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DEBATES
and
PROCEEDINGS

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Member	Constituency	Political Affiliation
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary	Concordia	N.D.P.
DOWNEY, James, Hon.	Arthur-Virden	P.C.
DRIEDGER, Albert	Steinbach	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
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EVANS, Leonard S.	Brandon East	N.D.P.
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FINDLAY, Glen, Hon.	Springfield	P.C.
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GAUDRY, Neil	St. Boniface	Lib
GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
MACKINTOSH, Gord	St. Johns	N.D.P.
MALOWAY, Jim	Elmwood	N.D.P.
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PENNER, Jack	Emerson	P.C.
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LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, March 25, 1997

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Gang Action Plan

Mr. Gord Mackintosh (St. Johns): I would like to present the petition of G. Williams, W. Layne, Al Williams and others praying that the Legislative Assembly of Manitoba urge the Minister of Justice (Mr. Toews) to consider using this action plan, the NDP's 18-point plan, to deal with gang crime as a basis for provincial policy on organized criminal gangs.

TABLING OF REPORTS

Hon. Jack Reimer (Minister of Urban Affairs): Madam Speaker, it is my privilege to table the 1997-98 Departmental Expenditures for Manitoba Urban Affairs.

INTRODUCTION OF BILLS

Bill 8—The Real Property Amendment Act

Hon. Mike Radcliffe (Minister of Consumer and Corporate Affairs): I move, seconded by the honourable Minister of Government Services (Mr. Pitura), that leave be given to introduce Bill 8, The Real Property Amendment Act (Loi modifiant la Loi sur les biens réels), and that the same be received and read a first time.

Motion agreed to.

Introduction of Guests

Madam Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have this afternoon 44 doctors and administrators from Bangkok, Thailand, under the direction of Mrs. Marion Suski. These

visitors are the guests of the honourable Minister of Culture, Heritage and Citizenship (Mrs. Vodrey).

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

ORAL QUESTION PERIOD

Home Oxygen Supply Services Privatization—Cost Analysis

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, yesterday I asked the Premier (Mr. Filmon) to table all documents dealing with the Rimer Alco decision of the government and the privatization of the Home Oxygen Therapy Program, and yesterday again we had other health care experts, the Manitoba association of respiratory technologists and therapists joining other Manitobans who have been opposed to the process and the decision of the government in the privatization of the Home Oxygen Therapy Program.

Again, I would like to ask the Premier today will he order his Minister of Finance (Mr. Stefanson) and his Minister of Health to table all reports and all analysis so the public will be able to evaluate the process that the government used that is contrary to the wishes of people providing the health care and the cost issues in this decision.

* (1335)

Hon. Darren Praznik (Minister of Health): Madam Speaker, as we have discussed over and over in this House in the last couple of weeks, I think all of that information has been put on the record, and what has come out of it time and time again is the information on which the Leader of the Opposition relies has not proven to have been the case. Either he is referring to out-of-date reports, either he is making innuendo, either he is attacking this particular company and its ability to deliver service, and at the end of the day even the reports that have been referenced publicly, the tender price on this particular service came in at a level below that which the department has estimated that it would

cost to continue the service on its own, and it has met all the quality requirements.

Provincial Auditor Review

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, day after day after day we have had the Minister of Health say he has no reports, he has no analysis, he has no cost. We tabled them and now he has confirmed there are three reports. There are letters from health care experts opposing the decision. We have heard from patients, from families who are opposed to this decision to privatize this Home Oxygen Therapy Program.

I would like to ask the Premier (Mr. Filmon) today will he send the matter and the dealings of this Home Oxygen Therapy privatization matter, will he send this whole matter to the Auditor for a special independent review to analyze the failure of his Minister of Finance (Mr. Stefanson) and his Minister of Health on behalf of Manitobans. Will he send that to the Provincial Auditor?

Hon. Darren Praznik (Minister of Health): Madam Speaker, the Leader of the Opposition speaks about failure. Members of the opposition also have a responsibility in public debate to be accurate, to get their facts straight, to test their accusations before they put them on the public record. What we have heard in this House day after day is attack on a Manitoba company that has made significant strides in making the oxygen business more affordable to Manitobans.

I would like to table a newspaper clipping today from The Times newspaper of Morden and district in which the reporter interviewed people who had dealt with Rimer Alco. I quote from the story: Critics are charging that the company does not have the expertise or the manpower to take the home oxygen market.

“Don Smith, the maintenance supervisor at the Souris Hospital, which was the first in North America to have an oxygen concentrator, disagrees.

“Smith says if Rimer-Alco works as hard on this project as they have on the hospitals, there is nothing to worry about.

“We've had nothing but excellent service,' he said. 'This is not a fly-by-night operation.’”

Madam Speaker, the members are continually wrong.

Point of Order

Mr. Steve Ashton (Opposition House Leader): A point of order, Madam Speaker. Beauchesne Citation 417 is very clear that “Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate.”

The minister was asked a question originally about release of reports. He was then asked a question about the referral of this matter to the Auditor. The response has nothing whatsoever to do with the question. I would like to ask for the answer to the very serious questions asked by the Leader of the Opposition as to when they will refer it to the Auditor to get some independent analysis on the very questionable way this contract has been let.

Madam Speaker: The honourable government House leader, on the same point of order.

Hon. James McCrae (Government House Leader): Madam Speaker, I acknowledge what Beauchesne says about responses to questions, but we have rules in this Chamber that call for certain rules to be followed with respect to the putting of questions as well. When questions import or bring into the discussion argumentative scenarios and questions of debate, I think that if there is a warning to be issued to honourable members in the government for making the responses they sometimes do—and I acknowledge that too—honourable members on the side asking the questions surely ought to abide by the same rules.

Madam Speaker: On the point of order raised by the honourable member for Thompson, I will take the matter under advisement and report back to the House.

* * *

*(1340)

Mr. Doer: I asked the Premier (Mr. Filmon) a very, very simple question which he refused to answer again.

I asked the Premier to send this decision, the decision to contract and privatize out the whole Home Oxygen Program, contrary to the reports we have tabled, the specific contract, contrary to the recommendation of his own steering committee, the decision that is contrary to the therapists in the field and the patients that we have been listening to, I have asked the Premier to send this to the Provincial Auditor for an independent review of what is in the best interests for Manitobans in terms of patient care and cost.

Will the Premier do the right thing today and send it to the Provincial Auditor and quit hiding?

Mr. Praznik: The Leader of the Opposition asks his question on the basis of reports, many of which he has brought to this House that are not accurate. If I may continue from that particular article, because I think it makes the point that the Leader of the Opposition does not have all the facts.

This Mr. Smith said that there is no reason for concern. I would assure anybody that they have nothing to worry about, he said. "I wouldn't be concerned for a minute if it was a family member of mine."

Dave Destoop has said he is also fully confident in a job Rimer Alco can do. His father depends on an oxygen concentrator. Mark Nesar, CEO at the Dauphin hospital, also supports Rimer Alco's bid, and I quote, "Based on their reputation in dealing with institutions such as ours, I would think they would be a good choice."

Madam Speaker, the premise on the basis of his question does not bear the scrutiny of facts.

Health Care Facilities Privatization—Food Services

Mr. Dave Chomiak (Kildonan): Madam Speaker, this morning workers from some of our hospitals and institutions brought their case to the Legislature against the privatization of services. They are willing to change, but they want someone to listen to them and their proposals. I think there was a flicker of hope from the Minister of Health and for that I thank him for this morning's attendance.

Will the minister confirm to the workers and Manitobans that he will ensure that the workers' proposal which has been shown by an independent analysis to be cheaper than the privatization proposal will be given serious consideration by the government and its agency, the Shared Services Corporation?

Hon. Darren Praznik (Minister of Health): Madam Speaker, I would like to thank the member for Kildonan for the invitation, along with members of the CUPE local, to attend with some of my other colleagues the bit of an informational breakfast this morning here at the Legislative Building.

Just with respect to the preamble, the Urban Shared Services committee is not an agency of government. It was an institution created by the hospital independent boards, the hospitals in the city of Winnipeg. It is representative of their efforts to find ways of dealing with and saving costs. We do not directly or indirectly control that organization. They have to be answerable for their decisions.

But, as I indicated this morning, I asked them last week to not make decisions on these matters until they have had a chance to meet with the new CEO and chair of the Winnipeg Hospital Authority once they are appointed. I think that is important, because the Winnipeg Hospital Authority will have to live with the decisions that are made by USSC.

Mr. Chomiak: My supplementary to the same minister: will the minister, who has said that the new hospital authority is going to meet with Versa and which does not actually come into legal effect until April 1 of 1998, confirm what I believe he said this morning, that he will ask that the matter, the awarding of the contract to the private firm Versa, be delayed until the organization has an opportunity to have their case presented to them, their very strong case by the workers and others who can demonstrate and have demonstrated they can deliver the service in the public sector without privatization cheaper, Madam Speaker?

Mr. Praznik: Madam Speaker, as I indicated this morning, last week when I met with Urban Shared Services—because this next year will be a transition year and ultimately the Winnipeg Hospital Authority will have responsibility for those areas—I asked the board of

Urban Shared Services not to enter or complete this arrangement until they have had a chance to meet with the new Winnipeg Hospital Authority, their board and CEO, which should be in place very shortly, to review this question, because he, like I, appreciates that if this Winnipeg Hospital Authority is going to be living with that decision, they should be comfortable and be assured that it is in fact the right decision. So I have asked for that to take place, and I did that last week.

* (1345)

Mr. Chomiak: Madam Speaker, I thank the minister for that response.

Will the minister give his personal commitment that consideration of the workers' modest demands, as laid out this morning, will be seriously considered, namely a review of their proposal, delay of privatization so public ownership can be assessed? Will he truly open up the process so that they do not have to take their claims to the Legislature, so they can actually have a say in what is going on and some kind of representation regarding their future work conditions under these changed circumstances?

Mr. Praznik: Madam Speaker, I think the member for Kildonan and I both share, as do members on this side of the House, I believe all members, an interest to ensure that people who work in the health care system are treated fairly.

I think one of the regrets we have all had over the past number of years is we have watched independent hospital institutions make decisions. The way collective agreements are structured, I do not blame anyone for that. Often, very common-sense decisions result in great dislocation that is not necessary. One of the charges that we make to the new Winnipeg Hospital Authority in taking over, that they take those things into account and they work to make sure that we are dealing with those kinds of issues that affect the people who work in the system.

Madam Speaker, on the lab issue, I know that the union representing lab technicians became, in fact, a partner with one of the bidders and put together a very excellent bid that took into account many of these

issues. I hope in any other change that comes that that is something that should be considered and worked into the system.

We share that same concern, Madam Speaker.

Regional Health Authorities Impact on Pukatawagan

Mr. Gerard Jennissen (Flin Flon): Madam Speaker, my question is for the Health minister. As the minister knows, the Mathias Colomb First Nation, I and others have pointed out that listing Pukatawagan in the Burntwood Regional Health Authority rather than in the Norman Regional Health Authority makes little sense.

Given that the RHAs are being imposed next week and given that Pukatawagan has historic transportation and cultural links with The Pas, will the minister commit to including Pukatawagan in the Norman Regional Health Authority?

Hon. Darren Praznik (Minister of Health): Madam Speaker, when I met with the regional health authorities in the North and Burntwood and Norman early in the year, that same request was made to me, and I have certainly committed to do that, should I have a request, of course, from the Mathias Colomb First Nation. I imagine that will probably be coming.

I say to the member as well that I met with MKO yesterday and AMC, and there are some other issues arising in their transference from Medical Services Branch that may actually overtake that to some degree. But yes, I am certainly willing to do it when I have that formal request from Mathias Colomb.

Mr. Jennissen: I thank the minister.

Given, though, that the loss of Puk would have major financial implications for Norman, could the minister tell the House what the projected impacts are in terms of services such as obstetrics and staffing levels if this decision is not changed?

