



Fifth Session - Thirty-Fifth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

(Hansard)

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
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

Friday, April 22, 1994

The House met at 10 a.m.

PRAYERS

ROUTINE PROCEEDINGS

READING AND RECEIVING PETITIONS

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. Is it the will of the House to have the petition read?

An Honourable Member: Yes.

Mr. Speaker: The Clerk will read.

Mr. Clerk (William Remnant): 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.

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

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.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, may I direct the attention of honourable members to the gallery to my left where we have with us this morning Mr. Parker Burrell, the former MLA for Swan River.

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

Also with us this morning we have, from the Lakewood School, eighteen Grades 5 and 6 students under the direction of Mrs. Lindsay. This school is located in the constituency of the honourable Minister of Urban Affairs (Ms. McIntosh).

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

ORAL QUESTION PERIOD

Victims' Assistance Program Funding Reduction

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, there has been a considerable discrepancy between the words of this government dealing with justice issues and the actions of this government.

The Victims' Assistance program is a program that symbolizes, in a very small way, our commitment to those people that are unfortunately victims of crimes. Many people in our society are saying there is too little balance between those who are committing the crimes and between those who are victims of the crimes.

I would like to ask this government why they have cut the Victims' Assistance program in this year's budget and why they have demonstrated this cut at a time when people are crying out for support for victims in our Manitoba society.

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Mr. Speaker, this government is paying a great deal of attention to the concerns of victims. Certainly in our initiatives in relating to youth crime and also domestic

violence, we are looking very strongly to support the concerns of victims.

The Victims' Assistance funding and programs within this budget does fund four programs. I am not sure if the member is aware of the four programs. We fund a women's advocacy program. We fund the child witness support program, the Criminal Injuries Compensation program, the Victim Witness Assistance program, and we also have a fund in which we provide grants for the community.

We continue our commitment, and in fact my department continues to take a more and more active role in terms of the support of victims within this province.

Mr. Doer: Mr. Speaker, of course, we know that crime prevention programs were cut by \$100,000 a couple of years ago by this government. We know that Victims' Assistance programs are down again under all the categories.

* (1005)

Department of Justice Corrections Initiatives

Mr. Gary Doer (Leader of the Opposition): I have a further question to the Minister of Justice.

Since 1989, violent youth crime has increased by 58 percent. The youth corrections funding has gone down in 1993 by 4.3 percent, and Corrections overall is about zero percent increase. We have a major increase in people committing the crimes but yet no increase in commitment from this government to deal with those people that are accused of crimes that are disposed of committing those crimes.

I would like to know why this government is saying one thing about getting tough on crime and doing something else in terms of the resources they are putting in. Could they not have taken some of the tax breaks they had for business and put those into a real effective fight on dealing with youth crime in our society?

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Mr. Speaker, I am very pleased to have the opportunity to speak about our

efforts in Corrections and our efforts to fight crime in this province.

Let me start with the issues around youth crime, the nine-point plan that this government released to deal with youth crime and violence. That nine-point plan deals with the prevention end. It also deals with community support, youth justice committees. It also deals with Corrections. It deals with initiatives in relation to the federal government. It deals with councils of experts to be available to assist the citizens of Manitoba and a youth gang line. So we have a very comprehensive program.

In the area of Corrections, the area of administration, as all areas of government have, we have looked at reductions in the area of administration. I will remind the member that we have major initiatives in the area of Corrections, particularly in the youth area, where we are moving towards the wilderness camp model and a more rigorous confinement of all people within our institutions in Manitoba.

Mr. Doer: Mr. Speaker, I would invite the Premier to read the nine-point plan and look at the budget and see where the appropriate funding is in terms of antiviolence programs in schools. Many of the other programs in the plan are not reflected in the budget.

Provincial Courts Backlogs

Mr. Gary Doer (Leader of the Opposition): One of the areas that is not reflected in the budget is, of course, the whole issue of the backlog in the courts. Justice delayed is justice denied. We have cited, and our Justice critic has cited, on a number of occasions the backlogs of 11 and 12 months. We are hearing of cases being disposed of up to two years after the initial allegations are made in our youth courts. For young people, immediate consequences are fairly significant as a factor in our justice system.

The court services have been reduced by this government, creating the backlog by 3.4 percent in '93 and '94, and this year they have increased funding .8 percent, less than 1 percent. We will not

even be funding our court services equal to two years ago.

I would ask the government how this inadequate funding and inadequate priority are going to deal with the backlog in our court system and start getting us more immediate justice in our communities.

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): I am very happy to speak about our court system also because the member has continually quoted dates and periods of time which are inaccurate. I can say to the member that the courts across this province are functioning very well, that the one court in which we are looking at ways to deal with the backlog is the Domestic Violence Court.

I would remind that member that it was this government that showed the commitment to the victims of domestic violence and to the issues of domestic violence in the setting up of that court.

We now have named a new chief provincial court judge, and I am working very closely with the new chief judge to look at the operations of the courts. We are looking continually at ways to make the whole system the most efficient system that it can be.

* (1010)

Bill 22 Health Care System

Mr. Dave Chomiak (Kildonan): My question is for the Premier.

The Premier stated publicly, Mr. Speaker, and I quote: The effects of Bill 22 only apply to the administration, and we are not talking about patient care people.

It is clear that the overall hammer effect of the government's imposition of Bill 22 will see a reduction in some patient services and probably personnel.

My question to the Premier is: Why has the government ordered Bill 22 be imposed at health care institutions and nursing homes who have already seen their budgets reduced by over \$58 million in the last two years alone?

Hon. Gary Filmon (Premier): As we have indicated, the intention is to try and ensure that we apply Bill 22 equally across the province. The nurses' union voluntarily took a minus 2 percent in their contractual settlement. The intent is to have the same kind of application available to other personnel working within all of our areas of government, and so they apply in Crown corporations. So they apply to agencies that receive their funding from government, and it is the equal application, Mr. Speaker.

It need not reduce services as long as people are prepared to ensure that they live within the means that are available to them and that all personnel take that kind of approach that the nurses took and share the burden of living within the available dollars that we have. That, to us, was the preferable approach.

Mr. Chomiak: Mr. Speaker, I think the patients of Manitoba have already shared too much of the burden of this government's health care cuts.

My supplementary to the Premier, Mr. Speaker, is: Why is the government forcing places like Deer Lodge Hospital, which operated in the black last year, to impose Bill 22 when the care-giving staff in places like the Alzheimer part of the facility are going to be forced to take time off? Why is the government doing that?

Mr. Filmon: Mr. Speaker, the way in which New Democratic administrations are sharing this burden is to close 52 hospitals in rural Saskatchewan, to close hundreds of beds as well as a major urban hospital in Vancouver—that is how British Columbia is sharing it—to close 3,500 beds in Ontario. That is how NDP Ontario is sharing the burden. We think it is preferable to have the staff work co-operatively with the government to maintain the services by accepting a reduction in their own pay packets as part of the process of trying to maintain the quality health care system that we have in Manitoba.

Mr. Chomiak: Mr. Speaker, my final supplementary to the Premier.

I will table copies of a letter from a hospital administrator which says, and I quote: “. . .

implementation of Bill 22 will mean we have no option but to replace almost 100% of the staff affected. We are unable to impose Bill 22 in a cost effective manner without compromising on standards and quality of care.”

How can the Premier talk about patients after they have cut \$58 million from health care facilities and personal care homes and say we are not compromising? This is unfair, Mr. Speaker. How does the Premier justify it?

Mr. Filmon: Mr. Speaker, since we have been in office, this government has increased funding in six years to health care by a half billion dollars, a half billion dollars. This government has increased not only total dollars on health care to a much higher level than they were when we took office, but as a proportion of our budget at 33.9 percent, it is the highest that it has ever been in the history of this province. This government has made its commitment.

If the workers would do as the nurses did and accept a voluntary rollback, maybe some of these measures would not be required. That is the way in which these things can be shared and can be done in an effective manner.

* (1015)

Home Repair Industry Standards/Regulations

Mr. Paul Edwards (Leader of the Second Opposition): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs.

This government has committed \$10 million under the Home Renovation Program announced in the budget two days ago. That \$10 million at a thousand dollars grant per renovation equates to approximately 10,000 additional home renovation contracts that will be signed in this coming year, the government predicts. The Minister of Consumer and Corporate Affairs, I believe, has from time to time recognized and acknowledged that there are in fact no regulations in the home renovation industry, that in fact it is a wide-open industry, there are not standards in place, and that in fact the home renovation industry themselves

have repeatedly asked for those standards and some form of regulatory regime.

Mr. Speaker, my question for the minister: Currently on the Order Paper at No. 32 is a resolution from our caucus calling for those standards to be put in place. Will the minister today bring that forward so that we can ensure that the consumers are protected from unscrupulous home renovators and also recognize that that is in fact what the industry has been asking for, for some time?

Hon. Jim Ernst (Minister of Consumer and Corporate Affairs): I can advise firstly to my honourable friend that there is a requirement, I believe, under this program to have at least two quotes, two separate bids, from contractors so that there is one to make a comparison with the other.

Secondly, there are laws in The Business Practices Act, The Consumer Protection Act contained in this province which will and can deal with unscrupulous operators.

The member also is aware in terms of bringing his resolution forward that we are for the next seven days involved in budget speech debate, and the rules of the House do not permit that to come forward.

Mr. Speaker, I understand the member's concern. We have the Consumers' Bureau. We will be on the lookout for unscrupulous activities amongst those few contractors who might choose to do that kind of activity, but I think, by and large, that there will be enough protection built into the program itself that we should not have a major problem with respect to contractors who do not wish to follow the rules.

Mr. Edwards: The minister mentions the current legislative regime. That legislative regime can only protect consumers if in fact there are standards, if there is some form of regulatory regime in place for this particular industry.

My question again for the minister: Is this government actively considering in fact putting those into place in this session?—because that is important as thousands of people, they hope, will take advantage of this program. Is this government

going to come forward with some form of regulatory regime for the home renovation industry, which I remind the minister the industry itself has repeatedly asked for?

Mr. Ernst: Mr. Speaker, 99 percent of the problem in this area has occurred in the past by door-to-door salespeople coming to the door and trying to convince people, particularly those who perhaps are not well acquainted with how these matters work.

Mr. Speaker, we have licensing of door-to-door salespeople. They are bonded, and they are monitored very closely to ensure that those kinds of unscrupulous activities are kept to a minimum.

Mr. Speaker, The Business Practices Act also deals with people who are unscrupulous in their activities. The fact of the matter is that by having programs with requirements for two quotations from contractors submitted to the people who are going to be having the work done and then filing that with the department as it is dealt with, should reasonably, adequately protect the people.

As well, of course, there is an association of renovation contractors who do follow a code of ethics and practice. People would be well advised to seek out those contractors who belong to that association or other reputable contractors and to check that out before they accept any offers, before they have work completed.

* (1020)

Consumer Education Program

Mr. Paul Edwards (Leader of the Second Opposition): The minister appears to be relying on the two-quotation system. That is going to be small comfort for the many individuals out there who have in the past been taken advantage of. When the RRAP program was in place in prior years, this was a serious problem which in fact Consumer and Corporate Affairs advocates recognized, the Consumers' Association and others recognized; indeed, the association recognized it itself.

Mr. Speaker, my final question for the minister: Given that apparently his answers would indicate that there is not going to be some form of

regulatory regime coming into place, will the minister at least agree to embark on an educational campaign to educate consumers about what they should do, the questions they should ask and the type of investigation that they should do as they move to enter into this period where we are going to see a massive increase in activity in this area?

