$140,000, but ACCESS funding was cut 18 percent or \$150,000. There is really a double standard here. The Faculty of Management, which probably attracts a lot of students who can afford to pay their own fees gets more money, and ACCESS programs where students are unable to afford the fees gets less money.

The Minister of Family Services has her welfare budget reduced, which I think is quite unrealistic given the increases in social assistance during the life of their government. I suppose it is based on the expectation or the hope that the Winnipeg initiative, and the federal infrastructure program, and the municipal infrastructure program, and their single-parent job ACCESS program will get thousands of Manitobans off social assistance.

There must be some sort of projection or some sort of basis to these estimate numbers, or perhaps it is the same numbers game of the past budgets of

this government where they underestimated their—

**An Honourable Member:** Are you voting for it or against it?

**Mr. Martindale:** I am voting against this budget, of course—where their deficit numbers were underestimated by \$100 million.

So maybe the Minister of Family Services (Mrs. Mitchelson) is taking part in this little deceitful game of underestimating her social assistance budget and contributing to the deflated budget numbers and the inflated numbers of people going back to work.

I would like to talk a little bit about the minister's pilot project, because it looks quite interesting, and I look forward to asking the minister some questions in Question Period and in Estimates. I am particularly intrigued that the storefront will be contracted out, and I would be interested in knowing if it will be to the private sector or to a nonprofit organization. I think this is a departure from the past.

The whole program intrigues me because, on the one hand, the minister has closed and her predecessors have closed the Human Resources Opportunity Centre, one in Selkirk and one in Dauphin, for which single parents on social assistance were eligible.

I will try to ascertain in Estimates how many single parents were enrolled in those Human Resources Opportunity Centres and how many spaces were lost when they were closed and then compare that with the numbers of students or recipients who are expected to go through this pilot project office. The minister will probably say it is going to be many more, but we would like to know what the numbers are.

Actually this is kind of a good example of this government's budget because there are so many goodies in here that are really just restoring things that were cut in previous years, and the pilot project is kind of like that. You know, you close the Human Resources Opportunity Centres in 1992 and 1993, and then in 1994 you start a new

program for single parents and call it a pilot project.

**An Honourable Member:** Yes, that is right. Like cutting off your hand and sewing on your fingers after.

**Mr. Martindale:** Our Health critic says it is like cutting off your hand and sewing on a couple of fingers after—pretty good analogy.

I am also intrigued that this new welfare-to-work program for which this government has budgeted \$3 million that it is not cost-shared under the Canada Assistance Plan, and I cannot imagine why it would not be cost-shared under the Canada Assistance Plan except that it probably does not meet their criteria, and I will be asking the minister why it does not meet the criteria. I cannot understand why they would give up 50-cent dollars in order to spend one-dollar dollars in order to totally fund from the province of Manitoba this kind of program.

I know from talking to the honourable member for Brandon East (Mr. Leonard Evans) that in his tenure as minister of economic security under the NDP government that the province of Manitoba cost-shared training programs with the federal government, and I believe it was under the Canada Assistance program. So I fail to understand why this minister does not do the same thing.

In the Department of Housing, Grants and Subsidies are down. The Emergency Home Repair Program was cut from \$400,000 to \$30,000, and we are particularly disappointed by this, and that is why our Housing critic asked a question of the minister today, because it is many, many low-income people who are homeowners who use the Emergency Home Repair Program. I almost said the critical home repair program, but it is gone. There used to be many, many programs.

In fact, the former Minister of Housing, who is actually listening, will remember when he was the Minister of Housing, because he followed an NDP government and because of the Core Area Initiative, there were many housing programs when he was the minister, and the former minister acknowledges it. Now they are gone. They are all gone, and the last one that is left or one of the few

that is left, the Emergency Home Repair Program, they have gutted the funding. What did they do? They created a new program. It is sort of the shell game. You know, you have money over here, and you move it over there; if nobody is watching, you move it back again, and you hope that nobody is watching. So they fudge the numbers. They do not believe the numbers, they do not remember the numbers, and they just think that that government over there is doing something good. But they are not. They are taking the money that was going to low-income people under the Emergency Home Repair Program, and they put it in a new program called Home Renovation Program, where people spend \$5,000, they get \$1,000 back. But it does not help low-income people. It does not help seniors who are retired and on fixed incomes. It helps people who live in Tuxedo and River Heights and places like that. It does not help the people that used to be helped by the Emergency Home Repair Program.