Mr. Praznik: Madam Speaker, I appreciate second questions, the opportunity to get more facts on the record.

I appreciate fully that difficulty, that the flow of transportation and services from that community is to The Pas, I believe, as opposed to Thompson. The request, everybody agreed to it. I just wanted to make sure that the Mathias Colomb First Nation was on record as requesting that to make sure they were onsite. If they are, I am prepared to move that. There are some logistics, but I do not think they are particularly onerous.

Mr. Jennissen: I thank the minister for the answer.

Personal Care Homes Flin Flon

Mr. Gerard Jennissen (Flin Flon): My final question, final supplementary: when will the minister act on the announcement of March 1995 on the new personal care home in Flin Flon promised just a week before the election?

Hon. Darren Praznik (Minister of Health): As was discussed in the budget, we have a new capital program in place and a process in place, and in speaking to the chairs and CEOs of the 11 northern and rural regional health authorities, we informed them that we will be putting a process together to review all of those capital projects.

There are some significant dollars to begin announcing projects next fall to get on with the process and sorting them through, but we thought with the new regional health authorities it was incumbent on us to give them some time to sort through their priorities. I am sure some priorities will change given other opportunities in the health mix, and some of them will certainly survive that test because they are very needed. We will see how the process progresses with respect to that project.

* (1350)

Youth Gangs Reduction Strategy

Mr. Gord Mackintosh (St. Johns): My question is to the Minister of Justice. On Saturday we heard from the Winnipeg Police Services Street Gang Unit that the number of known gang members and associates had

skyrocketed from 800 in September to over 1,300 today. That is a frightening explosion that we believe is in no small way due to the hibernation on this issue by the government. They never even mentioned the issue in the throne speech or the budget speech.

My question to the minister is would he admit that the only provincially driven initiative that is available to help the community deal with gangs, when you scrape away all the puffery, is just the gang hotline. Does he agree with the former minister who said that the hotline was extremely helpful, or with everyone else, including the secretariat of the Youth Secretariat and their committee on gangs that said, and I quote, the gang line that is currently in place is not meeting the needs of youth, parents and community?

Hon. Vic Toews (Minister of Justice and Attorney General): I appreciate the question from the member for St. Johns. The issue of an appropriate gang strategy, of course, is a very difficult one. I want to assure the member that we have been working very, very diligently in respect of our area of responsibility.

I think it is important to set out for the record exactly the role of the Attorney General of Manitoba, the police departments and the federal government. It is important that we have that discussion. I hope to have that discussion at the Estimates to clarify any misunderstandings that my colleague from St. Johns has. I want to assure him that we are, in fact, working very, very diligently in respect of this matter, but I can provide him with more details at Estimates.

Mr. Mackintosh: Is the government just floundering or is that too generous in light of my understanding that, No. 1, the government has failed to publish and distribute a gang awareness manual for parents that staff had prepared over a year ago in the department and, No. 2, the only actually preventative program delivered by the department or funded by the department, the Night Hoops basketball program for innercity youth, has been scrapped?

They are going backwards, not forwards.

Mr. Toews: I disagree with the member's comments, and I want to focus in on one issue. I know that the issue of criminal activities by gangs is a multifaceted

approach. One approach that we are very mindful of and are, in fact, very pleased at is the very aggressive position that the police in our city have taken in respect of the recent spate of armed robberies. We saw some very decisive and prompt action by the police. That in itself is not the entire answer but suppression, as the member for St. Johns knows, is an important factor in containing this very serious problem.

NDP Reduction Strategy

Mr. Gord Mackintosh (St. Johns): A final supplementary, Madam Speaker: would the minister who said this weekend that he would like to see the parties in the Legislature work together more on this issue and given the government's sapping of measures, would the government now be prepared to accept the essence of our 18-point gang action plan in the positive and constructive spirit that it was officially presented to the government, to the Premier (Mr. Filmon) back on September 11?

We never got so much as a response.

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, I believe that I was sincere when I indicated that I was willing to work with all parties in respect of this problem. It is not an issue that is owned by myself personally or any agency.

I would like to indicate I appreciate the co-operation I received from the member for Inkster (Mr. Lamoureux), who invited me to see his youth justice committee in action. I went over to his area of town where he is the MLA. I had an opportunity to speak to some of the concerns. Some concerns were identified, and I think the positive attitude that the member for Inkster has demonstrated indicates in fact that I am willing to work together with all members, including the member for St. Johns.

* (1355)

Health Care System Privatization

Mr. Kevin Lamoureux (Inkster): Madam Speaker, my question is for the Minister of Health. It is dealing with the whole health care reform package which the

government attempts to put across to Manitobans, and the concern is of course that it is a twist of philosophical needs of this government to favour privatization for profit. We have seen it in terms of the home care services, the labs and now, it would appear, with the food services.

My question to the minister is specific. When are we going to see a government that is going to focus more on the needs of delivering health care programs for average Manitobans, not for just the elite of society?

Hon. Darren Praznik (Minister of Health): Madam Speaker, to make that comment about focusing on the elite of society is just not worthy of the member for Inkster. I have known him for many years and it is not worthy of him. I do not want to get into the reductions in transfer payments that the federal Liberals have imposed upon us that we have had to live with, but for him to get up and make that statement in the House and be a Liberal and a supporter of the federal Liberal Party makes no support.

Madam Speaker, last week in this Assembly we heard him defend vehemently a system of private corporate organization in our health care system that is preventing us doing many of the things that we need to do smoothly and easily to improve health care for Manitobans. I do not know which side of the fence he is on.

Mr. Lamoureux: Madam Speaker, then the question to the minister would be why would consideration be given and, in fact, an approval for a contract, when you have the CUPE provincial health care council which demonstrates in a report that there are cost savings which they can manage which would in fact exceed the privatization for profit. Why is the minister not prepared to acknowledge that right up front?

Mr. Praznik: Madam Speaker, my recommendation to the member for Inkster is he go back to the people who spoke to him from the various hospital boards a week or so ago, who urged him to come in here and take on the government because they felt they were being pushed into a centrally managed system. I would suggest that he go back and see them because they are on the boards that run USSC and are making those decisions. They are not being made by the Minister of

Health. They are made by the people he is supporting in running the USSC board. A week ago he comes here, or two weeks ago, and he argues that we should not centralize control, we should leave the delivery in the hands of those corporate entities. He should go back and ask them why they are making those decisions.

Regional Health Authorities Board Members—Elected

Mr. Kevin Lamoureux (Inkster): Will the Minister of Health acknowledge part of the problem, even with the appearance of giving in to a certain degree in terms of the regional board making the ultimate decision, is the fact that that position in itself is appointed? When will we see an elected regional board? Then maybe Manitobans can feel somewhat comfortable in the sense that it is not going to be a politically driven decision based on this particular government's philosophical beliefs.

Hon. Darren Praznik (Minister of Health): Madam Speaker, the member for Inkster talks about philosophy and politics in running a health care system. We spend over \$1.8 billion a year to deliver health to Manitobans. Surely to goodness, whether it be hospitals or government, we have an obligation to ensure that we deliver high-quality service as efficiently as possible. From time to time technology is going to change that is going to change the playing field, and we have to keep up with that. That is part of the system.

The member asked about elected boards. I have said in this government we have talked about elected boards. If you are going to have an elected board at some point in time, our legislation provides for that possibility. You would have to ensure it was a universal election, and it would have to come with some taxing authority in order to ensure that there was a direct financial accountability to the voters. So I would be interested in the member's views on that particular issue.

Community Clubs—Youth Programs Goods and Services Tax

Ms. Marianne Cerilli (Radisson): Madam Speaker, the government agreed last Friday that there is a case to

be made to scrap the GST on volunteer-run community club programs that keep youth in our province out of trouble. Following up on that meeting, I want to ask the Minister of Justice did he raise this with the federal cabinet ministers that were in town. Did he make the case on behalf of community clubs in our province and what was the federal government's response?

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, as I indicated, there indeed is a case to be made but I have not heard the case made yet. What I indicated on the record very clearly is that I would be consulting with the Minister of Finance (Mr. Stefanson) in terms of what the ramifications of this were and we would determine.

I must indicate that I did have a number of opportunities to speak to Mr. Rock on a number of issues, and I think we have made progress in many areas. This is one area that I am prepared if there is a case to be made, I will take it forward, along with the Minister of Finance.

* (1400)

Ms. Cerilli: Missed a good opportunity to make this case.

I want to ask the minister, drawing his attention to the report from the Youth Secretariat's own working group on gangs which also said that the province should support community clubs in promoting the programs that they run for youth, and I am wanting to see if he will make a commitment that that recommendation by the gang working group will be part of their strategy and their protocol in working towards eliminating the gang increase in crime in our province, and if he will also make a commitment that they will raise the issue along with that for—

Madam Speaker: Order, please. I would remind the honourable member for Radisson that a question is to be a single question, not a multipart question.

The honourable Minister of Health. Honourable Minister of Justice.

Mr. Toews: Thank you, Madam Speaker. You gave my heart a bit of start there, and I certainly do

appreciate the time that the Minister of Health (Mr. Praznik) has been on his feet.

I, in fact, am very supportive of the community clubs. Whatever riding these community clubs are in, I think they serve a very, very important function. Indeed, I had occasion to be in the member for Elmwood's (Mr. Maloway) riding just the other day at the—[interjection] That is right. I was at the Melrose Community Club, and there was a cheque that was given to that club for \$23,000, an indication of the commitment that this Legislature has in respect of community clubs.

Unfortunately, I did not have an occasion to speak to the member on that date, but I am sure that we just missed each other in the crowd.

Canadian Wheat Board Marketing System

Ms. Rosann Wowchuk (Swan River): Madam Speaker, barley producers have spoken very clearly on the Wheat Board when they cast their ballots. Sixty-three percent of barley producers have voted to maintain the Wheat Board as the single-desk selling function of barley both for feed and malting barley.

I want to ask the Minister of Agriculture if he will now leave behind his tired open-market ideology—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable member for Swan River, to quickly pose her question.

Ms. Wowchuk: Will the minister now speak up and represent Manitoba grain producers and finally support the Canadian Wheat Board and the single-desk selling function that has worked so well for the grain producers of this country?

Hon. Harry Enns (Minister of Agriculture): In response to the honourable member for Swan River, I can inform her that I was pleased to do exactly that just last week to the Standing Committee on Agriculture that was holding hearings here in Winnipeg with respect to changes to the Canadian Wheat Board Act that are now before Parliament. I reiterated my government's support for the single-selling desk with

respect to wheat. I reiterated the support that we have indicated on several occasions and that 40 percent of the producers or close to it have indicated their ongoing concern about greater flexibility with respect to marketing. I regret that the question was a black or white, either/or question. It would have been very interesting had it been otherwise. Madam Speaker, it is going to be interesting to see how the Canadian Wheat Board will accept the vote.

There was a time some time ago where the old adage if it ain't broke do not fix it worked. That is not the situation in the new world today. The new world is changing, markets are changing and I hope the Canadian Wheat Board is taking the message from that vote in precisely that way.

Ms. Wowchuk: I would like to ask this government how they can sing praises of the Wheat Board when they secure an excellent sale during the trade mission and then begin to split hairs and say, well, yes, but the Wheat Board has to change and we have to look at dual marketing.

Will this minister commit that he will support the grain producers since the majority of them have said they want single-desk selling of barley under the Wheat Board?

Mr. Enns: Madam Speaker, I defy the honourable member to on any occasion find whether I or any other member of this government has indicated anything but support for the Canadian Wheat Board. What we have persistently claimed is that the Canadian Wheat Board must be adaptable to change. That is what we have claimed.

I would invite the honourable member to make herself more conversant with the positions taken by my department, by myself, by my Premier (Mr. Filmon) on this issue, on such issues when we address the recommendations of the panel that was appointed by the federal government on the Canadian Wheat Board and most recently of the position that I put forward on behalf of the government to the Standing Committee on Agriculture.