They have money for promotional campaigns, for their own political purposes. Will they now educate the public about what needs to be done to ensure that these are reputable people getting business at fair prices?

Hon. Jim Ernst (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Consumers' Bureau today has all kinds of literature related to ensuring that people understand what is going on, the kind of practice that they should follow to ensure that they have fair and reasonable work done by others on their behalf. That information is available to people. We can provide it to the appropriate departments, either Housing or Finance, if people are interested in having that information. The Seniors bureau has a videotape and contained within that videotape, which is widely spread, deals with issues like home renovation contractors and what people should look for and how they should conduct themselves when dealing with those kinds of people.

Port of Churchill CN Rail Commitment

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, my question is to the Acting Minister of Highways and Transportation.

Canadian farmers continue to face financial problems because the Canadian grain transportation system cannot meet its commitments to ship grain, yet each year in Manitoba the Port of Churchill remains underutilized. Last week the Minister of Transportation said he would meet with CN Rail to ask that they maximize the Port of Churchill shipping line and ship grain to Churchill.

Can the minister tell us today if CN is committed to fully utilizing the Hudson Bay line and to ship the maximum amount of grain through the Port of Churchill this summer?

Hon. Albert Driedger (Acting Minister of Highways and Transportation): Mr. Speaker, most of the question I will take as notice on behalf of the Minister of Highways and Transportation, but I want to say that if the member had listened very carefully to the budget speech that was made the other day, there was a further commitment for assistance for the rail lines to make them more competitive. I think this is a good indication of the position that we provincially take in terms of our concern for the rail industry in Manitoba as well as Churchill.

Ms. Wowchuk: Mr. Speaker, since the NDP along with many organizations has asked CN to use hopper cars and move grain on the bayline for many years, and since there are tanker fuel cars going to the Port of Churchill at the present time and since Keystone Agricultural Producers have passed a resolution calling for the testing of hopper cars on the bayline, what steps will the minister take to ensure that CN will start using hopper cars to haul grain to the Port of Churchill?

Mr. Driedger: Mr. Speaker, I feel as if I have not even left the Department of Highways and Transportation, because for five and a half years, this is the regular debate that took place in terms of what the government is doing.

The member should be well aware of all the players that are involved in this thing, the first one being the Wheat Board basically that sells the grain. If you are not going to have customers to take grain through the Port of Churchill, then there is no sense shipping anything through there. But I have to tell you there are other players involved as well, not just CN.

If the member wants to take some time, maybe go through the records of what has happened, not only during our administration of six years but also when the member for Dauphin (Mr. Plohman) was the minister there, I mean, go through the whole history of it, I just want to say that I think there are positive things that are developing in Churchill that will ultimately, I think, assure the fact that we will have the line there.

**Swan River, Manitoba
Rail Access**

Ms. Rosann Wowchuk (Swan River): My question is to the First Minister.

Since the federal Liberal M.P. for the Dauphin-Swan River area has indicated that she feels no responsibility to keeping the Cowan subline open, which is very important to the area both to farmers and other users of the area, will this government give a commitment that they will stand behind the people of Swan River and ensure that the Cowan subline, which is protected till the year 2000, will be reopened?

Hon. Gary Filmon (Premier): The people of Swan River certainly know that this government stands behind them. This is the government that is working with them to ensure that they attract and are able to have 450 jobs as a result of a forest products business that members in the New Democratic caucus are opposed to.

This is the government that is working with them to protect hundreds of jobs in the PMU industry with the Ayerst plant that members in the NDP caucus are opposing.

This is a government that is working to keep taxes down to ensure that the people of Swan River have a better quality of life and a better ability to maintain all sorts of things that are important to their families.

This government will stand with the people of Swan River at all times.

* (1025)

**CN Rail/CP Rail Merger
Impact on Employment**

Mr. Daryl Reid (Transcona): My question is for the Acting Minister of Highways and Transportation.

Despite the promises by the federal government that Manitoba would be restored as a rail transportation hub, 30 northern rail maintenance employees have received layoff notices.

The announcement that CN would cut 10,000 jobs has not been rescinded to this day, Mr. Speaker. Since both CN and CP are planning to

merge operations from Winnipeg east, what studies has the Department of Highways and Transportation undertaken to determine the impact on rail jobs and rail service in the province of Manitoba.

Hon. Albert Driedger (Acting Minister of Highways and Transportation): Mr. Speaker, that question was raised to some degree in the last day or so. The Minister of Transportation (Mr. Findlay) at that time indicated that he had been corresponding with CN on the issue. This question is also not a new question. This has been going on for a long, long time, and we have made our position known very clearly.

I again want to repeat, part of the issue that was raised in the budget was a further reduction in the diesel fuel tax to make us competitive. I would suggest that the member for Transcona, who is the critic of Highways and Transportation, support the budget which basically puts them in a more positive, competitive position to deal with these issues.

Mr. Reid: Since this government has given back vital revenue to the province, back to the railways by way of fuel tax reductions, what assurances did the Minister of Highways and Transportation receive from the railways since he has met with them that no more railway jobs would be lost in Manitoba?

What assurances do we have that no more railway jobs would be lost since you have given up this vital revenue?

Mr. Driedger: Mr. Speaker, I want to tell the member, just to give him an indication how this system works a little bit, by the reduction that this government put on the diesel fuel tax last year, we ended up getting a whole bunch of jobs through CP when they set up their system out here.

Mr. Speaker, he claims that we are giving away money to the railways. If we are not going to be competitive, we are not going to have the railway here. So it is a matter of taking and working together with the railways.

The concerns about jobs being gone and being moved, it has been in the mix for a long time. We

have constantly during my tenure as well as the minister who is responsible right now—we have been working with the railways to make sure that the impact is going to be as minimal as possible.

VIA Rail Purchase Impact on Employment

Mr. Daryl Reid (Transcona): Mr. Speaker, my final supplementary is to the same minister.

Considering today's report that Railex wants to buy VIA Rail, lay off all its employees and abandon nonprofitable service in western Canada, what action has the Minister of Highways and Transportation taken to protect VIA jobs and routes in Manitoba?

Hon. Albert Driedger (Acting Minister of Highways and Transportation): Mr. Speaker, I took the privilege of speaking with the Minister of Highways and Transportation (Mr. Findlay) this morning. As far as he can establish—and we are trying to establish whether there is some validity to do it—it is just a rumour. I am not prepared to take and answer a question on rumour.

* (1030)

Department of Education Curriculum Development

Mr. John Plohman (Dauphin): Mr. Speaker, people involved in education were shocked by this minister's flip-flop on a major issue involving curriculum development in this province of Manitoba. I want to ask the Minister of Education a question in light of the fact that over the last year at least, he has literally destroyed—he and his predecessor, the former Minister of Education, have literally destroyed the Curriculum Branch with the co-ordinator, the director, either leaving or being fired. Many of the assistants that were there—Joanne Bevis, the gifted consultant, has left. The guidance and child abuse prevention person, physical education consultant, industrial arts consultant, the co-ordinator for heritage languages—all of these professional people have left.

Now this minister says that he is going to make curriculum development a major priority in this

province. I want to know how he thinks he can have any credibility in developing curriculum after the record that he has in curriculum in this province.

Hon. Clayton Manness (Minister of Education and Training): Mr. Speaker, when members want to talk about credibility, our Minister of Finance (Mr. Stefanson) brought down a budget dealing with \$5.5 billion giving a global fiscal picture of the province last year and the future and, the second Question Period, not one question with respect to the budget from the benches opposite. It shows you how good the budget was.

Some Honourable Members: Hear, hear.

Mr. Speaker: Order, please.

Point of Order

Mr. Dave Chomiak (Kildonan): Mr. Speaker, the \$58-million reduction in hospitals and personal care nursing homes that I talked about in my question is partially as a result of this budget.

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

Mr. Manness: Mr. Speaker, the curriculum development branch certainly has gone through a period of change. That was by design. I know members opposite do not take the view that sometimes you have to begin to build in efficiencies. You have to make some structural changes internally and then build up from there. That is what this government has been practising over the course of the last two years. It is part of the plan.

I dare say in Estimates I will have an opportunity to give greater explanation to the increased funding that is presented in this year's budget.

Mr. Plohman: Mr. Speaker, that was precisely a budget question.

Distance Education

Mr. John Plohman (Dauphin): I want to ask the minister another budget question. He also says that distance education is a major priority, and they are

going to pump more money into—and he has just finished destroying the Distance Education Branch. As a matter of fact, it is not even listed in the Estimates for the Department of Education any further. The director has been dismissed. The administrative officer, the co-ordinator for educational television have all left in the last year.

I want to ask this minister, once again, how he thinks anyone is going to believe that he has credibility in establishing this as a major priority after he has destroyed that branch of that department.

Hon. Clayton Manness (Minister of Education and Training): Mr. Speaker, I am not going to embark upon a debate on credibility with the member for Dauphin.

The member is mindful of the initiative this government is taking with respect to Dr. Beth Cruickshank, who is dialoguing with all the school divisions in the province, trying to lay into place for government a blueprint with respect to the provision of educational technology services.

The member and indeed the education community will be hearing much more about this issue over the course of the next number of months. I say to the member, as I have said to school divisions throughout the province, this government has embarked upon a significant new approach to the provision of education services in rural Manitoba, and it will be based significantly upon the advances within the area of technology and education.

Staffing

Mr. John Plohman (Dauphin): Mr. Speaker, is it not a fact—I want to ask this minister—that he has dismissed long-standing professionals and replaced them with people hired under untendered political contracts, like Beth Cruickshank, at \$270 a day in an untendered contract? Is that not a fact?

Hon. Clayton Manness (Minister of Education and Training): Mr. Speaker, the member may have done his own calculations. I am not certain as to what the per diem rate is, but I can tell the member one thing. I am certain—

An Honourable Member: Table her contract.

Mr. Manness: I will. When you formally ask for it, I will.

What I can say? At least something is being done. There is a co-ordination in place. We have a plan. We are working towards a plan, not like what we inherited from the former government, where there was disorder and chaos.

Department of Education Student Services Branch

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, this government in its budget is talking about sharing the pain.

I would ask the Minister of Education to look at the Student Services branch, where there was a cut of 22.5 percent. The Student Services branch is there to provide programs for specialized support through the services for consultants for hearing impaired and visually impaired, to ensure students with special needs have access to specialized equipment and materials, to facilitate interdepartmental co-ordination of services for students with special needs. That is a 22.5 percent cut.

Do we need less to co-ordinate these services? Do we need less for equipment and material? Do we need fewer consultants for the hearing and the visually impaired? Why did this government cut 22.5 percent from the people that need it the most in the Department of Education?

Hon. Clayton Manness (Minister of Education and Training): Mr. Speaker, what I have noticed over the course of many years being involved in Budget Debates, when you do not have the intellectual capacity and an understanding of the larger picture, what you do is you pick out a line in an Estimates book that is that thick, you try and look for a reduction and then you make it the essence of a question during Question Period. That is the approach.

I say to the member, the approach for this government for a long period of time is try to reduce administrative costs, try to reduce the inefficiencies and provide the same level of service for fewer dollars. That is the approach that has

been practised. That is why this party will stay in government on this side of the House, and that is why the members that are over there now will stay there.

Mr. Lamoureux: Mr. Speaker, what balderdash. This government is talking about sharing the pain. What is this government doing to the people that need it the most in education?