The same with the sales tax rebate and all new homes under \$100,000—[interjection] I am sorry I missed the comment of the former Minister of Housing. [interjection] Well, the minister has helped me already because he admitted that when he was the minister, there were many, many housing programs and most of them are gone now. The one that is left was gutted in this budget.

The next area I would like to comment on is Justice, and I am sure that all honourable members in this Chamber would agree that when you are talking to your constituents, when you are knocking on doors, and when you are having coffee in the coffee shops, probably there is no other topic that comes up more often—and the Minister of Justice (Mrs. Vodrey) will be well aware of this—and there is no other topic that is more emotive than Justice issues, particularly crimes against people and property and youth crime. This has personally touched me. Recently I had my car stolen, a couple of weeks ago. We sent it to Autopac. It came back; it looks better than before it was stolen. We did not think anyone would steal a 1981 car with 212,000 kilometres on it, but they did.

**An Honourable Member:** And you want to thank them.

**Mr. Martindale:** Well, I want to thank Autopac for doing such a great job, and I will thank Carter Chev Olds because they did a great job, but the little thieves that took my car, at the time I reacted very emotionally. I could have wrung their necks at the time, but—and I am just saying, I can understand the emotional reaction that people have, because I had the same emotional reaction. I know, because I can also be reasonable and reason and think, that this is not the solution, but some of the solutions are in my neighbourhood, and I would like to talk about them. I would like to commend the people that took these initiatives, because I believe these are better alternatives, and I hope that the Minister of Justice will listen and follow them in every community in Manitoba, in every neighbourhood of Winnipeg.

I happen to live half a block from the north Y community centre, part of the YM-YWCA of Winnipeg. Their staff and their board are concerned about youth crime. They are concerned about all the youth in our neighbourhood, regardless of what the youth are doing. They know what the needs of the young people are in our community, and they responded to those needs.

\* (1730)

What they did was they set up a program called Night Hoops. It is on Friday night, and the north Y stays open till 3:30 in the morning. In fact, the police have said it should stay open till 5:30 in the morning, because what happens at 3:30 in the morning when they close the doors? Well, they go to the German centre, and they stand in the lobby because it is heated. So they do need a place to go if they are not going to go home, particularly if it is still night. [interjection] The German manor on Mountain Avenue. Well, if the minister was listening, he would have heard me say that when Night Hoops closes at 3:30 in the morning at the north Y community centre, the youth go across the street to the German manor to the lobby because it is open and it is heated. The police are saying, keep the program going till 5:30 or six o'clock in the morning.

It is a very good program. The gymnasium is open, the swimming pool is open, the weight room is open, or people can just hang out, but it is supervised. It is a good idea, and we need to spend money on prevention, we need to spend money on drop-in centres. I know the member for The Maples (Mr. Kowalski) and the member for Kildonan (Mr. Chomiak) have actually cooperated on getting some of the schools in their neighbourhoods open, and we all need to do that in all of our neighbourhoods, all of our schools, because this is prevention, this is keeping kids off the street, and that is what we need to do.

Instead of this idiotic idea of boot camps, what we need to do is prevent youth from getting into trouble in the first place. We need a much greater commitment from this government on that. Instead of doing public opinion polling and reacting with this knee-jerk reaction to what the public wants, which makes no sense whatsoever—it has been tried in many, many places in the United States. It has been proven not even to work in many, many states in the United States. I know that our Justice critic will have these studies and he will quote from these studies, and he can tell you where they have been tried and where they failed and why they do not work.

I will tell you what the public wants in Burrows. Aboriginal people I think are the third largest community in Burrows constituency, and what they are saying, if you care to listen to them, is we need measures which are appropriate in terms of punishment and restitution and reconciliation. They are saying boot camps are not appropriate. Wilderness camps may be appropriate, but not boot camps.

In fact, we listened to a very interesting proposal from people at Gods Lake or Gods Lake Narrows—my colleagues are not here to help me out on this—but they have actually taken the initiative. Now they are looking for government support, probably I think from the Minister of Family Services (Mrs. Mitchelson), and I hope that this minister will give their delegation and their proposal serious consideration, because they have taken the initiative. They went out in the bush near

their community and they built a residential facility themselves with no financial assistance from this government as far as I know. They have been using it; they have been taking young people out there. They have been teaching them how to cut wood; they have been teaching them traditional skills like hunting and trapping and fishing. The young people have found it to be very beneficial.