Ms. Wowchuk: I would like to ask the minister why he cannot even say the words "single-desk selling."

Mr. Enns: Madam Speaker, what I can tell the honourable member is that just as late as two hours ago, at noon, a senior member of the Canadian Wheat Board took me aside to indicate to me that they will be having a meeting with our government. They have listened to our presentations on such things as value adding. They will ensure that wheat grown in Manitoba can be milled in Manitoba at competitive rates. That was their position and nothing has changed, and that provides jobs in Manitoba and those are the kinds of changes that the Canadian Wheat Board will have to undertake.

Louisiana-Pacific Environmental Contamination

Hon. James McCrae (Minister of Environment): Madam Speaker, last week, the 20th of March, the honourable member for Swan River (Ms. Wowchuk) raised questions during a press conference and in this House. Two days previous she had received information from my department that the waste material in question was nontoxic and nonhazardous. Two days before she had a press conference to lead us to believe otherwise. The honourable member used a videotape to make her point and described 10- to 40-metre-high piles of wood bark and fines in length of a couple of football fields. She has yet to tell us where that particular location is where she videotaped that.

Madam Speaker, the honourable member is being unco-operative and mischievous.

* (1410)

Point of Order

Mr. Steve Ashton (Opposition House Leader): Madam Speaker, I assumed that the minister had taken a question under advisement. That being the case, I have never seen a more flagrant abuse of a minister coming back and a minister who did not know about this matter who has now entered into debate, has not brought facts into this House, as has the member for Swan River. If he spent more time doing his job as Minister of Environment and listening to the member for Swan River and responding to the concerns raised, we would not have to get up, as I have to, on a point of order to say that he is completely out of order. He

should deal with the matter raised, answer the questions.

Madam Speaker: The honourable government House leader, on the same point of order.

Mr. McCrae: Yes, Madam Speaker, indeed on the same point of order, how can I or anyone else, including environmental officers in Manitoba, do their jobs when honourable members like the honourable member for Swan River bring forward information that leads us to believe a state of being exists which does not. As a result of—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. On the point of order raised by the honourable member for Thompson, I was under the impression the minister was responding to a question taken as notice, but I will indeed research Hansard and report back to the Chamber.

* * *

Madam Speaker: The honourable member for Swan River, with a new question.

Ms. Wowchuk: New question, Madam Speaker. The minister has just indicated that I did not make contact with his department. I would like to tell him that on February 12, I called his department. When I had the news conference, I identified the three sites.

Will the minister just tell this House that he is completely incompetent and he has not directed his staff to do the right thing and inspect those sites which are on riverbanks in some cases?

An Honourable Member: Just tell us where.

Point of Order

Ms. Wowchuk: Madam Speaker, on a point of order, the Premier (Mr. Filmon) has just asked me to identify the sites. I would like to tell him that the three sites are in the R.M. of Minitonas, and I identified them to the media when I held my press conference.

Madam Speaker: On the point of order raised by the honourable member for Swan River, she does not have a point of order.

* * *

Madam Speaker: The honourable Minister of Environment, to respond to the question asked.

Mr. McCrae: Madam Speaker, because of the mischief of the honourable member for Swan River, we have had people, environmental officers running to and fro and chasing geese and all the rest of it to find the spots that are supposedly in breach of the rules as alleged by the honourable member. [interjection]

Well, the department is reinspecting every site. This is the kind of help we are getting from the New Democrats. There is not one site that is being used for anything other than what the department has approved. The honourable member is doing nothing but making trouble and misleading—I take that one back—but the honourable member is engaging in mischief.

The people who work at Louisiana-Pacific and the people in Swan River and in all of Manitoba will see the honourable member for exactly what she is.

Madam Speaker: The honourable member for Swan River, with a supplementary question.

Ms. Wowchuk: Madam Speaker, is this minister telling us that he is so incompetent that we have to tell them where the sites are and that his department is not in control and does not know where the stuff that has been moving from the L-P site is being dumped? They have no control of what is happening in the Swan River Valley.

Mr. McCrae: In a society, when a responsible person makes an allegation, simple good citizenship suggests that information ought to accompany such an allegation.

The Department of Environment asked the honourable member for Swan River for detail, and she refused to give the information that was required in order to properly follow up. In fact, I still do not know. She still has not told anybody, as far as I know, the exact location of the video pictures that she took.

Point of Order

Ms. Wowchuk: On a point of order, Madam Speaker, the minister just put inaccurate information on the record and I ask him to withdraw it. When I phoned the Department of Environment on February 12, I told them where the sites were, and they told me that the inspectors would be out there in the next few days. They did not come out.

Some Honourable Members: Oh, oh.

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

* (1420)

Province-Wide Examinations Information Release

Madam Speaker: The honourable member for Brandon East, with one very short question.

Mr. Leonard Evans (Brandon East): Madam Speaker, certain experienced Brandon mathematics teachers have publicly alleged that the reason the results of the province-wide mathematics exams were poor in some areas of this province was that the exam standards had been raised without adequate and explicit notice. They further observed, however, that some divisions did have explicit information because their teachers were on the exam development committee.

My question to the minister is would the minister ensure in future that clear, explicit and direct information is sent to all schools respecting province-wide examinations.

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, there are some extremely serious allegations in what the member has just said. There were 11 master mathematics teachers chosen, recommended by superintendents around the province to prepare the mathematics examination. They took an oath of confidentiality. They are practising mathematics teachers, 11 of them, not hundreds. They worked many, many months. They worked against a curriculum. They took curriculum-congruent questions. They had that exam then vetted through a review

committee. The exam then came back, was divided into three separate exams so they did not know which exam would ultimately be used in the field. Those three exams were piloted and written by 600 students, marked by teachers other than those teachers. Those 11 then checked those marks to see that the exams were proper and appropriate for the students in Manitoba to write. It then came back, and one of those exams was chosen for writing.

Madam Speaker, that means that if all 11 teachers broke their oath of confidentiality, there might have been 11 classrooms that did better, but all schools were notified in October that this year's exam would be heavy on problem-solving and the weighting of each question was shown.

The member is wrong and his allegation is incredibly in bad taste and unethical.

Madam Speaker: Time for Oral Questions has expired.

NONPOLITICAL STATEMENTS

AAAA High School Basketball Champions

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, I am wondering whether I might have leave to make a nonpolitical statement.

Madam Speaker: Does the honourable Minister of Justice have leave to make a nonpolitical statement? [agreed]

Mr. Toews: Madam Speaker, I think this is a very proud time for the MLAs from Elmwood, from Rossmere and from River East.

The 1997 Provincial AAAA High School Basketball Championship that took place on Saturday, March 22, at the University of Winnipeg was won, both men's and women's, by the River East School Division. They have swept the varsity titles.

The varsity girls champions were the River East Kodiaks. I might indicate the members here of that team: Leah Armstrong, Nicole Pangilinan, Cheryl Jean-Paul—[interjection]

Madam Speaker: Order, please. I am experiencing great difficulty hearing the honourable Minister of Justice. I wonder if I might ask that all those members standing at the rear of the Chamber either move to the loge or outside the Chamber to continue their conversations.

Mr. Toews: I may have some difficulty pronouncing some of the names, but I will table the list. Ola Samborska, Larissa Puttaert, Carolyn Bell, Heather Wedlake, Dara-Lynn Wyfon, Kathy Griffiths, Tara Madec, Kelly Copp, Lisa Johnson, Karen Dyck, Jenell Witsky.

The game's most valuable player was Heather Wedlake, team all-stars were Ola Samborska and Cheryl Jean-Paul, 1997 most valuable player, Karen Dyck. Their coach was Jaenas Pangilinan and the Assistant Coach Ijeoma Ogoms.

Then the varsity boys team, out of the member for Elmwood's (Mr. Maloway) constituency were the Miles Mac Buckeyes. The team members there were: Paul Horosok, Thu Tran, Justin Holomond, Bikky Dhalinal, Rodney Unrah, Bryce Kushnier, Dimitri Evdokimov, Kelly Aboud, Harpal Duggal, Kris Campbell, Braden Hammond, Mike Stefanyshyn.

The coach was Martin Riley, Assistant Coaches Mannu Duggal, Jeff Shaddock, Milan Holth. Oh, I am sorry, one more team member, Matthew Mills. The game's most valuable player, Braden Hammond, all-star team, Justin Holomond, and the most valuable player was Rodney Unrah.

I believe all members in this House should congratulate the victors in this provincial championship.

Provincial C Midget Champions

Mr. Clif Evans (Interlake): Leave for nonpolitical?

Madam Speaker: Does the honourable member for Interlake have leave? [agreed]

Mr. Clif Evans: Madam Speaker, last weekend the community of Riverton had the opportunity to host the Provincial C Midget Championship with a total of five

other teams from across this province, along with our host team the Riverton Eagles.

I would just like to add my congratulations and the congratulations of the members of the House to the bronze winners from Warren, Manitoba and to the silver winners from Silver, Manitoba.

* (1430)

Madam Speaker, it is a great pleasure to inform the House that the Riverton Eagles midgets won the gold medal this year, along with, as I mentioned, the bronze medal that was won by the bantams last weekend. I would like to just acknowledge the players from the team: Adam Ross, Daylen Kroeker, Joseph Bernier, Rick Forfar, Garrette Webb, Brian Johannesson, Craig Popowich, Clayton Monkman, Chris Yaremkiwich, Ryan Epp, Arlen Eyolfson, Charlie Marks, Chad Palsson, Michael Johnson, Cory Ross, Erik Grimolfson, Darren Kornelson and Chris Johanson; Coaches Gordon Leduchowski, Percy Marks and Alvin Ross. I would also like to make special comment that this year's Riverton midget team was comprised of young players from not only the Riverton community but from the communities of Fisher Branch, Hodgson, community of Gimli and the community of Arborg.

I know that all members would join me in wishing and saying congratulations to the Riverton Eagles Midget C Championship.

Canadian Red Cross Donor Clinic

Mr. Doug Martindale (Burrows): Madam Speaker, do I have leave to make a nonpolitical statement?

Madam Speaker: Does the honourable member for Burrows have leave to make a nonpolitical statement? [agreed]

Mr. Martindale: I want to encourage all members of the Legislature to make a donation of blood to the Canadian Red Cross. Your donation can be the gift of life for a hospital patient or an accident victim. Since there is a critical shortage of blood, I hope that as many members of the Legislature as possible will make a donation as soon as possible. We have no excuse for not taking the time to do so since the blood-donor clinic

is on Osborne Street, about a two-minute walk from here. I also have the hours that they are open, which is Monday and Tuesday from 8 a.m. to 8 p.m., Wednesday, Thursday and Friday from 12 p.m. to 4:30 p.m., and Saturday from 9 a.m. to 12:30 p.m.

I would encourage all honourable members to take the time and make the effort to make a donation to the Red Cross blood-donor clinic, a donation that would be the gift of life for someone else. Thank you.

ORDERS OF THE DAY

BUDGET DEBATE (Eighth Day of Debate)

Madam Speaker: To resume adjourned debate on the proposed motion of the honourable Minister of Finance (Mr. Stefanson) and the proposed motion of the honourable Leader of the official opposition (Mr. Doer) in amendment thereto, and the proposed motion of the honourable member for Inkster (Mr. Lamoureux) in further amendment thereto. It has been left open.

Mr. Gerard Jennissen (Flin Flon): Madam Speaker, thank you for giving me this opportunity to put a few words on record regarding the 1997-1998 budget.

Members opposite have waxed rather eloquent about the virtues of this year's budget. The term "historic" is used over and over again. I heard the Premier (Mr. Filmon) last night again using the word "historic," as did the Finance minister before him, as did the member for St. Vital (Mrs. Render) yesterday as well. The term "historic" is used over and over again. In fact, the member for Portage la Prairie (Mr. Pallister) raved about the budget being historic for children, and this is from the same government that slashed \$11 million out of the Children's Dental Program and \$4 million from daycare. That is being historic all right but not the kind of being historic that we approve of.