I will ask the question to the Minister of Education. How does he determine that this is fair, this is sharing the pain when you are penalizing the individuals that need to have the consultants, need to have the material? Why do you penalize them by cutting 22.5 percent?

Mr. Manness: Mr. Speaker, my honourable friend the member for Inkster can scream and holler as loudly as he wants. The path that this government has followed in all its decisions is to try to reduce overlap and duplication and inefficiency and maintain the levels of services. That is what I am saying in respect to this detailed question for the member opposite. That is the course we have been on.

Estimates review, which will probably last six or seven weeks, will provide the member an opportunity to ask all of the detailed questions. I dare say to him, the answer to almost all of the questions posed will again talk about the way we have restructured internally to save taxpayer dollars and yet to maintain the level of service to the education community in our province.

Mr. Lamoureux: Mr. Speaker, the minister says, maintain the level of service. How does the cut maintain what is needed? Do we need to have less to co-ordinate the services? Do we need less for equipment and material? Do we need fewer consultants for the hearing and visually impaired? How do we maintain the services that the Minister of Education just finished saying?

Mr. Manness: Mr. Speaker, it could be a yes, no, yes and no. It is a combination of many of the suggestions offered by the member for Inkster. In some respects, we have found that we have to shift consultants from one area to another. In other areas there are some operational and supply needs that

we do not need and measure like we have needed in the past.

Mr. Speaker, I cannot give a definitive response beyond that. So maybe the member is half correct in his question.

Waste Reduction and Prevention Act Regulations

Ms. Marianne Cerilli (Radisson): Mr. Speaker, this government has not met any of its targets or deadlines on waste reduction and recycling. We are awaiting the regulations under the WRAP Act and the Canadian Industry Packaging and Stewardship Program, and it is long overdue in this province.

My question for the Minister of Environment is: Under the new model, have the WRAP regulations been weakened to prohibit deposits and penalties for industry not meeting its targets?

Hon. Glen Cummings (Minister of Environment): No.

Information Release

Ms. Marianne Cerilli (Radisson): Mr. Speaker, the Recycling Council of Manitoba has prepared a paper which is quite critical of this process, specifically stating that at this point insufficient information, particularly regarding the levies and cost of the initiative, has not been made available.

Can the minister guarantee that there is going to be public information tabled, and when will that be made public so there can be some feedback to this government on these regulations in this program?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, that is a serious question in regard to the intent and the direction we intend to take recycling in this province. The principle that we are trying to enshrine and will enshrine through our regulations is that industry will provide the funds for the large part of the costs for paying for the collection of recyclables out of the waste stream.

There is a conference tomorrow, Mr. Speaker, at Winkler, a major recycling conference, where representatives from across the country, from across Manitoba and, of course, the city of

Winnipeg will be significantly represented, where there will be some significant discussion about this initiative. It is fair to say that the basic principle is that this will be an industry-funded initiative. Some of the costs obviously still need to be decided, but it will happen.

* (1040)

Market Development

Ms. Marianne Cerilli (Radisson): My question was: When are the regulations going to be released, and will there be an opportunity for community input and participation?

This government claims to be an open government, but they continue to make agreements behind closed doors.

I would like to ask the minister: Has the new program addressed market development? The Recycling Council recommends that 10 percent of the levies would go into market development. Will this be followed into the new program?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, I am not sure of the information that the member is quoting from regarding the Recycling Council. I do not think they object in any way to having industry or the producers of the waste support the collection, and part of that is that industry also will be working with government to support the development of the markets.

Governments are not real good at marketing. Industries know where the goods can be used; they know the best way to handle them and the most efficient way so that our program does not become another hidden tax on the consumer. It will be a cost-efficient, industry-driven program.

Bill 22 Health Care System

Ms. Avis Gray (Crescentwood): Mr. Speaker, I believe that the Premier has missed the point when it comes to Bill 22 and the 2 percent reduction and the negative impact on hospitals, particularly some of the smaller hospitals in rural Manitoba. What the hospitals are asking for, and I quote from the Grandview District Hospital: If given the

opportunity, we feel the 2 percent can be saved without implementing Bill 22.

My question to the Premier: Will he direct his Minister of Health (Mr. McCrae) to change the regulations regarding Bill 22 and allow the hospitals to come up with the cost savings if they say they can without implementing Bill 22?

Hon. Gary Filmon (Premier): Mr. Speaker, I think that the member opposite is missing the point with respect to the approach that the Department of Health has taken. In fact, what they did was to write to the hospitals asking them for proposals as to how they might implement Bill 22 and achieve the savings that they were looking for. The response, and I have since been able to peruse the response of the Grandview District Hospital, was that they felt they could in fact achieve the savings, and they would not do it in a manner that was necessarily confined to Bill 22.

So that is precisely achieving what we want and no imposition was going to take place without a plan that was acceptable from the hospitals and the personal care homes, so it is achieving exactly the purpose that we set out by this consultative approach of writing them and asking them to respond and give a plan that was acceptable to us.

The letter in fact said that we did not want to impair patient care as part of the process. So it is achieving the results that we want to without impairing patient care. I would think that the member would be supportive of that.

Ms. Gray: The minister is saying something that is different from what the Department of Health is saying to these hospitals.

Will the Premier then, if in fact he is correct, direct his Minister of Health (Mr. McCrae) to communicate to these district hospitals and say to them what they are asking, yes, you are allowed to make some different choice in terms of how you are going to implement the 2 percent reduction other than Bill 22? This obviously is not being communicated to the hospitals, and that is very typical of the Department of Health. Communication is very, very poor. So will he direct the minister then to get the message straight to these hospitals?

Mr. Filmon: Mr. Speaker, the point of the matter is that the savings should take place within the labour element of their expenditures.

The Grandview letter indicates that they are having, for instance, administration take off six days unpaid leave. They are finding ways in which to deal with the situation, and that is precisely the approach that Manitoba Health wants to take, is to allow for some flexibility, to allow for this consultation and not to impair patient service.

Ms. Gray: Will the Premier tell this House then why, and in a response to a letter from the Ste. Rose General Hospital, are the hospitals being directed that their 2 percent reductions have to be involving salaries? Why can it not be through other means?

Mr. Filmon: Because the essence of Bill 22 is that there should be some equality of treatment to all of those who work throughout the public service, and that in some way, just as members of this Legislature are taking a reduction in their pay packet, just as civil servants throughout the province are taking a reduction in their pay packet, there ought to be some equity, and that those working within the health care system ought also to take a reduction of pay packet.

So the nurses, having recognized that, took a 2 percent reduction as part of the agreement that they signed with Manitoba's health care institutions. As a result of that, we are wanting to ensure that equity prevails throughout the system. That is why it has to come from the labour or salary component that we are looking for these savings.

The people of Grandview District Hospital have indicated that, as I say, senior administration in Grandview in the past year have taken six unpaid leave days and foregone other commitments in the spirit of co-operation. That is precisely what we are looking for as a spirit of equity and co-operation.

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

NONPOLITICAL STATEMENTS

Volunteer Service Award Tracy Sumka

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

Mr. Gary Kowalski (The Maples): Yesterday I attended a luncheon for the Volunteer Service Awards at the Westin Hotel, and although all the volunteers received awards, as all volunteers should receive congratulations, I would like to add a special congratulations for a person from my constituency who received the Premier's volunteer service award for youth leadership for 1994, Tracy Sumka.

I first met Tracy when the two of us served on the North Winnipeg Youth Justice Committee, and we spent many evenings together interviewing young people who were in conflict with the law, along with their parents.

I was impressed by Tracy's concern for the young people and her commitment. At the same time that Tracy was doing that volunteer activity, she was volunteering with Winesserv Inc. She was spending two to three hours every week visiting with a mentally handicapped person. In addition to that, she was attending university, and she was also working part time. Tracy went on, when I was forming the youth justice committee in The Maples, and volunteered to help me with that—as if her tasks were not that numerous then. At the same time, she went on to volunteer at Marymound school to perform a Big Sister role. I think Tracy Sumka is an example of some of the best of the youth we have in Manitoba, and I congratulate her.

Earth Day

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

Hon. Glen Cummings (Minister of Environment): I, too, would like to recognize volunteers and particularly today recognize that this is international Earth Day, and that we have an

enormous group of volunteers working in this province to recognize and to celebrate what has become known as Earth Week in this province.

The theme this year is "Awareness into Action," and events are being planned with a culmination on Sunday that will allow families to participate and make sure that we are able as families, which is the focus of our society and a unit in which we can work for the support of the environment, to be accommodated in that respect.

This event is seen as an affirmation of our commitment to the environment and to the individual commitment that each of us makes alone or with our family. The hope is that this year those who were attending will be able to gain new knowledge and share a family experience. I would like to point out, if I might, some of the things that have occurred, and one event in particular, which is being repeated this year.

As always, recycling initiatives are part of Earth Day. I think it is particularly important to note that last year committee members collected tools for Habitat for Humanity, and this year sponsors will launch a community recycling drive for used eyeglasses and books. So there are a lot of very good spinoffs from the initiatives involved in Earth Day. I would encourage all of us to participate with our families, and I want to, on behalf of everyone, extend congratulations and appreciation to the organizers.

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

* (1050)

Ms. Marianne Cerilli (Radisson): Mr. Speaker, I, too, would like to recognize international Earth Day and frame it in the context of it also being Volunteer Week, as the minister has said, and recognize the many activities across this province that are being supported and organized by volunteers.

I think it is important that we recognize the hard work, the dedication, the commitment and the intelligence with which so many people in Manitoba dedicate towards environmental

education, working to organize programs and working to deal with environmental impacts assessments and various other activities related to environment and development.

I think that, in terms of environment, it is a time for ideas and it is a time for environmental ideas. These ideas have come at a time when they are necessary.

I also want to say that it is important on Earth Day for us to recognize how we all rely on the delicate balance of our ecosystem and biosphere.

The aboriginal people speak of the water as the lifeblood of the earth. We can understand, then, that the trees are the lungs of the earth and understand that energy connecting these with the soil is what sustains life on the planet.

We must realize that the debt we have to the earth must be repaid. We must all work together to ensure that there is some legacy to leave future children, children who are not even born yet. Thank you very much.

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

Ms. Avis Gray (Crescentwood): I, too, would like to join with our colleagues on the government side and the opposition side in recognizing Earth Day. I think one of the best examples of Earth Day is the activities that the young people in this province are involved in in recognition of Earth Day.

Surely, if our young people who are in our schools recognize the importance of our environment and recognize the importance of sustainable development, then we are off to a good start in ensuring that we do have a future here into the 21st Century.

I would like to particularly commend one of the high schools in my area, Kelvin High School, whose students are very much taking Earth Day to heart and have a recycling project going on. As one drove to work today, you could see the rows and rows of boxes and bags of recyclables which the students from Kelvin High School will be picking up. I congratulate them today for that, and I think

this gives us a good example of the meaning of Earth Day and what can be done.

One would hope that, although we celebrate it today, we will all think of Earth Day and that Earth Day should be 365 days of the year. Thank you.

Provincial High School Hockey Championship

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

Mr. Harry Schellenberg (Rossmere): I would like to congratulate the River East Collegiate hockey team for winning the provincial high school hockey championship this year.

This was the first year that the River East Collegiate Kodiaks participated in the growing sport of high school hockey. Before winning the provincial championship, they won the city championship. Congratulations to the players, coaches, managers, for the fine play on the ice but also for the sportsmanship off and on the ice.