Now they are saying, we want to enlarge this site, and we want to have it licensed so that our young people can go there in this wilderness setting instead of going to residential treatment facilities in the city. I think it makes a lot of sense, and I hope that this government will support that.

I see that under the Minister of Justice, Community Corrections are down slightly and the Courts are down slightly, so, you know, they talk the talk but they do not walk the walk. That is their problem.

The Native Affairs Secretariat is down. Aboriginal Development Programs are down. Natural Resources, the budget is down 2.3 percent, but the Snowmobile Network Opportunities Fund, a new fund, \$175,000.

Consumer Affairs, down 5.4 percent; Residential Tenancies Branch, down. I would be very interested in knowing where the savings are there. In fact, I have heard that they are refurbishing their offices again. So we will be looking forward to Estimates to see where they are saving money. I certainly hope that they are not saving money by cutting out staff years of service to the public, because in my constituency, many, many people make use of the Residential Tenancies Branch. In fact, probably the second most frequent request for assistance from my constituency office is in disputes with landlords. We have helped many, many constituents resolve their problems with landlords.

In Income Security and Regional Operations, Income Maintenance Programs are down overall by 3.6 percent. Social Allowances are down, Health Services cut by 5.3 percent, Municipal Assistance down by 3.7 percent. Now if this government's projections are right and if thousands of people get off social assistance, then

next year at this time we can commend the government for their initiatives, but for now I think these Estimates are quite unrealistic.

Under Child and Family Services, Other Expenditures category, cuts are substantial, 5.2 percent cut. Under Maintenance of Children and External Agencies, up 4.9 percent. This is a very good example of what I was talking about earlier, where you cut last year and you restore it this year, so people sort of forget about last year, in spite of the fact that in many of these departments the need is going up and up. In fact, if you look at the government's interim appropriation, or their spending authority by special warrant, at the end of the year, I think the largest one in Family Services was in Child and Family Services Agencies, because the need is there. Children are coming into custody, and their Estimates from last year's budget were way under, so they had to appropriate more money by Order-in-Council.

For example, the 1992-93 level was \$91,738,000. It was cut to \$88,103,000 for 1993-94. Now it is back up to \$92,357,000 for the '94-95 budget year. Then there is a new Family Support Innovations Fund, but we do not know anything about it yet. By contrast, and I have already alluded to this, \$23.3 million of breaks to businesses and corporations: fuel tax cut for railways, \$4.8 million; small business income tax, \$3.1 million; manufacturing investment tax, \$3.7 million; corporate capital tax, \$1.9 million; sales tax exemption for mining, \$8.8 million; mining tax changes, \$1 million—total \$23.3 million.

As my constituents pointed out, none of this is going to help them. It might help shareholders in Toronto, but it is not going to help the shop clerk who works at Valley Florist in Burrows constituency. I know that some honourable members in cabinet are good business patrons of Valley Florist.

I get very interesting correspondence on social assistance issues, Mr. Speaker, and the group that has corresponded with me on a regular basis, the only group to correspond on a regular basis, and I commend them, is St. Matthew's-Maryland Community Ministry. At my suggestion, they now

send their letter to the Minister of Family Services (Mrs. Mitchelson), and they have always been sending copies of their correspondence to their member of Parliament and to their local MLA, the MLA for Wolseley (Ms. Friesen), and to myself.

I would like to quote from some of these letters that they have sent to me because they are very, very interesting, and I would like to begin by quoting from their letter to me of February 8, 1994: I point out that there has been a billboard campaign in Winnipeg called Child Poverty, A Lifetime Deficit for our Children. As our elected representatives, we urge you to raise these deficit figures in our Legislature. Banking on food banks will continue to create deficits, not reduce it.

I think this is a very good observation, because we hear from the government all the time about the fiscal deficit, but we never hear from this government about the social deficit, and there is a social deficit in this province and in this country. I would like to put on the record some aspects, some parts of the social deficit.

\* (1740)

In March 1994 there was a record number of city of Winnipeg social assistance cases, 18,717. In Manitoba we have a very high rate of child poverty, in the province, the second highest rate of child poverty in Canada, with one in five Manitoba children living in poverty. In Winnipeg we have an unemployment rate of 13.3 percent, the highest of any major city in the west of Canada. These are some aspects of the social deficit. Nearly half of the social assistance recipients are single parents. That is another example of our social deficit. What are we doing for these people? Well, in 1992-93, only 8 percent of provincial welfare recipients received any kind of skills or job training. This government could be doing much, much more in that area to get rid of the social deficit.