(Mr. Gerry McAlpine, Acting Speaker, in the Chair)

Is that being historic when you cut the food budget of babies while, in the past, Barry Shenkarow walked away with pockets filled with the taxpayers' money, historic for children when health and education are consistently cut, when programs that help those

children most in need are consistently the first to be attacked? If this government had such a concern for children, why in the past was the foster parent funding significantly reduced?

Now, I suspect that the member for Portage la Prairie when he talks about the budget being historic for children is basically toeing the party line, the line about the balanced budget paying off the debt and forever securing our children's future. That sounds good, but he conveniently forgets that it was his government that racked up the largest provincial debt in the history of Manitoba, a deficit of three-quarter billion dollars and by some accounts closer to \$819 million. The Tory government also racked up the second largest deficit in Manitoba's history. So when they talk about fiscal restraint and putting their fiscal house in order, they have a history that is not that convincing.

Now, it is true that this Tory government did have a faith crisis and consequent conversion. They became born-again balanced budgeteers, but this is not the third balanced budget as the members opposite assert. Dipping into the Fiscal Stabilization Fund to balance the books is not the same as genuinely balancing the books. So the members opposite are a little heavy on the positive rhetoric. It makes us on this side rather suspicious. As they say in my former homeland, The Netherlands, only a poor quality beer needs praise, and this budget seems to be getting a lot of praise from the members opposite.

(Madam Speaker in the Chair)

So the Finance minister talks about the budget being historic, the member from Portage la Prairie talks about it being historic for children, the Minister of Family Services (Mrs. Mitchelson) called it a historic budget for the province of Manitoba and so on and so on. It is like a mantra. It is a repetitive little prayer that the Tory government is aiming at the public which really means please, please believe us, believe us, believe us. The Tory government desperately wants to paint the picture that this is the greatest budget on earth, Manitoba is a virtual paradise, that there have been no broken promises, no shady deals. All is rosy as long as we follow the yellow brick road to Filmon's never-never land.

But the public will not fall for this anymore. There is genuine anger out there. There is well-founded cynicism out there. There is unemployment, violence and crime. Some of our aboriginal people are living in Third World conditions of poverty and despair. No amount of positive budget spin is going to improve the morale of teachers who feel that this government does not understand their profession or value their service. If this government did care about teachers, why the frontal assault, why the cutbacks and why the negative press? Why is the assumption made by Tories that teachers are overpaid? The only people overpaid are the front benchers of this government who indulge in attacking the living standards of educators.

Again, no amount of positive budget spin is going to improve the morale of overburdened health care workers. You are not going to fool the nurses in hospitals such as Flin Flon. They know what the \$1.5-million cut did to their hospital. They also know what it did to primary health care in the Flin Flon region, and they are aware of the nonelected regional health authorities and the problems associated with them. They also know that regular as clockwork the Filmon government promises Flin Flon a personal care home and as regular as clockwork after the election those personal care home plans appear to vanish. Poof, they are here before the election; poof, they are gone after the election.

As my esteemed colleague from Brandon East (Mr. Leonard Evans) stated a few days ago, this government needs a dose of reality before it gets carried away with its own rhetoric. I understand the need of the members opposite to make much of a few bright spots in the budget. But to take those few bright spots and generalize and thus make out that the budget is a flawless and visionary document is not acceptable. One could argue by twisting Churchill's words that via this budget never have so many received so little and never have so few received so much.

Certainly the business community got what they asked for and good for them. But what about other Manitobans? I was listening to the radio that Friday, when the budget came down, on my way to Flin Flon which is an 800-kilometre trip, and on the radio I heard a spokesperson for the independent business group extolling the virtue of certain aspects of the budget. For

example, his group had asked for the payroll tax exemption to be hiked up from three-quarters of a million dollars to \$1 million and the government listened. The group asked for corporation capital tax exemption to be hiked from \$2 million to \$3 million. The government listened again.

Now I do not begrudge business a hand up, but does the government listen equally well to labour, to ordinary working people? No. We saw that in some of their draconian antilabour legislation passed last session. Business gets a break but labour not a chance. The Worker Advisor Offices cut by \$28,600, Mines Inspection Branch cut by almost \$65,000, Conciliation and Mediation Services got cut by almost \$33,000. These may not be huge amounts when you look at the total budget, but they are more than symbolic. It makes the statement, and the statement is that workers and safety are not a high priority but pleasing our business buddies is.

How can you cut \$65,000 out of the Mine Inspection Branch when you know about the injuries and fatalities that have occurred recently in Flin Flon and Leaf Rapids and have been occurring for years in mining communities? It is not good enough to quote the supposedly dwindling number of fatalities in the mining sector over the last ten years because there are fatalities, there are widows and there are orphans. I know that the government will argue that they are only eliminating the provincial mine rescue instructor who probably is retiring, but I would remind the Finance minister and others who make those decisions that a Mr. Glen Snider on behalf of all eight provincial mining rescue stations in a letter objected to this cut, and he stated in his letter that this cut was detrimental to the quality and level of mine rescue training, so that cannot be very good for mining.

We support a vibrant mining sector, although we noticed that revenues—projected revenues, tax revenues—are way down. We support a vibrant mining sector, but we want it to be safe. We certainly need the jobs up north, but we can have mining that can be both safe and profitable. And you are not helping miners by cutting mines inspection by \$65,000. I think this government needs to get its priorities straight. This government could help the union safety committees by ensuring that there is enough funding for enough

mining inspectors to do their jobs properly. We do not want the lives of miners jeopardized so that this government can save a few nickels.

The members opposite make much of the fact that this budget devotes \$75 million to debt repayment. It is more than a symbolic amount, but obviously it pales when compared by the actual size of the debt. If the \$13 billion debt was frozen as is and you paid off \$75 million per year, it would take over 170 years to pay off the debt. Yes, it is a start, but it is a very small start. Listening to the members opposite, one gets the impression that we are almost there, that we have got the debt as good as licked. This is not true.

Of course, one wonders that, if the government had always been so serious about paying off the debt, then why did they not start doing so nine years ago when the outgoing New Democratic Party left them a \$56 million surplus, or in that region?

This is a mid-mandate budget, and the government wishes to go into the next election on the slogan of having balanced the books and actually having paid off some of the debt. It is safe to guess that they will not campaign on having wracked up during their tenure the two largest deficits in the history of Manitoba.

* (1440)

Members opposite use statistics and figures selectively to create the impression of boom times in Manitoba. The reality shows otherwise if taken in a slightly bigger context. The reality is that Manitoba has lost population to other provinces during the Filmon years. In fact, net interprovincial migration has averaged minus 7,450 which is five times higher than under the New Democratic Party administration of 1982-1988. So things are not as booming as the government would like us to believe.

Job growth in the era of jobless recovery has been extremely modest. Many of those jobs were part-time jobs at minimum wages. A considerable number of Manitobans are unemployed, underemployed, or simply have stopped looking for work. Unemployment statistics used, like statistics on poverty, do not include aboriginal people living on reserves. A number of communities that I represent have unemployment

statistics in the 90 percent range; South Indian Lake, 80 percent range.

I would like to remind this government once again that aboriginal people are Manitobans too. In fact, they are the first Manitobans. Therefore, in order to give a true picture of Manitoba, Manitoba statistics must include all Manitobans. This is what bothers me about this budget. It is highly selective in what it presents. It uses only certain colours to paint an optimistic picture.

There is no large job boom despite the creative use of statistics. Manufacturing jobs are up but are still well below the 1988 figures. If one uses other indicators to determine how the economy is performing—for example, housing starts—quite another picture emerges than the one presented by the government.

As the member for Brandon East (Mr. Leonard Evans) has pointed out, there was only an increase of approximately 30 housing starts from 1995 to 1996 in urban centres; 1,215 housing starts in urban centres in 1995 and 1,243 in 1996. From 1983 to 1988 when the NDP was in power, housing starts never dropped below 4,400. In fact, in 1987 there were 6,900 housing starts in Manitoba. That means that there were almost five times as many housing starts in 1987 than in 1995 or 1996.

The economy is relatively flat. Manitobans are not investing in housing despite low mortgage rates. One can argue that the economy should be booming: low interest rates, a 72-73 cent dollar, very low inflation. But people are scared. Their jobs are insecure. I can see it nowhere more clearly than in Flin Flon where people are not investing, where they are not buying big-ticket items, where business is suffering.

If you were a health care worker, would you feel secure? Would you buy a new house when you know that the hacking and slashing to the health care budget could cost you your job? As a young teacher, would you invest in a house when all we have seen from this government lately is cutbacks to education? Would you invest in big-ticket items where you are never sure if you have a job from one year to the next?

When I talk to ordinary people about this budget, their views—the views I trust—are not nearly as

optimistic as those of the Minister of Finance (Mr. Stefanson). They tell me that they were much better off under the Schreyer and Pawley administration despite the rhetoric from this government. Their standard of living was higher. Hospitals were fully staffed. Roads were built, especially in the North. Educators and health care workers were treated with dignity and not seen as enemies. Labour was an ally and not viewed as some sinister force with Mafia connections.

This government had better realize that working class people have the right to form unions to work collectively, that unions are democratic. I sometimes wish this government would operate as democratically as the unions do. We have the right to work collectively to improve the welfare of our members, if we are union members.

It is not the bankers and the stockbrokers that have built this province, I would like to remind the government. This province was built by the sweat and the labour of working class people, ordinary farmers and miners and homemakers and carpenters, not by Tory ideologues. Ordinary Manitobans resent seeing their public corporations, their public utilities such as MTS, privatized. Garage-sale economics might balance the books temporarily, but it is no long-range solution to our economic problems, and members opposite know it.

People are tired of the myth, Myth No. 1, that there have been no tax increases under the Filmon administration. Since 1989, real income has declined significantly. There has been a large increase over the years in property taxes for education. Virtually every licence fee in this province has increased dramatically. Now they are even asking seniors to pay for their fishing licences. The sales tax is spread much wider now. Pharmacare deductibles are way up. The \$75 property tax credit has been eliminated, and I could go on and on about the numerous ways this government has taxed Manitobans without actually calling it a tax.

When people have to choose between what the Finance minister tells them and what their wallet tells them, they usually believe their wallet.

Madam Speaker, I look at this budget and I ask myself what is in it for the North? What is in it for

northern Manitoba? What is in it for the constituents whom I represent? I have to come to the conclusion, not a whole heck of a lot, although, in all honesty, there is a small break for mining, namely diesel fuel is exempted from the motive fuel tax. This applies to off-highway transport of ore from a mine site to a processing facility or to mining ore recovery.

This exemption comes into effect only on October 1 of this year. It is expected to save the mining industry about \$600,000 this year and \$1.2 million next year, and that would imply that the motive fuel tax exemption is lower next year than this year. If the exemption was constant, the industry should have saved \$2.4 million, not \$1.2 million next year.

Yes, this exemption is sending a positive signal to the mining industry, and we applaud that; helpful, yes, but not a critical factor in a business cycle of an industry that is worth a billion dollars. The fact is there are still a thousand fewer miners working in northern Manitoba than there were a few years ago, and as I pointed out earlier, projected mining tax revenue is down from \$40 million to \$15 million this year.

The Premier (Mr. Filmon) talks about the dramatic boom in mining in the North, and he mentions Photo Lake Mine, I believe. I want to point out that that mine does not employ very many people, and, in fact, the life of that mine is about 1.5 years from now. Then it is slated to close, I believe.