Playing this sport, like many other sports, builds character in youth. It teaches youth discipline, hard work and, most of all, gives them a sense of belonging, which is often lacking in our community.

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

I would like to read the names of the players: Allan Brownrigg, Tyler Mason, Orest Konowalchuk, Grant Stephen, Dustin Funk, Kevin Graham, Blair Toonstra, Scott Chapman, Andrew McWilliams, Todd Hopkinson, David Mann, Andy Kollar, Paul Fasio, David Millar, Jeremy Leroux, Mark Dyck, Michael Bastl.

Principal Bill Welsh, Vice-Principals Henry Schroeder, Gerry Pankiewicz, Coaches George Mann, Louis Mainella, Scott Wong; and the managers, Rudiger Hedrich and Keith Weiner.

We should encourage and support all forms of extracurricular activities in our school system. It is these activities that create a sense of belonging and a sense of community in our schools. Through extracurricular activities, students, teachers, administrators and coaches interact, upon which relationships can be built. Our youth can grow

academically and socially through participating in extracurricular activities. Thank you.

ORDERS OF THE DAY

BUDGET DEBATE

(Third Day of Debate)

Madam Deputy Speaker: On the proposed motion of the honourable Minister of Finance (Mr. Stefanson) that this House approve in general the budgetary policy of the government and on the proposed motion of the honourable Leader of the official opposition (Mr. Doer) in amendment thereto, standing in the name of the honourable Leader of the Second Opposition.

Mr. Paul Edwards (Leader of the Second Opposition): Madam Deputy Speaker, I am pleased to rise today to speak on this seventh budget of this government. I want to start at the outset by indicating the premise upon which I believe this budget has been founded. I believe that those premises, let me say at the outset, are fundamentally incorrect.

The first premise that I see this budget having been based upon is a premise which we have seen really throughout the western world in governments that have been run on the neo-Conservative idea of trickle-down economics. It is the theory that if you allow businesses and corporate elites and if you allow people with money to retain that money, they will invest and thereby create jobs and thereby help the economy.

That is not an entirely false theory. That is a theory which in some respect does have some merit in that some of the money is in fact spent in periods of expansion. The problem is, Madam Deputy Speaker, in periods of recession, in periods where corporations are in fact downsizing and are in fact pulling in, putting more tax incentives and more grants into the hands of those corporations does not result in investment. It results, in effect, in a retention of capital rather than an expenditure of capital.

Trickle-down economics does not work and it does not work most emphatically in a period of recession and economic restraint. That is what we are currently in. That is what we have been in for

six years. That is why the seventh budget in a row of this government which premises itself on the trickle-down theory, has not worked and will not work. That is why every budget has promised glowing results next year. This is the seventh time that has happened. We have yet to see those results. I know of the statistics, the selective statistics which the minister puts forward, which the Premier puts forward from time to time to justify and attempt to justify their economic policies. I believe in the political reality they believe that they have to do that. They have to look back and say, it has worked, because if they do not, Madam Deputy Speaker, they have come six years on the wrong road, and that, in their view, would be politically unacceptable.

It is time, I think, to recognize though that this province has not kept up and will not keep up with a slow teetering recovery which appears to be occurring in this country and in the worldwide economy. Not without exceptions, but we do appear to be coming slowly out of this recession. My greatest fear is that we will not even keep up let alone lead in that recovery.

Madam Deputy Speaker, the trickle-down economic approach has failed around the world. It failed with Ronald Reagan in the United States where he drove up the deficit in that country to unprecedented levels and in fact created more millionaires in the space of his tenure than in the entire previous history of the United States of America, drove the inner cities of that country into abject poverty. It failed here in this country under Mr. Mulroney. It failed in Saskatchewan under Grant Devine. It failed in British Columbia under Bill Vander Zalm. This is not an economic theory that works.

Madam Deputy Speaker, let me also indicate that I have, I believe, support for that position that throwing grants and tax incentives at selected industries and selected businesses does not work from the business community.

* (1100)

The Canadian Federation of Independent Business, I was very interested to read in their recent report—and I have met with Mr. Botting

and the senior people on the national level of Canadian Federation of Independent Business from time to time. Their message has been consistent and constant and clear. What they say is—let me read their recommendation on page 15. This is the Federation of Independent Business: Grants and grant-like subsidies to businesses and associations should be eliminated. That is what the Canadian Federation of Independent Business says. They go on to say: The use of grants is of dubious economic benefit; these forms of subsidies make unfair and unproductive use of scarce tax revenues. I agree. The Liberal Party in Manitoba agrees.

Why is this government continuing to go along the road of selective sectoral grants and tax incentives often going, in particular, as specific companies receiving grants? This is not the way to go. Businesses that are here that want to grow and expand and invest and stay in this economy are here for the right reasons. They are here because there is a well-trained labour force. They are here because there is a developed infrastructure, both educational and in terms of services. They are here because there is a fair—they are not looking for an excessively generous tax system. They are looking for a fair tax system. They are looking for fiscal stability so that they know if they make an investment in this economy five or 10 years down the road there is not going to be a cash call.

That is what they are looking for. That is what we have not produced in this province with successive deficits. We have not produced with our out-migration, with our cuts to post-secondary education, followed through in this budget. The fact is that the selective sectoral investments in private business is not asked for by the business community, is not good for the business community and is certainly not good for the working people of this province.

Madam Deputy Speaker, let me indicate—

Hon. Donald Orchard (Minister of Energy and Mines): The second NDP party.

Mr. Edwards: Well, the member for Pembina, the Minister of Energy and Mines says: the second NDP party. Madam Deputy Speaker, the Canadian

Federation of Independent Business, hardly members of the NDP party, the business community in this country has said no to direct grants and subsidies to businesses on a sectoral or individual basis. They have said no every year, and this government continues to pander to individual sectors and individual businesses in this economy. That is the wrong way.

An Honourable Member: What do they say about tax cuts?

Mr. Edwards: They say tax cuts across the board for everyone is fair. Of course they want less taxes. They say no to sectoral tax cuts, to saying this particular industry, that particular industry, this small group of companies, that small individual company, they say no to individual grants and tax cuts, and they have said that every year.

Madam Deputy Speaker, this government from 1988 to 1992 have given co-called incentive grants totalling \$66 million, \$66 million in direct grants in those four years. Examples like the \$3.75 million given to Arcor, examples of money thrown at individual companies, this is not the way to grow.

There are two things that happen. Firstly, it does not flow down and create the promised jobs. They are not here. We have 16,000 fewer people working today than we did when they got a majority government. Tell me where those jobs are. They are not here, and they will not be here as long as this government keeps pandering to individual sectors and individual companies.

The second effect of this is that the local business community where those individual investments are made in fact is sent a message that they are somehow second class. Somebody else, from anybody who shows a passing interest in Manitoba, gets hundreds of thousands or millions of dollars thrown at them. What is the message to the existing businesses, the people who have been here sticking it out paying taxes, doing their best, making a commitment to this province? The message to them is you are second class. You do not count. No, we want to spend the big buck to lure somebody from Boston or Chicago or somewhere else outside of this province.

We are going to be saved, is the message, whether it is Repap or Conawapa or some big megaproject, they are throwing money at this company or that company, there is a message that somehow some outside saviour is going to come and do it for us. That is the wagon to which this government has hitched its economic agenda from Day One.

Madam Deputy Speaker, there is no question that the individual industries that are affected and given the largesse of government revenues are happy. The home building industry, the renovation industry is happy out there, no question. They have just got \$10 million, a lot more than that; \$10 million is going to be put into direct grants to individuals to take advantage of that program.

I am sure they are happy, but think about it. Those grants are going to a select group of people in our community. I am sure those people will be very pleased—those people who have the \$5,000 to put into a home renovation program.

By the way, I think a lot of projects that maybe were down around \$2,000, \$3,000 or \$4,000 just became \$5,000 projects. But the truth is, those people, I am sure, are pleased about that.

What about the people who do not own homes, who cannot afford to own homes? What about the people on welfare who are not allowed to own homes? What about the people who cannot even dream of having \$5,000 to invest in anything, let alone a home, Madam Deputy Speaker? What about them?

There was a better way to stimulate the economy. There was a fairer way to stimulate the economy. There was a broader tax incentive to be made which would have stimulated the economy because the idea is correct. We do need to prime the pump; we do need to stimulate the economy.

The broadest based, most direct, most specific impetus to the local economy is through the sales tax, not through directed sectoral grants, but through the sales tax.

In fact, as a percentage of their income, the welfare recipients and the poor and the unemployed in this province are the best and

biggest taxpayers in the province because they pay. They cannot invest in home renovations. They cannot invest in new homes. They cannot invest in a \$2 million capital grant tax exemption.

They are spending the highest percentage of their income on taxable goods. They are the biggest taxpayers in the province. The way to have primed the pump, the way to have given impetus to this economy was on a much broader base, would not have been elite or sectoral in its nature, but would have been across the board and would have been a short-term cut in sales tax. That would have primed the pump, and that would not have cost the coffers of this province one dime.

Before we leave the greenhouse grant program, I think that it is important to reflect on the question that I asked today in Question Period. I notice that the president of the Home Renovations Association is here today, supporting that call that there should be some standards, there should be some regulation in this industry.

There is going to be, obviously, an enormous growth in the home renovation industry. It is important to protect the vulnerable in our society and, in particular, seniors who do need at the very least to have educational materials, the expertise of the Consumer and Corporate Affairs Branch, not just in some video tape if they happen to make it down to the office on Carlton Street or some pamphlet that they can pick up at a couple of offices. They need to be educated. They need to be protected.

The association itself, the responsible companies who are out there doing a responsible business—they are asking for this protection for their customers, and it is long overdue.

What I found very interesting as well about this \$1,000 grant was that it comes on the heels of a budget last year that cut the property tax credit, which cut the seniors' property tax credit. So what is the message? The message is, well, you know, if you are a senior and you are poor, you are going to be hit harder. And, if you happen to have \$5,000 in the bank account, we will kick \$1,000 back so that you can fix your home.

Madam Deputy Speaker, that excludes those people who far from having \$5,000—a lot of them do not have the extra \$250 to pay in property taxes that they were asked to pay last year. They are being actively forced out of their homes, let alone having the revenue and the capital to take advantage of this type of program, a further example of the selectivity of this government in applying their view of tax incentives and tax breaks on a very limited basis, on a very small scale and to certain parts of the economy and certain sectors of residents.

* (1110)

An Honourable Member: So what would you do, Paul? Tell us what you would do.

Mr. Edwards: Well, the minister indicates—first of all, Madam Deputy Speaker, it was wrong. It was wrong to have cut back on seniors trying to pay their property taxes and stay in their homes. Now they are giving back \$10 million to a small fraction of the people out there who happen to be able to afford it. That is wrong. The government in our view should have gone to an across-the-board, short-term impetus to the economy. We put forward our ideas six weeks ago. We maintain that was the correct and the far fairer approach to have done this.

The thing which I find, the balanced budget which is promised, is very conveniently promised after the next election. [interjection] Well, wait a minute. Wait a minute. It appears to be being revised on the fly by the Minister of Energy and Mines (Mr. Orchard). Apparently he believes that he can do it before the next election.

I am very pleased to hear that, and I am sure if he were the Premier he probably could do it. He would cut virtually everything. He has proven that. That is his approach. [interjection] I suspect from that comment there is still quite a bit of incentive and quite a bit of interest on his part, in effect, getting those reins of power. I know that it must ache and pain him greatly to have to sit back and see that we are not going to balance the budget even according to their statistics until '96, '97. [interjection] Well, that prediction has been a moving target, Madam Deputy Speaker. It is now

conveniently after the next election. We have had seven budgets. It has not happened. We are no further ahead. We are not going to be any further ahead. We are further behind. We are further behind in employment. We are half a billion dollars per year behind in overall capital investment in this province. The programs and policies do not work.