Instead what are they doing? Well, they are giving grants out through a very interesting program called Workforce 2000, helping out their business friends instead of the unemployed. I would like to read into the record some of these grants under Workforce 2000. We heard about this a little bit last year. We are hearing about it in

Question Period, and I am sure the government is going to hear about it a lot more during this session. For example: We have McMunn and Yates, Do-It Centres and Tim-Br-Fab Industries, 13 grants totalling \$17,288; Canadian Motors Limited from Brandon, \$10,000 in grants in lieu of taxes. What did they do? Well, they had training sessions for the staff to improve selling techniques. We had a grant to Glendale Golf and Country Club, \$4,262. The government gave Dave's Quick Print a grant of \$8,000 to train staff to be able to perform the duties of the former employees of the Queen's Printer, who were forced to leave their jobs after the government eliminated their positions; Keystone Ford, \$10,000; Kingswood Golf and Country Club, \$9,000; Linnett Graphics, \$7,000.

So this is a very interesting contrast. They give training grants for employees of businesses to do things like go to the Elkhorn Resort and Conference Centre for training, but at the same time there is not nearly enough job training or programs for people on social assistance to get them off social assistance.

Before my time expires, I would like to quote again from a letter from St. Matthew's-Maryland Community Ministry, from December 1993 and I quote: We would also like to share with you our concerns about the recently announced plan by the province to make cuts to the monthly budget of "employable" singles and childless couples on social assistance. The planned cuts will result in a cut up to \$14 in the rental allowance and the elimination of the \$30 monthly increase people receive after being on social assistance for six months.

Most of us may not see a \$44 decrease to our monthly income as significant, but when you have only about \$204 a month plus rent, this represents at least a 12 to 17 percent cut. These cuts will result in an increased dependence on food banks as already 80 percent of those receiving food from Winnipeg Harvest are currently on city and provincial welfare.

And they continue on the second page: The planned cuts to social assistance says to us that the



provincial government is taking the easy way out by cutting the incomes of the least vocal and represented people.

It also says: the Government of Manitoba has less of a concern for the welfare of the people who are dependent upon the government and who are trying to live a life with dignity and respect in Manitoba. We are left to question the priorities of this government. In her press release about the cuts, the honourable Minister of Family Services (Mrs. Mitchelson) stated that she was committed to maintain the social safety net and provide the basic needs. We questioned this commitment when her action causes people to take from their food budgets to pay for the rent. She also stressed that the cuts only affect the employable, implying that they can find a job. This is an unrealistic expectation with the official unemployment rate at 10.8 percent in Winnipeg and 9.2 percent in Manitoba.

As well, many social assistance recipients face barriers to employment due to their age, race or level of education. These cuts will in fact actually prevent the employables from being able to look for work as they will now have less money to do so.

I commend St. Matthew's-Maryland Community Ministry for their continual correspondence, which comes to us on a regular basis once a month.

Mr. Speaker, in conclusion, I of course support the amendment to the Budget Address, because it is true that this government has a record of giving tax breaks to businesses, in spite of which fewer people are working today than six years ago.

This government has failed to offer hope for the future, by reducing educational and training opportunities. This government has failed to

protect our most vulnerable citizens by introducing further cuts to health care programs. Probably that is the second most important issue that people raise with us on the doorstep.

So I will be supporting the amendment to the budget speech for very good reasons, and I know that my colleagues will as well. This budget fails. It has a lack of vision for all Manitobans. It has a vision for some Manitobans, mainly their supporters, but it fails to have a vision for all of Manitoba.

I believe that the lack of hope engendered by this budget leads to despair, it leads to depression, and it is responsible for the increased rate of crime. If you were to chart the increased crime in our city in particular and the increased unemployment rate, I believe there is a very close correlation there.

This government has missed the mark. They could have put more money into job creation, and they could have helped the people who really need the help, and instead they have targeted in a very politically sensitive way to the seats that they need to win in order to get re-elected.

Mr. Speaker, it will not work. The people of Manitoba will not be deceived. They see through this budget.

Thank you, Mr. Speaker.

Mr. Edwards: I move that debate be adjourned, seconded by the member for Inkster (Mr. Lamoureux).

Motion agreed to.

Mr. Speaker: Is it the will of the House to call it six o'clock?

The hour being 6 p.m., this House now adjourns and stands adjourned until 10 a.m. tomorrow (Friday).

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, April 21, 1994

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