There have been some hopeful new developments however. One hundred and fifty kilometres northwest of Flin Flon at Knife Lake in Saskatchewan, there is a deposit of copper ore, of 72 million tonnes supposedly, another at Trout Lake mine which would do wonders for the smelter of Flin Flon if it is developed. We also have high hopes for the Callinan mine. There is the gold deposit near Lynn Lake, and we are hoping that will work out. That is at Mr. Dunlop's property. I hope that is going to be developed soon. The Puffy Lake mine did not pan out like it was supposed to last year, but, hopefully, it will start up again this year.

An Honourable Member: How about that drilling rig in the middle of Flin Flon?

Mr. Jennissen: That is the Callinan mine, that drilling rig. Hopefully, Puffy Lake will create 150 jobs around Sherridon, and they are very much needed jobs. So we hope that the mining industry will boom, but it is always risky, and it is a boom-and-bust cycle.

As far as the city of Flin Flon itself is concerned, Madam Speaker, all of us are hoping that new ore bodies will be found and that safe and prosperous mining will take us into the 21st Century, but the budget did not address past issues, the draconian cuts to the hospital, the ever-promised personal care home, the cuts to the friendship centre, the closure of the crisis centre.

The food bank is still very much needed in what was once one of Canada's most prosperous cities. In fact, when I recall about 25 years ago, Flin Flon had the highest per capita income of a city that size in all of Canada, and that is certainly not the case now. I hope, however, it will become once again one of Canada's most prosperous cities. [interjection] Flin Flon has a food bank, the Lord's Bounty food bank, indeed.

The budget also basically freezes highway expenditure in the province, and that has significant ramifications for us in the North because transportation links are indeed our life line. Although we are happy that Highway 391 to Leaf Rapids is finally getting some much needed attention, there are numerous northern highways and roads that are on the verge of being impassable. Much more capital expenditure is needed for the Sherridon road, for the Moose Lake Road, for the South Bay Road to South Indian Lake and to 373 to Norway House and Cross Lake.

I notice that lately one section of 374 to Norway House and Cross Lake is being tendered while the other section is still, I suppose, being maintained by the Province of Manitoba. We have a whole series of questions concerning that, not the least of which will be, will there be differing standards from one section of the road to the other? Many of us are concerned that when we privatize part of a road, we cannot see how a private group can make a living, can make a profit, when there is only a set amount of money. After all, they are going to have to bring their people from the south. Very likely, they will have to bring their own equipment. It does not seem to us that it is a very

profitable way to go, and we believe that the government is doing it mainly for ideological reasons, not for saving money.

* (1450)

As well, the Mathias Colomb First Nation deserves an all-weather road linking that community to Flin Flon or to The Pas or to Cranberry Portage and Sherridon. There is a winter road there now, but that is only a temporary solution. Pukatawagan is fighting a housing and a health crisis, and a road link would certainly help in resolving some of those crises. There were well over 300 medivacs last year, air ambulances from Pukatawagan. Now, each air ambulance costs somewhere between \$3,000 and \$10,000, so it does not take a genius in math to figure out we could probably have saved a million, a million and a half, perhaps \$2 million—I am guessing here—and certainly if that amount of money were put into building a road, that road would already be functioning right now.

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

The health costs and the living costs in Pukatawagan and many other remote communities could be significantly reduced if there were all-weather roads, and I would again point out to the government—because they seem to think that in order to link up Pukatawagan they are looking at hundreds of kilometres of road building. That is not the fact. The network of forestry roads built by Repap is very close to Pukatawagan; I would estimate between 15 to 25 kilometres. I could be off a few kilometres. It is not a major distance. It would not be inordinately expensive to link this community with the Manitoba road system. After all, prior to the election, this government promised \$90 million for northern road construction in conjunction with Repap expansion. So we are not asking for \$90 million. We are asking for a couple of million dollars you could save on medivacs and connect that community to the road system.

An Honourable Member: Whatever happened to that Repap expansion?

Mr. Jennissen: Whatever did happen to that Repap expansion? Good question.

This budget lacks vision. There is no focus to build or expand the economy of northern Manitoba. This government takes the wealth out of northern Manitoba but puts very little back in. Infrastructure is not developed. For example, we have to fight for every highway construction and maintenance dollar. We have to form coalitions, lobby groups, to save our vital Sherridon rail line from being scrapped. The south is only too willing to take our hydro power, our minerals, our forestry products and our VLT money in taxes and give us a pittance in return. Northerners are tired of this, tired of being treated like second-class citizens.

This budget should have reflected the reality of northern Manitoba, but this government does not seem to be cognizant of the reality of northern Manitoba. They treat us as honorary cousins to the south. We are a different breed up there, if I can use that word. We are isolated from the south. When I drive to Lynn Lake, it is a thousand kilometres from Winnipeg. When I drive to Flin Flon, it is 800 kilometres from Winnipeg. We need decent roads. They are our life lines. We need to develop, as well, criteria based on northern realities, not on population density. Need has to play a role here, as well.

But nowhere in this budget do I see a reflection of northern reality, of need, namely that we pay more for food, more for hydro, more for gasoline than anyone does in southern Manitoba. Nowhere in this budget is there a sensitivity that for health problems, northerners must travel thousands of kilometres to see a specialist in Winnipeg, very often briefly. I have heard all kinds of horror stories about little old ladies or little old men in their eighties and nineties bouncing on a bus for 12 hours to have an eye exam in Winnipeg, to be told, come back next day. It is not so simple to have to go south for medical treatment, but there seems to be no awareness of that up here.

Mr. Deputy Speaker, I could go on and on about how this government only gives back a nickel for every dollar it extracts from the North. For example, in Flin Flon, people say, well, we know that the government takes approximately \$2 million in VLT revenues and gambling revenues and claims to be putting back half a million into the economy in terms of programs, but when you chase down those programs, you try to actually find those programs, we cannot find them. We

are highly suspicious about the mathematics this government uses in its budget and in everything else.

As I said before, northerners are tired of this arrangement. We want help for our northern communities. We want this government to help us build our infrastructure so that our natural advantages can be creatively exploited. We would like this government to put much more money into the hands of people that wish to expand tourism, especially ecotourism, in northern Manitoba. It is a massively growing market, or could be. A lot more funding is required for such pioneering projects as the Grass River Tourism Corridor.

There is very little in this budget that would help northern Manitoba build on its strength. The North does not want handouts. It wants the same infrastructure as is in place in southern Manitoba. Yes, South Indian Lake deserves an all-weather road. Yes, its aging water system and inadequate sewage system need a major overhaul. I do not think the members opposite are aware that there are many homes in South Indian Lake, and I pointed it out before, that have a water barrel in the kitchen that gets serviced every maybe three or four days. Some of the older people have only 15-gallon barrels. Now a 15-gallon barrel that has to last you for four days is not a very sanitary arrangement. In this day and age, why should Manitoba citizens have to wait four days before a water truck delivers some water to a water barrel in your house? Yet that is the reality for many people in South Indian Lake and in many other northern communities, Shamattawa, for example.

We could also ask why the government does not help isolated communities in the North, communities such as Brochet, Lac Brochet and Tadoule Lake, with the expense associated with building winter roads? It has always been a mystery to me why some parts of the province are provided assistance, sometimes in conjunction with the federal government in the building of winter roads, but not those communities? Of course, if they have to pay for their own winter road, then they charge a toll, and this increases the cost of gasoline, the cost of food and so on.

So again I plead with the Minister of Highways (Mr. Findlay) directly, much more money is needed—well, a

beginning is needed—to pay for winter roads in that region, the northwest region of Manitoba. It is not happening right now. Only northwestern Manitoba seems to be getting that aid.

This government should be a government for all Manitobans. This budget should reflect the need of all Manitobans, not just southern needs, not just the needs of bankers, brokers and businessmen. Actually, Mr. Deputy Speaker, I was surprised that there was not a major tax cut in the budget. I suppose that will come when the pre-election budget, when the Fiscal Stabilization Fund alias slush fund will attempt to buy votes by distributing the loot that is now being squirreled away. That is sad that we still play that old shell game. Rainy day funds are to be used for rainy days. If I can use a colloquialism—it ain't gonna get any wetter, not going to get any rainier than it has been in the last few years in Manitoba.

It is especially sad when I see political parties crowding the centre-right, especially in federal politics, promising massive tax cut after massive tax cut without considering what the result is to ordinary people, to the permanent underclass that others have referred to. It is becoming a bidding war. The federal Tories promise a 10 percent tax cut—and I am sure the member for Portage la Prairie (Mr. Pallister) will work on that as well. The provincial Tories in Ontario promise a 30 percent tax cut, and so on. So the race to the bottom goes on in the best tradition of what? Margaret Thatcher? Brian Mulroney? Ronald Reagan? But people are starting to wake up, not just in England when they are going to turf Mr. Major out, but everywhere.

The effects of privatization, cutbacks and garage-sale economics are becoming apparent to the people of Manitoba. The only real growth industries have become the food banks and the regular banks. As our living standards drop and the future for our children becomes cloudier from one Tory year to the next dreary Tory year, people on the streets are starting to ask the real questions.

They will organize to find the right solutions. They want a Canada and a Manitoba that is prosperous, that has a future. They want a world that is dependable and secure, a world that can incorporate change without

change being the equivalent of taking further cuts. Nothing is more dishonest than Tories talking about taking us into the future when, in reality, they are taking us into the past. That world that we want, that we all want, that better world has not yet been delivered and it certainly has never yet been delivered by any right-wing government that I know of. This particular right-wing government will go the same way as the Thatchers, the Majors, the Mulroneys, the Reagans.

Mr. Deputy Speaker, there is a difference between being fiscally responsible and being the pawn of the corporate agenda. Fiscally responsible does not mean selling off public assets that belong to the people, that have given us good value for our money, that are part of the Manitoba tradition, assets that took generations to put into place. It does not mean bludgeoning health care workers, public sector workers and educators into submission. It does not mean creating a permanent subclass, an underclass. Fiscally responsible does not mean putting our seniors, our children, our workers at risk, does not mean abandoning our transportation structures, our railroads, our ports, as has been done both by this government and by the federal government.

* (1500)

Mr. Deputy Speaker, others have pointed out elements of deceit and cynicism in this budget, and I do not want to dwell on that. That is true, but I am also aware that members opposite may genuinely believe that what they are doing is right. I do not wish to impute bad motives to any honourable member, but there is a great deal of ideological positioning here and a lot of the negatives that are happening are happening for ideology and for no other reason, not for sound economic reasons.

The people of Manitoba will ultimately make the choice. From my perspective, and I am sure it is shared by most of my colleagues, if not all, the budget offers very little to the average Manitoban. It certainly does not address the crying needs of northern Manitoba and, once the positive glow, mainly kindled by rhetoric, I might add, once the positive glow about the virtue of this budget has been replaced by sober second thought, Manitobans will judge this budget and this government and they will find it wanting. Thank you, Mr. Deputy Speaker.

Mr. Peter Dyck (Pembina): Mr. Deputy Speaker, first of all, it is an honour to be able to speak on the budget and to be able to present some of the facts as I see them and to be able to represent the Pembina constituency.

Mr. Deputy Speaker, I have been listening intently to the comments that have come from members opposite, and I guess one of the comments that I find interesting is how they continue to put on record that as members on this side of the House that we simply continue to follow the party line.

I want to confirm that the reason that I ran as an MLA to represent the constituents of Pembina was because I believed very strongly in the direction that this government was going and was taking. The constituents that I represent feel very strongly that the direction that we are going is the right direction and, further, the direction that we are going is going to be something that we can be proud of and that our children and grandchildren can be proud of as they become the leaders within this province.

First of all, if you look at it historically, this government has made its first attack on the province's debt since the 1950s and, again, this was a debt that was accumulated. I am not sure how many members present have been involved in businesses, but there certainly is a point in time where debt is something that inhibits the progress that you can make as a business, and certainly the same can happen within government and, for us to be able to move and to move in the direction we want to go, we need to address that situation.