Madam Deputy Speaker, the basic message here is always the same: Elect us and it will happen. No, it has not happened yet, but it will. It will happen. We promise. Nice little canoe ride down the stream. We promise it is going to get better next year. It has not. It will not. I suspect that the people of this province understand that.

Madam Deputy Speaker, this government will never balance the budget until they understand not just the social but the economic value of work. If people do not work, there are four direct ways that this government loses revenues.

Firstly, direct benefits are lost. Most people who are unemployed or at least a fairly high percentage are on direct benefits of unemployment insurance, social assistance or other direct benefits. Secondly, those who are unemployed do not spend. They do not have any money to spend, so spending goes down. Revenue goes down by government in that way. Thirdly, every social service we offer including health care is most closely linked to unemployment. The courts, the criminal system, the health care system, the social welfare system, child care, the common thread through it all is unemployment. The use of our social welfare system, our health system and our criminal justice system is increased most significantly by unemployment, because unemployment results in the social decay and decline in our society in a most poignant way.

Madam Deputy Speaker, the fourth way that we lose is not just the fiscal cost of that social degradation and that social decline through unemployment, but in fact the direct social cost in terms of families that lose hope, in terms of the decline of self-esteem and self-worth in our communities as people do not work. Work is necessary in order to balance the budget. The

biggest driver of the deficit is unemployment, and I do not think this government realizes that. I think they believe that you can somehow pay the rich and they are going to drive up, they are going to save us and get rid of the deficit and do everything else and we can run this place like Federal Express. It will not work. People have to work in order for us to balance the budget. That is the legacy and the message of every failed trickle-down jurisdiction in the world.

Madam Deputy Speaker, in the Liberal Party's view there are two fundamental things that we are not doing that we should do in this province. The first is we must retain our own investment dollars in this province. I spoke of this in the Speech from the Throne response.

Mr. Orchard: How do you like Grow Bonds?

Mr. Edwards: The Minister of Energy and Mines mentions Grow Bonds. That is an example of an initiative which we supported which has worked which has retained investment capital in this province. There are some problems with the Grow Bonds. To start with, they do not even apply inside the Perimeter Highway in this province. They apply to essentially approximately one-third of the population of this province. It is a great thing out there. Madam Deputy Speaker, what about the entire province? That program should be expanded.

An Honourable Member: How about HydroBonds?

Mr. Edwards: Secondly—and the minister mentions HydroBonds and the new Builder Bonds—when Conawapa failed, HydroBonds became Builder Bonds, as everybody understands.

Retaining those dollars to finance our debt does not contribute directly to the growth of our economy. It does retain the debt domestically, and that is why our former Finance critic Mr. Alcock and our party in fact supported doing that. Madam Deputy Speaker, this should be proof that when good ideas come forth, they are rare, they are scarce, but when they do, we have supported them.

In addition to those initiatives which just are not sufficient to retain the \$640 million per year that is

invested every year into pension and RRSP funds in this province, these programs are not enough to retain even a fraction of that investment income. We are still losing the vast majority of those investment dollars, and that is the greatest lost opportunity in this province, in my view. That is venture capital which flees this province every single year.

It is predicted that on March 1 of this year in one day, the last day of RRSP investments for the 1993 taxation year, a hundred million bucks left the province, one day. That will happen every year. We need mechanisms and vehicles that allow people to invest in themselves and to keep their money in this province.

We need what in fact the members of the business community—again the business community in this city, in this province have been calling for it, to my knowledge, for three years. They are looking for regional capital pools. They are looking for a prairie stock exchange. They are looking for ways to retain those capitals.

I noticed three months ago—[interjection] Well, the guru of this minister's economic—Lynn Raskin-Levine, a very nice woman, came to see me, and I talked to her about this. She said, gee, that is a good idea; we are going to look at that. Two weeks later the committee was announced. We are going to look at new ways to find venture capital in this province. Now the First Minister (Mr. Filmon) says: Oh, it is a bad idea; it does not work. He set up a committee to look at it and actively look at implementing exactly those ideas.

In fact, what was interesting to me was in the press release. What is there specifically? A prairie stock exchange. That is what they are considering right now—year six, seventh budget, they are finally taking a look at it. If they are going to look at it, better late than never. I am all for it. If they have reached some conversion on this and realized that it is time to start retaining those dollars, so be it. That is a good thing.

Madam Deputy Speaker, the fact is that those types of regional initiatives to retain the investment capital in this region and in particular in this province are critical to our future. Let us

learn the lesson of retention of our own investment capital and people that Quebec learned 10 years ago. They have successfully done that. They have taught the rest of this country what needs to be done to keep that money locally. [interjection]

Well, the minister is grasping. He has now drawn no-fault insurance into it. It is beyond me. I did not hear that in the budget, but I guess the Minister of Energy and Mines (Mr. Orchard) is grasping on some frolic of his own here.

* (1120)

The second thing that is required—and the government I think has this question right, they just do not have the answer. What needs to be done obviously, and I think all parties agree, is to properly train the people who are here, the young people coming into the job market, in order to take the jobs that are there.

There is nothing more tragic than a job that goes wanting. We know we are going to have a problem where it is going to be a major challenge to reach full employment, and that should be our goal. The biggest tragedy is when training dollars are spent, the \$8 billion that is spent in this country every year, and the training is either not properly directed to a job that is there or, in fact, there is no training occurring. It is not market driven and it is not responsive to the employment situation and the employers that are there. I do not think there is disagreement on that. We need to find ways to direct our training dollars more effectively in this country and in this province.

Madam Deputy Speaker, the initiative which we put forward in the legislative agenda, which we were hoping would be a part of this budget, was a scheme whereby the corporations did not get untied grants and tax incentives and all kinds of gifts and largesse but were called upon to commit at the time the training starts to the individual trainee and before a dime changes hands to make a commitment of a job.

Madam Deputy Speaker, that is the way to go. You do not go to the business community like some kind of sop and just throw money at them and say, take care of it for us. You go to them, in our view and say, we want your help, we need your

help, but we also are not going to trade off tax dollars for nothing; we are going to do it when we get a commitment that you are going to employ. That ensures that that company buying into the training initiative at the very beginning makes a conscious decision before there are any tax incentives for training that flow, makes a conscious decision that, yes, when this person is finished this training program, we know that we can hire this person, we have a job for this person, and they are called upon to make the commitment. If they fail that commitment the government takes back the money that they have given.

That has a number of repercussions. Firstly, it ensures that the training is market driven; secondly, it gives the trainee the knowledge, the incentive to successfully complete the program because they know they are going to get a job. There is employment at the end of it. Thirdly, we get from that program an effective use of our tax dollars for training in the private sector.

No question, the private sector is and will continue to be and should be a primary source of training, on the job training, we need more co-operative programs, we need more apprenticeship programs. I was pleased to see the government say that again they are going to hook on the coattails of the federal government on their apprenticeship program. That is a good idea. At least they are not getting in the way. Apprenticeship is an important route to go, as is on-the-job training.

Having said that they were going to be latching onto the apprenticeship program, I did notice that the Labour Adjustment branch of the Department of Labour, and let me just take a moment and refresh members as to what exactly the Labour Adjustment branch does, the Labour Adjustment branch provides labour-adjustment programs to assist in the re-employment and retraining of workers affected by layoffs due to labour-market adjustment and structural change.

Sounds pretty important. Sounds what about half of the budget and the Speech from the Throne was about. Sounds like the key in the touchstone of this economic agenda. We have heard it in words; we have seen it on paper. Now we turn to the bottom

line—down 12.5 percent. Twelve and a half percent less money for retraining, redeployment of our existing workforce. There is not even a consistent commitment to the workers that are currently there that are going to be laid off, let alone the new workers coming into this workforce.

The message here is: You do not have a job; move somewhere else. It is no wonder that in the last four years we have had a net 30,000 out-migration of this province. When you make that kind of false commitment to people, that you are going to do anything to retain them in this economy and in this marketplace, that is the result—people leave.

Maybe that is what this government wants, but that is the death knell for this province and for a dynamic economy in the future.

Madam Deputy Speaker, in our view, the jobs that we need in this economy will not be created by the invisible hand of the marketplace because it is indeed invisible. It will not be created by the corporate giveaways that have been reflected consistently in this government's speeches, Budget Addresses, will not be created by making it harder to become educated, will not be created by tolerating a 30,000 out-migration in the last four years from this province, will not be created by hokey programs designed to serve small sectors of the economy in a very minor and a very inefficient way, making the rich richer and the poor poorer.

That is not the way that we will retain people in this province and grow. Jobs will not be created by pumping gambling as if it was the last great hope of the western world. That is the final, the bottom line in all of this: There is one great hope for this government and that is gambling.

Some Honourable Members: Oh, oh.

Madam Deputy Speaker: Order, please.

An Honourable Member: Get your lottery tickets down at the Legislature from the Liberal caucus.

Mr. Edwards: I am not sure these members want to go on much longer, Madam Deputy Speaker. I may start producing the flood of letters from Conservative Party members saying, hey, I got all kinds of phone calls from the Legislature saying,

buy lottery tickets, buy dinner tickets. They always come from the Legislature. I have those letters. I have not used them.

Point of Order

Mr. Gary Doer (Leader of the Opposition): On a point of order, I believe it is in our rules that when you refer to any letters you are required to table them in this Chamber. Thank you.

* * *

Mr. Edwards: One of our MLAs is going to. I do not want to interrupt my speech, but it will be tabled before the end of my speech. It is a letter from Mr. Bruce Beatson, who wrote specifically indicating that he had received calls from the Legislature.

Madam Deputy Speaker, I am also going to table a nice little promo piece. Not about some \$3,000 raffle—obviously, we are not doing things big-time—but about the \$104,000 raffle run by the Conservative Party in Manitoba. So I think we should just all level here before sanctimony and piety become the order of the day.

I have a lot of things to say, and I will table those things. I remember a phone call in a Crescentwood by-election from an office in the Legislature to Peter Warren saying, no, that was not a political call. A specific planted call pretending that a neutral caller had called in, from this Legislature in a very partisan, political way. Now I think those people are still working here. That came from the government during my honourable friend the member for Crescentwood's (Ms. Gray's) campaign.

This government is certainly not above using every resource they have for partisan purposes. They are the people who spent \$20,000 for a campaign ad saying when Gary Filmon went into the room he got tough. He got a deal before he came out. That tough guy image, big pictures, nice promo materials.

Do you know what? There was not even a phone number on there in case you wanted to take advantage of some industry, trade and tourism. There was not any indication of some program that you might take advantage of. This had nothing to

do with education. It had nothing to do with economic growth. It had to do with aggrandizing some false image that this was a deal maker, and \$20,000 of taxpayers' money went into that.

Now we learn that there is a \$548,000 advertising campaign by the Manitoba Lotteries Corporation producing six television ads and a number of other things educating the public apparently about the way that gambling resources are used.

I feel it is important to point out that it is significantly more than they are spending on doing anything about the thousands of gambling addicts that are out there, the thousands that are being created by their promotional activities. But they are going to spend \$548,000 promoting themselves as the good people in this economy.

Talk about being partisan. Talk about misusing taxpayers' dollars. That is it.

Do you know what, Madam Deputy Speaker? If, in those ads that the Premier sent out saying I am a tough guy, there had been a questionnaire, if there had been any information, if there had been any attempt to make contact with people in a meaningful way about government programs or about seeking advice.

We have never criticized the public hearings that this government has done around this province. We welcome it. We want it. We support it. But, no, they spend their money on promotional materials for their partisan purposes, and we will always criticize that. We have never criticized seeking information from the public, and will not.

The member from Portage la Prairie (Mr. Pallister) was awfully snitty in his Speech from the Throne response. I do not know what he is so sensitive about, but he is awfully sensitive these days. I hear him lobbing more things.

* (1130)

I am sure he will get his chance to speak. I know that he is not given enough chance to speak, and he desperately wants that. I encourage the government to give him that because he does tend to, I think, embarrass himself by consistently trying to speak when others are.

He did get the chance in his response to the Speech from the Throne to put all of those partisan comments on the record. He will get it again, and maybe he will explain why he changed his mind on the Assiniboine River diversion. I have never quite heard that story.

Point of Order

Mr. Brian Pallister (Portage la Prairie): On a point of order, Madam Deputy Speaker, the fact is I never changed my mind on the Portage diversion. The fact is, though, that the Leader of the Second Opposition unfortunately did. In speaking in rural Manitoba, he was, dependent on the location, against it or for it, going whichever way the wind blew.

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

* * *

Mr. Edwards: Madam Deputy Speaker, the people of Portage la Prairie are not confused about the member's position. They know it has gone 180 degrees.

Madam Deputy Speaker, the fact is that we need to have, not just a retention of capital; we need to do more than do that. We need to make our training programs cost-effective, market-driven and ensure that those we are training, spending money to train, encouraging to participate, giving hope to, we follow through on and that in fact there are jobs at the end of that.

We put forward our proposal. It has not been accepted, nor have our proposals for the retention of capital, and those are the two major defects in this budget, the major initiatives that needed to be taken in this province and that have not been taken.

Madam Deputy Speaker, the largest claim in this budget is that taxes have not been increased and that is a myth which has been promoted consistently by this government. I think it is important to recognize that in fact that is false and that in fact there have been substantial tax increases to Manitobans over the years of this government and that in fact the pockets of

Manitobans are consistently being picked to a greater extent.

One of the most offensive things about the Budget Address for me was the piety of the condemnation of the federal government: Stop offloading; it is terrible. This was the message that came from the Minister of Finance (Mr. Stefanson), whining again, saying, stop offloading. That is what this government has done every budget since they came into power. That is their agenda.

Whether it is 2,000 kilometres of roads pushed down the municipalities in their tenure, whether it is reducing the property tax credit for all Manitobans and in particular for the seniors through the reduction of that property tax credit, whether it is increasing the Pharmacare deductibles making sure that people get less to pay for the essential things that they need, the fact is that this government has increased taxes, directly 19 times, and indirectly through offloading education cuts, Pharmacare cuts, personal care home cuts, another 15 times for a total of 34 tax increases. Now, Madam Deputy Speaker, the estimated effect of that is \$790 for a family of four, two taxpayers.

Now, Madam Deputy Speaker, I want to just indicate some of the more—[interjection] Well, I find myself now in a position to refer back to my earlier comments and table a letter dated April 19, 1994, and I will just read briefly the comment. It was to my friend the former Leader Madam Carstairs, and it indicates: "Phone calls have been made to and from PC occupied offices in the Legislature pertaining to the forthcoming fundraising activities. Suddenly, this common occurrence is a big concern for Mr. Ernst and Mr. Ashton, in an attempt to discredit Mr. Edwards regarding gambling in Manitoba." That is from Mr. Bruce Beatson, whom, I believe, is a Conservative Party member. I want to table that.

I also want to table for everyone's edification—I believe this lottery is actually over, but in the Progressive Conservative provincial lottery there is not \$3,000, not \$50,000, not \$100,000, but \$104,000. This is a big-time ticket, \$100 per ticket.

Wait, wait, it is not over yet. Madam Deputy Speaker, there is a nice brochure. I am not tabling the colour-coded version, but a photocopy of it. This is a new prize format. The prize value has been massively increased to over \$104,000. So I want to table that as well for members' edification.

Now, Madam Deputy Speaker, property tax credits have been cut. The sales tax has been broadened. Pensioners' school tax assistance was income tested in 1993. The social allowance recipients tax credits were cut in 1993. There was a tax on Blue Cross. The gas tax went up .015 a litre in 1991. The diesel fuel went up .01 a litre in 1991. There was an environmental protection tax. There was a gas tax up again in 1989. Water power rental rates went up in 1989. The mining tax has been effected in both '89 and '88. There was a leaded fuel surcharge.

In addition to that, there were cuts to Education 2.6 in 1994, 2 percent in 1993, and a further 2 percent cut to universities in 1993 and 3.4 percent this year. They have offloaded provincial welfare to the city, which has meant an additional \$5.6 million for them, an average of \$34 per family in the city of Winnipeg. They have offloaded student social assistance to the city, which meant an extra \$1 million, a further \$6 per family in Manitoba. The Highways budget has been cut, and 2,000 kilometres of provincial roads have been turned over to municipalities. They, in turn, have to tax their ratepayers.

There have been Pharmacare increases. The personal care home fees, the maximum rate was taken from \$26.50 to \$46.04 in 1993, meaning up to an increase of \$7,132 for recipients of personal care home services. In general, overall the fees charged for people who have to deal with government from birth to the grave, who have to deal with government, the fees have been increased up from \$324 million collected in 1988 to \$354 million in '92, an increase of \$30.12 million in that period of time.

So, Madam Deputy Speaker, let not this government suggest that they have not picked the pockets of Manitobans every single year they have been in power. They are playing politics with this

issue. They have never been true to their word on it. The truth is that they are doing exactly what they very piously accused the federal government of two days ago. They have offloaded massively, and they have, in fact, targeted the sectors of our economy which can least afford to pay.

Madam Deputy Speaker, far from being neutral and not going up, the tax system has become a more elitist way of raising the monies. It does not increasingly bear a relationship to those who can afford to pay in the normal progressive way of taxation.

I also want to just indicate, the Minister of Finance (Mr. Stefanson) stood up three days ago, and, when I confronted him with the fact that he had been wrong on his growth predictions and his deficit predictions for a number of years, he indicated, no, we are right on, we are on more than any other province in the country. He said, it is all the federal government's fault.

Madam Deputy Speaker, on January 22, just a couple of months ago, I noted in the Winnipeg Free Press that the Minister of Finance said a couple of things. He said he was thrilled with the new attitude of the new Minister of Finance, Mr. Martin. He specifically mentioned that Manitoba's entitlement would jump to \$1.1 billion by 1999, up from \$854 million it now receives. Finance minister Eric Stefanson said he was relieved the Chretien government decided to raise annual funding levels by an average of 5 percent a year rather than freezing them.

* (1140)

He gets up and cries the blues because the federal government is apparently not treating him fairly. Look at the budget; look what they rely on. The national infrastructure program, a new third Core Area Initiative. They are relying on the information highway. They are relying on jumping onto the apprenticeship program. The hypocrisy of the position of this provincial government as it plays politics again between the levels of government is stark.

Madam Deputy Speaker, one other thing I found of note in the minister's comments in this same article. He said he was disappointed that Ottawa

did not remove the funding ceiling. He said he was disappointed they did not remove the ceiling which will cost Manitoba as much as \$30 million next year—disappointed they did not remove the ceiling for us to get more. Why? Because this province might do worse. That is how we would need that ceiling to be removed, if we did worse.

He said two days ago, we are going to do great, things are taking off. Three months ago he stood up and complained because we might do really, really poorly, and then there would be a ceiling in place on the amount of transfer payments. What is it, Madam Deputy Speaker? Are we going to have growth or not? Why is he complaining about a ceiling?

If he believed his own statistics he would not have to worry about a ceiling. We would be growing. We would be moving on our own to a have province. He knows full well he needs that ceiling in place because we are not going to do as well as he predicted, far from it. We are going to be far, far below the national average and sinking. That is why he needs to complain about a ceiling.

An Honourable Member: Doom and gloom.

Mr. Edwards: Madam Deputy Speaker, the Minister of Government Services (Mr. Ducharme) says, doom and gloom. I am asking the Minister of Finance (Mr. Stefanson) to reconcile a glowing picture for next year with a comment that in fact he is disturbed that there is a ceiling in place on transfer payments, because we might do really badly and then we would not be able to collect enough money. What is it? Are we growing or are we sinking? I suspect the latter. The Minister of Finance knows full well that he may, in all likelihood, need that ceiling to be removed because we are going to increasingly become a have-not province.

Madam Deputy Speaker, the overall message that the Minister of Finance sent out was that spending is down 1 percent; in fact, spending is down about 0.75 or a percentage point. What I found interesting was, you take that 1 percent across the overall government operations spending cut, look at the departments that get hit more than

1 percent. That tells you something about the priorities of this government.

There is a 1 percent spending cut, but Agriculture, apparently a primary concern of this government, is cut 4.5 percent; Community Support Programs, 2.2 percent; Education and Training, 3.5 percent. That tells you something about the priorities and the trustworthiness of this government as it cuts 1 percentage point across the board and cuts 3.5 percent in Training, 11.4 in the Environment, 4.7 percent in Housing, 1.2 percent in Industry, Trade and Tourism, 2.3 percent in Natural Resources, 6.3 percent in Northern Affairs—in addition to Agriculture, 3.4 percent in Rural Development. The two major rural departments that deal with the rural economy and rural areas are cut well in excess of the 1 percent across the board. Where is the coming through on the commitment to these areas? Read the numbers, it does not bear out. Status of Women, down 7.5 percent.

The fact is this government—and apparently has not changed its ways—is never prepared to walk like they talk. They talk about these things being priorities. The fact is, when they have choices to make, let us leave aside the question of the 1 percent reduction. Let us leave that aside. Let us assume that is a given, a 1 percent reduction. These are the ones that get hit hardest. These are the ones that they stand up and say they believe in and they want to focus on, and these are the ones that get cut—

An Honourable Member: Do you want them to cut Health and Education?

Mr. Edwards: Education? Education was cut 3.5 percent, Madam Deputy Speaker, 1 percent overall. They are three and a half times the average rate of cuts from government. I am not talking about the cut itself, I am talking about the priorities. They never ever come through on their stated commitments. It is not there.

(Mr. Speaker in the Chair)

Mr. Speaker, I am asking this government on its own terms, having as a given that they are doing a 1 percent cut, to come through on their stated priorities. They do not do it. One percent across the board and the ones that get hit the hardest are the

ones they claim are important to our future and our economic growth as a province.

Mr. Speaker, in addition to the taxation statements which were made in the budget, which we believe were patently false and misleading to the public, I think it is important to recognize that in the past five years the Minister of Finance has underestimated by \$473 million, almost a hundred million dollars a year, the deficit. It is important to recognize that the long-range forecasting which has been done since 1989 has never been right and has been out by a total accumulated amount of \$920 million. It is important to recognize that their growth predictions have never been right.

Mr. Speaker, I can see saying, well, it is hard to judge the deficit because we do not know what is happening with transfer payments. Under the old government, the Mulroney government, that was true. There was a lot of unpredictability. That has now been cured.

But what is interesting to me is not just that you are out on the deficit predictions, which is one you could legitimately have some error on if in fact there was unpredictability in transfer payments, but they are out on the growth statistic.