The other historic event that we see taking place with this budget is that for the first time in a generation we have a surplus for three years running. I am proud of that. I believe that we as a government have contributed in the fact that back in 1988 the direction that was set led towards the running of a surplus within the province's financial affairs. So I am proud of that. There are challenges that our government has overcome. We inherited some of the problems from the members opposite, from the NDP. Our debt under the previous NDP administration went from \$1.06 billion to \$5.16 billion in 6.5 years.

If you take that and you just magnify that and add another 10 years to that, it would be unbelievable as to where we would be presently if we had continued in that direction, but because of their careless spending we are forced to spend over \$600 million annually on interest and on the debt that was accumulated.

Mr. Deputy Speaker, I find it interesting in listening to the members opposite and some of the comments that they make regarding the balanced budget, and certainly that bill, when it was passed, took into consideration the fact that we now must run a balanced budget, but I would just like to leave a few quotations here that members opposite have put on record in the past while.

One of the quotations is from the member for Crescentwood (Mr. Sale): Balancing a budget every year cannot be defended on any economic ground. Now to me that does not make sense. That is not the direction that we certainly would want to go. Another comment I would like to put on the record is our balanced budget legislation, and the member for Thompson (Mr. Ashton) made this, and he said, this bill will not work. Another quotation from the member for St. James (Ms. Mihychuk), also on our balanced budget legislation, and the quote is: "Government needs the flexibility to look at a longer cycle, not to be held by the confines of legislation which do not allow duly elected representatives to do what is best for Manitobans."

Now, Mr. Deputy Speaker, I believe very strongly that the direction that we have gone, the direction that this budget is going in is the right direction for this province. So that is why I support the Minister of Finance (Mr. Stefanson) in the direction that he is taking this province, the direction that we as a government are taking this province. I support the actions and the direction that we are going in.

Further regarding what our government has done, another quotation that I would like to leave here. The member for Crescentwood stood in this Chamber on September 26, 1995, when we were debating the balanced budget legislation and said, and I quote: "Could the government find any reputable economist who would say that governments ought to balance their budget each and every year?"

Now, again, I think that as government we have certainly proven the fact that budgets can be balanced. Just a few quotations that I would like to put on record regarding what others have said about the balanced budget and the direction that we as a government have gone is one of them. This comes from CIBC Toronto—it is in July, August 1996: Manitoba is emerging as one of the steadiest and strongest provinces in the country. Another one is from Moody's Investors in New York: Manitoba's diverse economy continues to expand, supported by strong business investment, particularly in the manufacturing sector.

Just one more I would like to put on the record is the Investment Dealers of Canada in May of 1996: Manitoba has been one of the most fiscally responsible provinces this decade. The province was one of the first to rein in spending, focusing on controlling public wage costs, streamlined government operations and increased efficiencies in the delivery of public services.

This kind of confidence that the financial firms around the world have for our province and our government, people of this province express much the same confidence. I have the opportunity to speak to many of my constituents and to get their impressions of our budget, and I must say that I am very pleased with the confidence that the people of my community have expressed in this budget.

Mr. Deputy Speaker, I just want to continue that and the groundwork that has been laid for business, for agriculture, for everyone to be able to prosper within this province. In talking to the local Chamber of Commerce, the local councils, they are in support of this. They believe that the direction that we are going is the right direction, and they applaud us for our efforts.

On the other hand, there are concerns that also arise as you continue to lay a groundwork for businesses to prosper, for businesses to do well. I want to just bring some information to the House here today, and I think as we are well aware, for the last number of days there has been a firm which I represent that is in the Pembina constituency, and debate has been going on within this House regarding this firm. The firm is Rimer Alco.

I want to clarify and put a number of comments on the record regarding the business and the way the

community sees it and the things that are actually taking place. A Morden-based oxygen supply company became the centre of controversy last week in the Manitoba Legislature. Opposition MLAs attacked the provincial government for awarding a \$2-million contract to Rimer Alco North America Limited to provide home oxygen to almost 800 Manitoba home care clients. They claimed the contract was only given to the company because Rimer Alco had participated in the government's Grow Bond program in the past, and the government did not want the company to fail. They also said the Tories ignored the advice of their own evaluation committee that recommended VitalAire's bid.

* (1510)

The Winnipeg Free Press reporter jumped on the story and on Wednesday reported that a member of the committee had said that Stefanson was lying when he said the committee recommended both companies could do the job, but the anonymous member of the committee told the Free Press the committee unanimously recommended VitalAire and Stefanson ignored that advice. However, a source close to the committee has told the Times the committee member in question was not present at every committee meeting and that their statements were not accurate.

Mr. Deputy Speaker, these are some of the concerns that I have when comments are put out there that are not accurate and that in fact are detrimental to a company of that nature:

“Rimer-Alco met all the specifications and were the lowest bidder and they got the contract. On all fronts, we have gone about this in the right way.”

“Rimer-Alco has also been in Morden since 1988, and since that time has been supplying oxygen concentrators to numerous Manitoba hospitals, but critics are charging the company does not have the expertise nor the manpower to take the oxygen to the market.

“Don Smith, the maintenance supervisor of the Souris Hospital, which was the first in North America to have an oxygen concentrator, disagrees.”

And these are his comments. He says, you have nothing to worry about.

“Smith says if Rimer-Alco works as hard on this project as they have on the hospitals, there is nothing to worry about.

“We have had nothing but excellent service,” he said. “This is not a fly-by-night operation. If they say that they can do something, they can. (Rimer Alco president) Earl Gardiner and his staff do their homework.’

“The Free Press reported some individuals in Winnipeg who rely on oxygen concentrators are concerned about the situation.

“Smith says there is no reason for concern.

“I would assure anybody that they have nothing to worry about,” he said. “I wouldn't be concerned for a minute if it was a family member of mine.’

“Dave Destoop said he also has full confidence in the job Rimer Alco can do. His father depends on an oxygen concentrator.

“I have no concerns whatsoever,’ the Morden man said. ‘I'm quite comfortable and confident in the job that Rimer Alco can do.’”

Mr. Deputy Speaker, I just want to continue with some of the comments that were made and in answer to some of the comments that were put on record by the member for Crescentwood (Mr. Sale), and this goes back to the company itself.

In the midst of a controversy surrounding his company, Rimer Alco president Earl Gardiner says he is only concerned about one thing—reassuring those clients who depend on home oxygen concentrators.

Anxiety can worsen their condition acutely, Gardiner said. “The anxiety and the possible effect on their condition which could result from the inaccurate statements over the past week is unnecessary and inexcusable.”

"I don't know what the NDP is trying to do," he said, of last week's attack on the Tories awarding of a \$2 million contract to Rimer Alco. "I'm not looking to blame anyone; I want to put fact to all of this and put patients' anxiety to rest."

Gardiner was particularly concerned with responding to figures and allegations printed in the Winnipeg Free Press last week. In one article, Rimer Alco was labelled "debt-mired" and reported to have lost \$300,000 in the last two years, and I think those were comments that we heard here as well.

Then further in the article, NDP MLA Tim Sale claimed the company did not have a performance bond. Gardiner denied all these statements and provided proof that they were false.

"We were required to have a \$1.75 million performance bond, and we have one through London Guarantee, which is a division of London Life."

"The health department would not have signed the contract without it."

He also claimed if his company was "debt-mired" as the Free Press suggested, it would be unlikely that the surety company would be willing to put up a bond.

If they approve you for a bond, then they are guaranteeing the government that they can do the job, Gardiner said. We couldn't have gotten a \$1.75-million bond unless they were sure that we could perform.

Usually, he said, when a company is referred to as debt-ridden, it refers to long-term debt. He provided figures showing his company's long-term debt was \$58,000 at the end of February and their net worth statement was \$340,000. That is less than most people owe on their house, and that is hardly a debt-mired company.

He also suggested his company's repayment history disputes the debt-mired label.

"In 1988, when we started the company, we received loans from Western Economic Diversification. As of the end of March, we will make our final payment on

those loans," he said proudly. "Not something that a debt-mired company does."

Gardiner also provided the Times with financial statements of the last three years for his company to prove that they had not lost \$300,000. In fact, the figures showed the company actually had a profit of \$45,785 last year, . . . \$73,782 in 1995 and was \$61,821 in the black in 1994. A far cry from a \$300,000-loss that comments came from.

Gardiner also wanted to put his staff concerns to rest saying that Rimer Alco has all the staff they need, they have hired already, including five home oxygen technicians, a BN and an RRT, registered respiratory therapist. And we feel that we have got sufficient management experience to perform.

Mr. Deputy Speaker, I believe it is important that this information be brought into the House and that members opposite have an opportunity to hear the things that are taking place. I am very supportive of rural business, very supportive of the fact that rural business should succeed, and we want them to succeed.

I guess what I have seen lately is the fact that there is a sentiment across the way that they will do anything in their power in order to run down a company, in order to bring information forward which is incorrect. This is the start for a demise of any company, and I do not understand that kind of philosophy at all.

So, Mr. Deputy Speaker, I want to thank you for the opportunity to put a few comments on the record. I am in support of this budget because I believe that in the long term as we continue in this province, that it is positive for us, that it is positive for the area that I represent, for my constituents regarding agriculture, where the ability that they will have to succeed, to do well—although I must say that I am somewhat concerned, and this was brought out more clearly by the member for Emerson (Mr. Penner) yesterday regarding some of the concerns that we see in agriculture right now. I share those concerns. I believe that it is going to take an innovative group of agriculturalists, of farmers, to be able to succeed in that kind of a climate, and I believe that they will.

Further to that, I also believe that the manufacturing sector which I represent, which is doing very well within the southern Manitoba area, will continue to do well. On the other hand, they will have to be innovative. They will have to be prepared to make changes as time goes on.

* (1520)

So again, Mr. Deputy Speaker, I want to thank you for the opportunity to put a few comments on the record. I just want to share with the members here and with my constituents that I am proud of the things that are taking place in southern Manitoba. I want to continue to encourage them as they work and as they make the changes that are required of them.

Thank you very much.

Mr. Gregory Dewar (Selkirk): It is an honour to rise this afternoon and put a few words on the record concerning this government's budget. I believe it is my sixth or seventh budget; I have been here over the last number of years. It has been the third one since the election campaign. I want to just contrast some of the items that were raised in the budget document with some of the realities out there, Mr. Deputy Speaker.

We know that there was a budget recently tabled in the Province of Saskatchewan where the Province of Saskatchewan has announced their fourth balanced budget, and in that budget they included additional money for health care. They also announced in that budget a 2 percent tax cut to the PST, to the provincial sales tax. As well, Mr. Deputy Speaker, the Saskatchewan government still retains ownership of SaskTel which recently provided additional service, I might add. A publicly owned telephone system in Saskatchewan provided additional service to remote and northern areas of Saskatchewan. So those are some of the differences between what we see here today with this budget and what was announced in the budget to the province to the west of us.

I want to make a little pitch for a meeting that I am holding tomorrow night in Selkirk at the Lord Selkirk High School. The meeting is designed for individuals to come there to get informed and to share information regarding flood preparation. The most current flood

forecast was released last week, and the signs are not very encouraging at this point in terms of the water level, and the potential for flooding is very, very high. There is a high level of anxiety in the town of Selkirk and parts of the R.M. of St. Clements and the R.M. of St. Andrews, so I took the initiative to organize this meeting. The meeting is being held tomorrow night at seven o'clock at the Lord Selkirk School, and I invite, in particular, the member for Gimli (Mr. Helwer) and the member for Lac du Bonnet (Mr. Praznik), and any members who would like to come out to participate in this event.

Mr. Deputy Speaker, listening to the members opposite, they talk a lot about economic initiatives and some of the so-called initiatives that were announced in the budget that was tabled here in the House. But I never heard any of the members opposite talk about I think really the government's only economic initiative over the last number of years and that, of course, is the introduction of massive amounts of gambling opportunities here in the province. There are really no innovative economic initiatives, no bold economic initiatives announced, simply the introduction of more and more gaming opportunities and in particular the introduction of over 5,000 video lottery terminals in the province.