That is a statistic which they choose some company—it is either the Conference Board this year, it is another, Dominion Bond Rating or some other company—every year it is a new company that comes out with something, selectively choosing that statistic and saying, that is our growth rate. That is what they do, Mr. Speaker. They selectively pick a growth rate.

But you know, it is a fool's paradise because the record is clear. Five years—five years wrong. And it is not just that they are wrong; they are always wrong by overestimating. I mean, that is a little curious, do you not think, Mr. Speaker, that it is not just that you are out, but every year you overestimate?

You paint the picture, you build hopes. It is getting better; it is taking off. And it does not happen. It is not just error. It is calculated, directed, misinformation about what the real growth rate in this province is and what is really going to happen.

The clearest indication of that is in fact the record of prediction which has never ever been right.

The government isolates the fact that manufacturing investment was up in 1993. It is important to note that overall capital investment this year, in the last calendar year 1993, is down 11 percent from when this government took office, approximately \$500 million a year less in overall capital investment in this province than when they took office.

So, Mr. Speaker, there is in fact a real credibility gap at this point with this government. I want to point out one other curious statistic from the revenue book.

This government initiated a committee to streamline business, get rid of red tape. Six years in office, talking about it every day, but they have now come up with a committee. Better late than never. There has been a conversion on this. They are actually going to do it.

Do you know what was interesting to me getting rid of red tape for companies and corporations? Corporate and business fees. Not tax based on profit—fees. Fees for dealing with government and red tape, up from \$2,687,000 to \$3,092,500. Fees are up.

What happened to the attempt to get rid of the red tape, to get rid of the bureaucracy, to get rid of the expense of dealing with government? Another indication, in our view, of the hypocrisy of the government.

In conclusion, this budget, in our view, could have been a turning point for this province, could have been an opportunity to latch on to the creative and innovative thinking that is happening in this country, the thinking which is dedicated not to tolerating 9 or 10 or 12 percent unemployment but moving towards full employment because the biggest challenge for this government, for this country, is work and jobs.

The First Minister has often said the best social program is a job. We agree. Why does he not do it? Why is everything that this government has done make the rich richer, the poor poorer and tolerate

the level of unemployment in this province which means we have the highest child poverty rate in the country, which means we have the highest drop-out rate and yet we are continuing to cut education, which means we have 30,000 people leaving in the last four years, a lot of them young people, the unemployed leaving this province.

* (1150)

This government felt politically they had to reflect on the last six years and try to make it look good and try to say it is going to be great next year. It will not work. It should not work, Mr. Speaker. This was an opportunity to have recognized that what had been done in the past had not worked and changed that focus and changed that direction. It is a shame that this government did not have the courage to recognize some of the things that they have fundamentally misconstrued and gotten wrong.

An Honourable Member: Come on, Paul. Where are your new ideas?

Mr. Edwards: Mr. Speaker, the members ask what are the solutions. That was put forward in a legislative agenda in early March, I believe. March 6 of this year, this was put forward in a legislative agenda. What I have talked about today, what I talked about in the Speech from the Throne debate was that legislative agenda. Fine, attack it. That is their right. No doubt, they will, but we put forward that agenda and it has been on the record for in excess of six weeks at this point.

Mr. Speaker, therefore, I move, seconded by the member for Inkster (Mr. Lamoureux),

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

And further regrets that

(a) this government has failed to put in place programs that will get Manitobans back to work and stop the chronic outflow of people from this province; and

(b) this government has failed to ensure equal opportunity for Manitobans seeking higher education by cutting student financial assistance and the ACCESS program; and

(c) this government has failed to meet its own health reform agenda by cutting long-term care, Women's Health, Healthy Child Development and other essential health services for Manitobans; and

(d) this government has made a mockery of the United Nations Year of the Family by failing to strengthen the Maintenance Enforcement Program, and by cutting child daycare and income maintenance and supplement programs; and

(e) this government continues to provide inaccurate and misleading statistical data to the people of Manitoba about our province's real economic performance.

Motion presented.

Mr. Speaker: The honourable member's amendment is in order.

Mr. Jack Penner (Emerson): Mr. Speaker, it is certainly a pleasure to rise today to speak on the seventh budget that our government has presented in the last six years. I want to congratulate the Minister of Finance (Mr. Stefanson) for probably crafting one of the finest documents that I have seen in a long time.

I want to also congratulate the Minister of Finance for consulting, probably for the first time, with the general public on issues concerning the budget and the financing of programs and the continuing initiatives of this government.

I also want to congratulate the minister for listening to what the people have said and including the suggestions that Manitobans made to the ministers during that consultation process, including them in some of the priorities in his budget.

I have listened with some great interest to some of the things that the members opposite, specifically the Leaders of the opposition parties, have said in this House concerning the budget.

It clearly demonstrates to me that they obviously have not been discussing with Manitobans the needs for Manitobans. If they had, they would have heard people say that they wanted stimulation for the small business sector, and that, of course, is included in our budget.

They would have heard people say that we wanted Manitobans to maintain their competitive advantage as far as taxation is concerned. That, of course, has been addressed in this budget.

They wanted Manitobans and the Province of Manitoba to work to develop Manitoba as a North American transportation hub and, clearly, our direction is evident in the reduction of fuel taxes for the transportation industry in this budget.

They also said that they wanted lower energy costs for many of our rural communities. Members opposite will certainly reflect on the budget, the initiatives that have been taken to include lower energy costs through the implementation of our natural gas program for rural Manitoba.

They also said very clearly, and those of us who attended those hearings, and I was in Altona, heard my community say very clearly that we want this government to maintain its direction in ensuring that deficits will be brought down and lowered.

They said clearly to the Minister of Finance (Mr. Stefanson), Manitobans want you to live within your means, and that is, of course, what is happening. This budget clearly demonstrates our desire to bring our deficit down to a zero position by 1996-97. Clearly, the Manitobans said all across this province: no increase in taxes. This government prides itself and can pride itself, and I am proud to stand in my place today clearly indicating that it is the seventh budget in a row where we have not increased the major taxes. That is an accomplishment that no other government across this country has achieved, and we certainly pride ourselves upon having had the ability to do it.

Our previous Minister of Finance, Mr. Manness, clearly set the stage and the agenda over the last five years for our government bringing us to the position where we are today.

* (1200)

Clearly, the duplication of services, whether it is provided by federal governments, by provincial governments and/or municipal governments, is something that has been a concern to all Manitobans for a long, long time, and we are working to remedy those areas and work with all

three levels of government to bring into being a process that will allow governments to work more closely together and provide services through one agency whereby we now very often provide those services through three or four different agencies and three different levels of government.

Our social programs, it was clearly indicated through the process of consultation, need to be retooled and a new initiative needed to be developed to ensure that those social programs would provide some initiatives to get those people off the social programs and into the workforce. This budget clearly indicates that it is our desire as a government to encourage social recipients to get back into the workforce, and actions taken by this government in the future will clearly indicate that is our desire.

But I hear the honourable member opposite yammering in his place, and I do not know what he is talking about. Nobody can understand him. It is apparently in opposition to what I was saying.

Let us just take a look at what the NDP government did from 1981 till 1988 under the Pawley administration. In 1981, the NDP Pawley administration took office, and the percentage of total revenue going towards the provincial debt was 5 percent. Five percent of the total revenue of this province at that time went for debt reduction and debt servicing. When they were kicked out of office in 1988, nearly 13 percent of our total revenue was going towards provincial debt reduction and debt servicing.

If members opposite want to stand in their place and expound the wisdom of those kinds of initiatives, simply borrowing and borrowing and borrowing to continue a direction that they clearly did not know they were heading for, is something that—if they want to take pride in that, well, let them. The provincial debt between 1982 and 1988 tripled. We needed more deficits. We need more deficits, proclaimed the member for Thompson. We need a greater deficit. After placing Manitoba in its worst debt situation ever, our opposition still insists on running a debt. They tell us to borrow more money to get the job done. That is of course in exact opposite to what the people in the

province of Manitoba have been telling us. They tell us to reduce the debt. They tell government to live within their own means.

Let us listen to what the member for Brandon East (Mr. Leonard Evans) said. The member for Brandon East said: The problem we have with deficit is not with spending; the problem we are having is on the revenue side. In other words, higher taxation. That is what the honourable member for Brandon East wants.

In 1985-86, the NDP realized a deficit of \$310 million. In 1989 our public debt costs were \$545 million, 12 percent of our total expenditures. If that is a record that the members opposite want to be proud of, then so be it. It is certainly something that we do not take pride in. We, of course, spend now some \$550 million every year servicing the debt that has been accumulated under the Pawley administration.

Ed Schreyer must certainly sit there and cringe some days when he looks at his term in office. That is what the people still think of when they talk about NDPs today in this province, they talk about Ed Schreyer and his administration. When he started out he certainly ran a government that did not have to borrow because of the huge increases in revenues that they were experiencing every year. Then, when the revenues started going down, what did they do? They kept on borrowing money. That of course has to stop.

The 1982 all-purpose debt in this province was \$1.4 billion—

Point of Order

Mr. Jim Maloway (Elmwood): Mr. Speaker, on a point of order, I would suggest that the member read his own financial records and he would find that in the seven years that this government has been in power they have increased—

Mr. Speaker: Order, please. The honourable member does not have a point of order. That is clearly a dispute over the facts. The honourable member for Emerson to carry on with his remarks.

Mr. Penner: Well, it is quite obvious, Mr. Speaker, that the honourable member for Elmwood, when he rises in his seat, does not know what he is talking about, never has and never will, as far as I am concerned. He simply blabbers about things that he knows nothing about. I would suggest that he study his own material before he gets up in the House. It is very evident that every time he rises in the House he presents a bunch of incorrect statistics or information. Certainly we will not enter into that sort of political rhetoric on this side.

In 1985-86, the NDP realized a deficit of \$310 million. In 1982, the all-purpose debt of this province was \$1.4 billion, and interest costs were \$114 million. In 1988, only six years later, the all-purpose debt was \$5.3 billion. Interest costs were \$545 million. What do the NDP say about that? [interjection]

Jerry Storie? The member for Flin Flon (Mr. Storie) said in 1992 we are all concerned about the deficit—total change of heart he had in those last three years from 1989 to 1992, a total change of heart. Now he is concerned about the deficit. Somebody must have been talking to him.

The member for Brandon East, Mr. Evans, we balance the budget over a business cycle, he said. When did the deficit increase proportionately over the 1980s? When?

In 1993, Mr. Evans, the member for Brandon East, wanted to sell provincial bonds to the Bank of Canada. To do what? So he could spend more money, make it easier for governments to maintain services, he said.

If that is fiscal responsibility, then may the good Lord help us, because all the NDP know is borrow, borrow, borrow. It appears to me, Mr. Speaker, that they just do not understand.

What would happen if we follow the guidance of the NDP? Well, let us look at the Ontario situation for a short while. In 1991, Floyd Laughren, the Minister of Finance—I think we should call him Pink Floyd—brought down a \$10-billion deficit in his budget. He insisted, we have one choice, either

(a) fight the recession, or (b) fight the deficit. So he chose to borrow \$10 billion more money to fight the deficit. Right? Or was it to fight the recession? In fact, what Mr. Laughren did was increase the deficit to such an extent that Wall Street actually laughed Pink Floyd off the streets. Floyd's debt bulged to an all-time high.

What did it cause in this country? It caused interest rates to rise. It has caused banking institutions to withdraw lending to small businesses, not only in Ontario but all of Canada, and it caused all governments right across this province a great deal of concern, including the federal government. Unemployment skyrocketed. Their exports decreased, and all I can say, Mr. Speaker, is, thank goodness we do not have to take the advice of Mr. Evans or Mr. Storie or Mr. Laughren or any of the NDP administrations across this country.

Where do we stand presently? Where are we today? Remember the numbers. Thirteen percent when we took office went towards debt financing—13 percent. We are down to 10 now. This number is decreasing. The Dominion Bond Rating Service states that we are one of two fiscally responsible provinces in the country—one of two. We have the third lowest marginal tax rate in the country, and members opposite want to borrow more money and increase taxation to what? As the member for Brandon East (Mr. Leonard Evans) says, to increase government spending, to make it easier for government to spend on programs.

* (1210)

We have the lowest deficit in relation to the GDP anywhere in the country. We have secured—and members opposite should listen to this—an \$18-million operating surplus. Had we not the debt that the NDP foisted on us today, this budget would show an \$18-million surplus, operating surplus, total surplus. Well, ladies and gentlemen, members of the Legislature, Mr. Speaker, it appears that we are in the right direction.

Last year, The Globe and Mail cited Winnipeg as one of the best lowest cost cities in Canada for

doing business. That was the Globe and Mail. The most diversified manufacturing sector in western Canada is in Manitoba, it said. A vast dependable supply of clean hydro and electric power is available in Manitoba. A highly diversified agricultural sector is available and operating in Manitoba.

The Minister of Agriculture (Mr. Enns) can certainly take pride in encouraging that sector by programs that he has put in place, such as the GRIP, NISA and other programs that we have supported continually to make sure that there is stability in the agricultural sector. What did we get from the opposition parties? They opposed it every time we voted on budgets in this House.

I am not going to have to go out to the public and defend what the honourable members opposite have done in this House. They are going to have to during the next election, which I suspect will come within a year, year and a half, but they are going to have to go out there and defend their actions. I wonder whether they are going to have the will to stand in their place and support the budget that has just been tabled in this House, because it is deemed, by most Manitobans that I have talked to, to be one of the best budgets that they have seen so far.

When I listened to the Leader of the Opposition yesterday, I actually almost felt sorry for members in the NDP benches. When I listened today to the Leader of the Liberal Party, I felt equally sorry for the members in the Liberal benches, because it is apparent that they have no clear direction to follow. They are floundering like fish out of water. It appears to me that Manitobans are clearly identifying that the opposition parties, either one of them, are certainly not fit to govern and that will be shown in my view during the next election when we go back to the people.

Our government will continue to move, as we have said in our budget, to health care reform and the former Minister of Health needs to be congratulated for the direction that he has given in Manitoba and the actions that he has taken to ensure that health care will be maintained in this province for our future generations.

People all over the province—and I have travelled this province a lot—when I talk to people about health care reform, they are beginning to realize what health care reform means. It does not mean what the NDP has done in Saskatchewan. It does not mean closing 57 hospitals. It does not mean what the NDP are currently doing in Ontario, closing hospital beds after hospital beds, removing services in their budgeting finance. We are clearly, when you talk to hospital administrators, when you talk to nurses, when you talk to doctors, they are telling me that it is clear and evident that we want to put in place a system that will be maintained and that is going to be affordable over the next couple of generations. That is where we are heading with our health care reform.

We have assured Manitobans that we will protect our vital services, but it is interesting. Gary Doer states that there is a mentality to throw money at problems rather than trying to reform spending habits, and that is, of course, what the NDP are traditional for. The member for Brandon East (Mr. Leonard Evans) said, you know, let us sell bonds to the Bank of Canada so that we have more money to throw at problems. That is the NDP answer.

We are working with the health care providers, be they administrators, doctors, nurses and/or the general public. We are working with them to discuss with them ways and means of ensuring that a system will be maintained.

Mr. Doer also states that there will be no bed cuts without a community-based health care system. That is exactly where we are heading. Our budget clearly states that \$1.85 billion we are directing towards health care. How much more is that than what the previous administration was directing towards health care? We have increased our spending very, very dramatically.

We are redirecting our resources towards community-based care. I know the opposition members do not like that because they would have liked to have done it had they had the ability to think about it. We are directing our changes towards efficient services and preventative health

care. That is what everybody is telling us that they want us to do. They want preventative health care.

And yet when members opposite, when we talk about our home care system, which will receive an additional \$2.6 million in this budget, the Leader of the Opposition (Mr. Doer) introduces a resolution in the House to oppose it.

I cannot understand this. I cannot understand and neither can the people in rural and urban Manitoba. Housing has been identified by opposition members time and time again as needing to be a priority. We agree with that. There should be greater emphasis put on the housing needs of this province. That is why this budget will help to assist families and create more jobs in the economy.

We will, through the Home Renovation Program, deliver approximately \$10 million worth in assistance to create 450 additional jobs and provide better housing for Manitobans.

This budget will also provide incentives for the creation of new homes in Manitoba. Those of us who have young families within our families realize the need for proper housing and for the new home construction simply to provide good shelter for those young families and secondly, to provide jobs in those communities where these homes will be built.

A tax rebate of \$2,500 to a young family is a lot of money. Taxes are a significant burden when we construct new homes. Therefore, our Minister of Finance (Mr. Stefanson) has taken compassion on these young families and said that we will rebate to you \$2,500 worth of tax if and when you start building a new home.

We are moving towards an area that I believe, in this government, will be seen in the future as the main initiative that any government has taken. That, of course, is education reform. We have talked a lot, and people talk a lot about the need for greater disciplinary action.

I heard the member for Rossmere (Mr. Schellenberg) the other day talk about the need for greater discipline within our schools. I agree with much of what the honourable member for

Rossmere said. He, being a former educator coming to this forum, has a good knowledge of what the requirements in the education system are. What he said was very similar to what many of the educators—parents tell me at home.

* (1220)

My good friend Mr. Manness, the Minister of Education now, is certainly heading in that direction. He knows what is needed in education. He knows that we are going to have to change the way education is provided in this province. He knows we are going to have to have better curricula and develop better disciplinary processes within our education system to allow us to teach our children what it means to be disciplined.

Discipline does not mean beating people around the head. Discipline, in my view, starts in the home. Disciplinary education starts in the home, but it needs to be continued in our educational schools, in our institutions. The people, the education providers need to be assisted by governments and administrations to allow them to teach discipline in school. It is my view that discipline should not be enforced; it should be taught. If we pay enough attention to that, it can begin. It will take a long time to turn the wheel around. We all realize that, but we have to begin somewhere.

People from the university administration have told me time and time again that they need better facilities. This budget increases their ability to provide those facilities, upgrade those facilities and build new facilities at the universities.

We support a good, strong education system. There are four tiers of education that I think can be applied. One is the primary one. One is the secondary one, the high school education one. The third one is the universities. The fourth one is, of course, the community college concept. It is my view that we are going to have to make some very significant changes to adapt our educational system to allow us to provide the tools that those educators are going to require in the future to be able to ensure that our children have the ability to be placed in the workforce and become good productive citizens.

I noted from time to time that the member for Swan River (Ms. Wowchuk) stands in her place and talks about transportation, specifically to the North. I appreciate that. Having had the ability and the opportunity to travel this province virtually from end to end in my previous life before I came to this building, it is very evident that people in northern Manitoba, specifically the grain-growing areas in Saskatchewan and in Manitoba, need and require a transportation system to Hudson Bay. We support that. We have always supported that. We believe that those facilities should be enhanced by the federal government and that we can ship significant amounts of material. Not only grain but manufactured goods as well as many other goods could be shipped out of those northern ports. I have always been a strong supporter of the Churchill port, specifically in the maintenance of that railway to Churchill.

It is our intention to ensure that we will be in a competitive position and, therefore, we have for the third straight year now, Mr. Speaker, lowered taxes to the transportation system to ensure that the transportation system, including the railways, the airlines and the trucking industry, can operate efficiently out of this province and thereby remain competitive. I think that history will show that this administration has probably paid more attention and has provided better initiatives to ensure that will happen.

That, of course, leads me to the next item and that is, of course, manufacturing. Manufacturing in this province needs good, efficient transportation to get its goods to market. Manufacturing in this province can grow tremendously if we pay proper attention to it. It needs innovation and it needs competitiveness. I think we are providing, from a government standpoint, both. We have initiated a task force to look at ways of reducing the red tape, to ensure that we will get government out of business's hair to allow them to operate more efficiently.

We will provide an investment tax credit. Those of us who are in the farm industry know what investment tax credit means and what it does for the manufacturing sector. Only three years ago,

four years ago when the federal investment tax credits were put in place and then two years ago discontinued, we saw a sharp decline in the purchases of farm equipment which, of course, presented a real impediment to the likes of the Versatile farm equipment manufacturing—Ford of Canada now in Manitoba—and it decreased jobs and employment very substantially. A year ago when the federal government reimplemented it, machinery sales started going straight up again.

We need an incentive to encourage people to buy things, and that is why investment tax credits are so important to manufacturers, to businesses and/or individuals to encourage the buying of products and therefore enhancing our ability to remain competitive and strong in our manufacturing industry and provide in an efficient manner products that we can export and provide jobs within this province.

Small business is the mainstay and has been the mainstay of the employment sector in this province for many, many years. We are encouraging the expansion of that small-business industry by the exemption of the capital tax, which will be doubled to \$2 million this year. As a result, this tax will be cut from 600 small businesses, and, as already mentioned, we will cut the corporate income tax rate from 10 percent to 9 percent and again providing an incentive to encourage industries to expand and to build.

There are many other things that I could be saying. I want to say to you that I was cut short on my Throne Speech Debate by 10 minutes and again I am not receiving my full 40 minutes. I understand that I probably might be able to continue, but I will conclude my remarks by saying that I think we have proven to the opposition that we can create jobs and we can fight the deficit at the same time.

This path is not an easy one, nor has it been an easy one. Understanding that small business provides jobs, and manufacturing creates products that we can export, therefore earning foreign currency which we need to pay down debt. Our capital infrastructure works. The program will create some 2,300 jobs that we have agreed to, and

we were the first province to indicate to the federal government that this kind of program needed to be implemented. Our renovation program is expected to provide some 600 jobs, and jobs are what we said we would create and jobs are what you will get.

We will continue to boost our agricultural processing and export opportunities for Manitoba farmers, and we will also continue to combat unfair trade harassment with the international partners.

If I had more time, I would like to expand on that a little more, but maybe what I will do is continue my remarks on Monday when we come back to the House. I want to thank you, Mr. Speaker, for giving me this additional time to talk about some of the initiatives that we have put in place in this government, but also at the same time reflecting what the previous administration had done before we were elected to government. That is why I believe that Manitobans will again support this government and will continue to support this government for the future.

I want to encourage members opposite that when the time comes to vote on this budget, think very clearly on what you are denying by voting against it. Think very clearly about what you are denying when you are voting against it. You are denying job creation. You are denying a reduction in taxation to small young families. You are denying housing to those starting young couples. You are denying educational opportunities that we are providing. You are denying, above all, the maintenance of a health care system that our people want, deserve and our children of the future require.

Mr. Speaker: Order, please.

I am interrupting the honourable member according to the rules. When this matter is again before the House, the honourable member for Emerson (Mr. Penner) will have five minutes remaining.

The hour being 12:30, this House now adjourns and stands adjourned until 1:30 p.m. Monday. Have a great weekend.

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, April 22, 1994

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