The VLTs are pumping day in and day out, bringing in revenues for the government. In fact, they never mentioned that. I did not hear any of the members opposite raise the issue of gambling in any of their speeches, but they know that in fact without gambling, without VLTs, they would not have been able to balance this budget or any of their previous budgets. They would not have been able to create their surplus which is forecast in this and past budgets. That is the only economic initiative of this government is to have these 5,000 VLTs pumping away, bringing in revenues for the government.

We all recall when VLTs were first introduced into Manitoba. They were initially introduced into rural Manitoba and at that time the member for Pembina (Mr. Dyck) was talking about rural business and at that time the 2,500 VLTs that were in rural Manitoba, all the money that was to be generated from VLTs was to be returned to rural communities. That was a promise they made in their press release that was issued at that

time. All the money that was raised—and at that time they anticipated revenues would be about \$7 million but, of course, either they were inaccurate in their assumptions—regardless of that, there was I believe \$30 million raised at that time and in fact \$30 million was taken out of rural Manitoba. It hurt rural businesses, it hurt rural communities and very little of that money, Mr. Deputy Speaker, was returned into rural communities.

If you look at the revenues that this government has received since '89-90 up to 1997-98 which are forecast in this budget, they will have received over \$1.4 billion in revenues from gambling, \$1.4 billion is the amount of money that this government receives from gambling revenues. That is their only economic initiative over the past 10 years. In 1989-90, the revenues were \$54 million, last year \$230 million, and in this budget document they are forecasting revenues of \$223 million, more than the Liquor Commission, more than most of the Manitoba collections. Most of the collections that they received were from the Manitoba Lotteries Corporation, so they are very much relying upon gambling revenues and revenues, again, in particular from VLTs in rural Manitoba, and now they have brought them forward into the city of Winnipeg to balance their budget. No members opposite raised that in any of their speeches that I have heard. Nobody talked about the effect that having these 5,000 VLTs has had upon rural and northern Manitoba.

They also mention in the budget there was a tax cut, selective corporate tax cuts. I believe Dan Kelly said, we got everything we asked for. He has no criticism, Mr. Deputy Speaker; we have got everything we asked for.

There was an adjustment made to the Health and Education levy. The government will forgo revenues in this fiscal year of \$600,000 on the payroll tax, but they are also—and this is where the government is quite hypocritical—expecting to receive an increase in terms of the payroll tax revenues from \$206 million in the fiscal year '96-97; and, in their forecast, they are estimating that they will be receiving \$209 million in the upcoming fiscal year. This is from a government that said they would eliminate the payroll tax.

During the 1995 election campaign at a public forum in Selkirk, I was at least honest enough to say that our party and our position at that time would mean to keep the tax. There was someone in the crowd who took offence at that comment, but at least I was honest. The members opposite, their candidates and the Liberal candidates said they were in a race as to who was going to eliminate the fastest. But here we are two years into their new mandate, three budgets into their new mandate, and they are forecasting more money. They are estimating they will get more money, not less, from the Health and Education levy, \$210 million. They are relying upon this so-called payroll tax to balance their budget, which, I think, states about the hypocritical nature of the members opposite.

Now, some of my colleagues have gone into the fact that the government is using a shell game. That they are moving revenues in here to this fund and to that fund—

An Honourable Member: Overestimating their revenues.

Mr. Dewar: Overestimating their revenues. No, they are underestimating their revenues. The member for Dauphin (Mr. Struthers) is giving me misleading information here. Mr. Deputy Speaker, would you kindly admonish him. He is not feeling well, so I will accept that as a reason why.

* (1530)

Mr. Deputy Speaker, when you look at the collections of this government and the revenues that it has received—and this is from a government that claims they do not tax, that they have not increased taxes from again fiscal year '88-89, which would be their first budget, to the one that was presented here in the House just last week—you would see that, in terms of Manitoba collections, when you withdraw from the amount, when you subtract from that amount, that \$100 million that was put in from the Fiscal Stabilization Fund, in fact, find that they have had a 22 percent increase in Manitoba collections, primarily, I would suggest, from Lotteries, as I have already raised. We also know that the sales tax was broadened, included a number of items which were not included before.

Another interesting number, of course, is the amount of money that they will receive from income tax. Again, from a government that stated that they have not raised taxes, but what you are finding is that, over that same period between '88 and '89 and '97-98, in fact will have been receiving an increase of over 32 percent, a third more in revenues in terms of income tax than they had just 10 years ago. So they have in fact benefited from a number of things; bracket creep is the primary reason for that increase. But they are misleading Manitobans by saying that they are not getting any more money, they are not taxing, they are not getting any more money from taxation revenues. In fact, they have.

As well, it is interesting to look at this document supplied by the Minister of Finance (Mr. Stefanson). One can clearly determine that in '88-89, had they not made a transfer of \$200 million to their Fiscal Stabilization Fund, in fact, there would have been a budgetary surplus that year. In '92-93 we all remember, those of us who were here at that time, the serious state of the province's finances that year. In fact, there was a deficit recorded that year of \$766 million. It was a record deficit. It was a number that will go in the history books of this province as the highest deficit, and the following year, \$460 million. In fact, during the election year of '95-96, had the Minister of Finance not transferred money basically again at that time massive amounts of VLT and lottery money from the Fiscal Stabilization Fund, the so-called government slush fund, and included that, they in fact would have had a deficit that year. That was the first year of their balanced budget legislation. The only reason they were able to balance their budget was on the backs of gamblers here in the province.

This year, again, they are making a transfer of \$100 million, and they did not include it in their deficit reduction transfer line which they have in past years. This year they again, as the member for Crescentwood (Mr. Sale) was explaining the other day, you would have to look at the bottom of the page and then they have included it in Manitoba's collections. So they are making a transfer on one line, and the next line they are taking out \$75 million and they are using it to retire the debt.

Mr. Deputy Speaker, the government, again, is using a shell game. They are transferring money from one fund to another fund. They are creating a deficit in '98; '88-89, when in fact their document explains or it makes it quite clear to anyone who looks at it that in fact it was a surplus that year.

(Madam Speaker in the Chair)

I want to speak a bit about some of the things that are going on in the Selkirk area and how this budget would affect that. We understand that there is a cut of \$1.8 million from the Interlake Regional Health Boards. As well, there is again, this was an issue that I raised in my throne speech and it deals with dialysis service where there was a line in the throne speech which claims that government will be bringing such services closer to the citizens of the province. I know many members in my community and surrounding community make the trip often three times a week into Winnipeg to receive that service at the Health Sciences Centre. I understand that in fact there is a dialysis machine at the Selkirk General Hospital, but it is a self-administering machine. In fact, an individual has to know how to use it. So that seems to be where the problem lies, and we are appealing to the government and have done so by letter appealed directly to the Minister of Health (Mr. Praznik) to consider staffing, having someone there to administer this particular service to those individuals who require the dialysis treatment.

As well, I was a little disappointed in the document. I had some hope that the government would consider looking at the issue of provincial funding for The Selkirk Healing Centre. Again, I raised this in my throne speech. There was no announcement made in the budget, but we understand there are still some initiatives yet to be announced. The Selkirk Healing Centre had a contract with the federal government for a number of beds, and as we all know, the federal Liberal government, they are withdrawing a number of services to Manitobans and to Canadians. What they have done there is they have cancelled that contract which will lay off potentially 30 individuals and 90 percent of those individuals are aboriginal. The Selkirk Healing Centre performed a valuable service to individuals with a serious chemical dependency problem.

It was announced again in the throne speech that they were looking at expanding chemical treatment programs, and here I would suggest is an organization and an institution that is up and running, provides a unique, different type of treatment than one would get at other facilities of this nature. Again, a worthy initiative, one I hope that the government would have followed up in this budget but unfortunately did not.

My colleagues have talked about the issue of education, the zero percent increase and what that will mean upon the delivery of education, the quality of education in our communities. Our community in Selkirk, the Lord Selkirk School Division, is not immune to the cuts that this freeze in education will have.

Madam Speaker, in conclusion I just want to once again show our general displeasure about the initiatives because of the lack of commitment to job creation here in the province, a cut to corporate business tax which the business communities proudly proclaim that they got everything that they asked for, for the fact that they did not announce any dialysis service offered in the Selkirk community, the fact that they did not offer any initiatives in terms of keeping aboriginal people employed or dealing with the Selkirk Healing Centre.

For those reasons and the fact that they used a shell game here to fund this government and the fact that they use VLTs to fund the operations of this government, Madam Speaker, for those and a variety of other reasons, I will have to decline my support, and will have to vote against this budget. Thank you.

Hon. Frank Pitura (Minister of Government Services): Thank you for the time to put some comments on the record and in support of this monumental budget which our Minister of Finance (Mr. Stefanson) tabled in this House a little while ago. It is probably a turning point in the history of Manitoba that we now turn and take a very positive look towards the future of this great province.

* (1540)

The 1997 budget, the framework upon which the budget is based includes the balanced budget legislation which is in effect. I think that this is by far the most

important piece of legislation ever passed in this House, that controls and maintains control on government, and it has to live within its means in terms of spending and revenues.

Another piece of the framework is that there are no major tax increases in this budget. We are also projecting a modest revenue growth from our own source revenues, through income tax and sales tax. We are also confronted with reduced federal transfers which are making our task that much more difficult here in Manitoba with budgeting.

We are also committed to maintaining a strong capital program in this budget and budgets to come, Madam Speaker. Most importantly, part of the framework of this budget is that we are actually going to start to pay down the long-term debt of this province to the tune of \$75 million.

But, we face some challenges. We face federal funding cuts to vital social programs. We face the volatility of equalization payments. That always tends to keep our Finance ministers scrambling a bit, because they are always delayed. We never know what exactly that number is going to be until 12 or 14 or maybe longer months down the road.

We also have the public sector wage settlements in this province, which has given us a levelling off in terms of wage increases. Our public debt costs, we have been able with the volatility in interest rates and the Canadian dollar is always something that we have to contend with on a day-to-day basis in terms of budgeting. One interest point change in the international interest rate can really throw the budget out of whack.

Some of the budget highlights that we are very proud of in this province is that there are no tax increases. This is the tenth consecutive year, the longest-running tax freeze in Canada. We have a \$27-million surplus projected, the third surplus in a row. We will also make a \$75-million deposit to our debt retirement fund, and that is the first payment towards debt elimination. We also have private sector investment and jobs promoted within this budget, as well as targeted tax incentives. We have priority social programs protected.

We have taken a \$100-million transfer from the Stabilization Fund to offset the reduced federal support, and that is what the intent of the Fiscal Stabilization Fund is all about: to level off the swings in the income that we might receive in any given year or to offset increased, unanticipated expenses.

We are also maintaining capital spending at \$317 million this year, and, most importantly, none of these moves adds anything to the public debt. If we take a look at the reduction in federal funding transfers to this province, we can look at what is a horror story because we see that in 1996-97 our reduction in federal transfers was \$116 million. By the time we reach 2000-2001 budget year, we will be negative \$277 million. Total reductions over that time period is \$1.1 billion to the economy of this province in the support of our health, education and social service programs.

If I take a look at some of the numbers on the budget for '97-98 and I take a look at the other area that we do have and that is our public debt cost, if we were take our total operating revenue of some \$5.4 billion minus the program expenditure of \$4.47 billion. I am sorry, these are in billions. If we did not have to calculate in our \$520 million worth of debt, we would have \$939 million in terms of a margin revenue over expenses, and if we spent our capital expenditures at \$317, we would have a budgetary surplus of in excess of \$500 million rather than the \$27 million that we have today. That is attributed to the fact that we have to pay in excess of \$500 million to service the long-term debt that honourable members opposite accumulated in their short lifetime in this House as government.

At this time, my honourable colleague the Minister of Agriculture (Mr. Enns), when he spoke to the budget, I think, gave this House a very important statement with regard to servicing of the debt. He says, "There is \$500 million available without imposing any taxes, not a single tax, and this budget points and shows the way. It is the \$500 million-plus that we still pay to the money lenders of this world in interest. The \$500 million does not employ a single teacher, does not pay for a single hospital bed, does not pay to pave a single mile of road or help an agricultural program." A very, very important statement, I think, coming from my colleague.

Some of the revenue highlights, Madam Speaker, in this budget. Number one, there are no tax increases. Number two, there is \$133-million reduction that we have to account for in federal transfers under the Canada Health and Social Transfer and equalization payments, a tremendous amount of money that we have to make adjustment for in this budget. There is \$100 million allocation from the Fiscal Stabilization Fund to offset this reduction. We are projecting, however, very positively a 4.3 percent growth in the taxation revenues or about \$132 million.

We have targeted tax incentives. The temporary manufacturing tax credit is extended to June 30, the year 2000. The payroll tax is increased with exemption to \$1 million, so that means an additional 600 employers are fully exempted. We also have the introduction of the Film and Video Production Tax Credit which is helping our film and video industry in this province, which has grown by six times over the past few years. We are also maintaining a corporation capital tax exemption, increased to \$3 million. We have reduced the gasoline tax on aircraft aviation fuel by a cent a litre, which is going to help the aircraft industry in this province, and probably one of the more important parts of this budget is the fact that for a first there is going to be—the sales tax rebate for first-time home buyers is extended another year, which is very positive for young families who wish to buy a home.

We also have a number of expenditure highlights as well, Madam Speaker. We have targeted \$64 million, or a 1.3-percent increase, in the program expenditure level. Honourable members opposite have talked about us cutting, cutting, cutting, but our overall budget in program spending has increased by 1.3 percent. That is not a cut. We have \$3.5 billion dedicated to health, education and family services. This is over 65 percent of our total spending in this province. There is also \$17.3 million for the Manitoba learning tax credit, which is an increase of \$5.3 million, another increase in spending; \$4.5 million more for education renewal, another increase in spending. We are committed to stable public school funding for '97-98 and '98-99.

There is \$1 million in new funding for computers in classrooms, an increase in spending. Provincial support for community colleges are maintained for this year. There is a 2 percent operating reduction to the

universities, and there is no cap on tuition fees. There is \$1 million new funding for scholarships and bursaries for university and community college students, another increase. There is \$5.4 million to the University of Manitoba and University of Winnipeg for urgent fire and safety upgrades, an increase; \$1.4 million in federal-provincial partners for careers initiatives, an increase.

Proceeds from the \$150-million health debt repayment is going to help finance new priority health capital projects in the province such as the Health Sciences Centre, the Boundary Trails Health Centre and personal care homes in this province, much needed health care facilities in the province, and this government is committed to maintaining its emphasis on health care.

Madam Speaker, 34 cents of every one dollar in budget is dedicated to health. This is the highest share in Canada. Health restructuring continues, and it is much needed in this province to restructure health care, because we have to be able to deliver high-quality health care for the people of Manitoba. Changes are necessary in the way health care is presently being delivered in this province in order to meet the needs of the future.

* (1550)

I think, as the Minister of Health (Mr. Praznik) has said at many of the regional health association meetings in rural Manitoba, the intent of our government is not to close health care facilities but to rather make health care facilities relevant to the communities in which they exist, to be able to deliver those kinds of health programs to those communities that need them.

We have the establishment of the regional and Winnipeg health authorities that the regional health authorities out in rural Manitoba are being put into effect on April 1. As I understand it, the regional health authority in Winnipeg will be in effect next year.

Madam Speaker, we have also allocated \$103 million for the Home Care program. This is up \$13 million. That is another increase in spending. I can recall last year in the debate on home care in this House that we were talking in the neighbourhood of \$94 million at that

time, and actually going back to 1988 when there was only about \$34 million spent on home care. So the Home Care program has been a program that has been just on a straight-line relationship going up in terms of spending, and rightly so, because the ability to deliver health care at home for patients is much better than having them in acute care in the hospital and far less expensive.

There is \$17 million more for the Pharmacare program. There is also allocated \$104 million for child and family support agencies. We also have in this budget funding in place for the Aboriginal Health and Wellness Centre, and we have over \$2 million in additional support for personal care homes.

These are increases; \$4.4 million more for services to adults with disabilities, another increase in spending; \$2 million more for Children's Special Services, another increase; \$8.9 million for Making Welfare Work programs. These programs are very important in today's society with single parents being able to take the necessary training to be able to enter the workforce and provide themselves with meaningful work. As our Minister of Family Services (Mrs. Mitchelson) has often said in this House, the best social safety net in this province is a job.

We have also seen \$500,000 for a new ChildrenFirst fund which is a new, innovative program in this province and \$300,000 for a Child Nutrition Program, Madam Speaker. In addition, there is \$2 million for Winnipeg policing which will continue to keep 40 police officers on the street doing what they should be doing and that is combatting crime in Winnipeg, an issue that many residents in the city of Winnipeg established as a very high priority, and so this budget is addressing that need.

There is also a new RCMP telecommunications system. My understanding is that at the present time some prototypes of this new system are being tested in parts of rural Manitoba, and all indications are that this system is very high tech, and it will make the RCMP's work much easier out in the field.

We have also increased funding, Madam Speaker, for local governments. The Provincial-Municipal Tax

Sharing Program payments have been increased by 3 percent. We have maintained that other grants support is going to be maintained. VLT support for municipalities in the province is continued, and there is an additional \$3.8 million for the Winnipeg Development Agreement.

Madam Speaker, I think an important highlight of the budget is the fact that with the crop insurance coverage under the Department of Agriculture, that the crop insurance coverage is going to be moved to 100 percent of the market price, a very important step, I think, for the producers of this province being able to participate in a crop insurance program and to get that high level of protection. Just to refresh members' memories here is the fact that the first 50 percent coverage in the program, the farmer pays no premium, and pays a cost-shared premium with the federal and provincial governments up to the level of 100 percent.

Another very important new initiative announced in this budget, Madam Speaker, is the \$3.4 million allocated to the Agri-Food Research and Development Initiative. This initiative is the recognition by this government that research and technology in the field of agriculture is very important for our province to maintain its level of prowess in the international field of being able to compete competitively in terms of food production with other provinces and indeed with other countries.

We also have an additional \$11.9 million allocated for the Manitoba Industrial Opportunities Program. This MIOP program in the past has done wonderful things for this province in terms of getting value-added industries off and running.

Another important feature of this year's budget, Madam Speaker, is the Business Start program. This program is being extended for a further two years. This program is particularly important for young women who wish to become entrepreneurs to be able to access some funding under this program to get their businesses off the ground, and I know that in rural Manitoba, where young women would like to get home-based businesses off and running, that this Business Start program is one way that they can help to get their business going.

Another important item in this budget, Madam Speaker, is that there is \$22 million for an Infrastructure Works program. The \$22 million that the province has allocated to this program, along with the \$22 million committed by the federal government and another \$22 million committed by the local jurisdictions will give us a total of \$66 million in terms of being able to spend on new infrastructure programs in this province. The existing infrastructure program was very good for the province from the standpoint that many communities were able to access natural gas, many communities were able to upgrade their water systems, also some road and bridge projects were undertaken with the program, and so it is a very important program for the province of Manitoba. I guess the only thing that I would say is that it is too bad that the program the federal government announced was only for a year, and they did not match the existing program for another three years.

Madam Speaker, there is also an additional allocation of \$1.3 million for a highway construction program. I think that the highway construction program in this province is a very important program for the future of the economy of the province of Manitoba. I guess I have to be a little bit remorseful in the fact that the loss of the Crow benefit to this province of Manitoba has turned the entire agricultural and rural economy around in this province, where a lot of farmers and rural entrepreneurs are looking at value-added initiatives in order to be able to get their products off, new initiatives and export their products out of the province and in fact even out of the country.

But that has put pressure on our highways, undue pressure on our highways. Right now if you take a look at this year's budget, there is no allocation of federal funding to the highway program in Manitoba. There is not a federal dollar being spent in Manitoba on highways this year, and yet the federal government makes unilateral changes in programs which impact our road system, and yet they are not there to help us bear the brunt of this extra traffic.

There is also a lack of willingness on the part of the federal government to enter into some serious discussions about setting up a national highway program across this country. The federal government in terms of the taxes that it takes out on fuel in the

province is in excess of \$100 million. As you see this year, they are not putting any money back into the highway system, so it is indeed unfortunate that we cannot get some sort of co-operation from the federal government for our highway infrastructure program.

One of the other features in this budget is the fact that in the Department of Government Services, the department that I am associated with, there has been an extra \$10 million allocated for disaster assistance which brings the total to \$20 million for disaster assistance in the province. This is a reflection of the fact that in many cases in Manitoba over the past number of years with the forest fire situations that we have had in the past, and, of course, this year the outlook for forest fires in northern Manitoba is quite high because of the below normal precipitation that we have had in the North, and as well our flooding events that we have had over the last number of years has prompted the government to be able to address that \$20 million, putting that \$20 million in the budget line.

* (1600)

I just want to spend a few minutes on disaster funding that we have been working on. My predecessor has spent a lot of time going through the historic data and trying to set the data up to present to the federal government. It is even now referred to within the department as the Pallister data and which shows the federal government, that in 1993 to 1995, that historically prior to that, the federal government has always fully funded the municipal governments in terms of disaster assistance. That data is there. We have pulled that data out and presented it to the federal government. We have now been informed and we know that the federal auditors have been in, and they have looked at the data and they are in the process of making their report; however, we are still awaiting a response from the federal government on this issue. We know that, once they see the historical data, there will be a willingness, has to be a willingness, on their part to be able to make amends for the new interpretation of the policy that they put into effect for '93 and '95.

Madam Speaker, we have also put forth to the federal government a proposed new cost-sharing formula that we would like to see put into place for disaster

assistance in the future. We placed that in front of the federal government many months ago in terms of their taking a look at this data prior to this year's high snowfall, which we predicted that there would be high water. Yet we are still awaiting a response, so we are getting stonewalled on the issue. We are waiting for a response in regard to previous funding arrangements. We are waiting for any kind of new disaster assistance funding relationships, and we are not getting any kind of response yet out of the federal government.

Now we make this argument based on the fact that rural municipalities in regard to disasters are often in a position to be the first responders. They are the ones that receive the phone call. Their municipal councillors receive a phone call at night. They can go out and check the situation. They can have their equipment there in a short period of time to be able to counteract any kind of major damage. Our argument is that, if we have a fair policy put into place with cost-sharing with municipal governments, indeed we would be able to overall save millions and millions of dollars in disaster assistance that are paid out because R.M.s can react more quickly than a private contractor. Right now, under the present cost-sharing policy, municipalities take a look at that and say, well, we are going to put into place private contractors and get them to do the work to get the proper cost-sharing on this program, and it is really not fair because R.M.s can respond, can do the job and can save millions of dollars in disaster, in damage.

Madam Speaker, if we take a look at Manitoba's 1997 budget in summary, we take a look at the fact that we have achieved a balanced budget. We have no tax increases. We have the reduced federal funding offset by, unfortunately, having to draw from the Fiscal Stabilization Fund. We have our priority social programs protected in health and education and social services. We have increased our capital spending. We have made the first step to retiring our long-term debt, and we have put \$75 million into a debt retirement fund. There is a projected balance of \$471 million in the Fiscal Stabilization Fund as of March 31, 1998.

You know, when I talk to my constituents and when my constituents talk to me, they ask about the Fiscal Stabilization Fund and they ask about how much money is in the Fiscal Stabilization Fund and how much

money we, by law, have to have in this Fiscal Stabilization Fund. You know what they tell me, Madam Speaker? They say if you have extra dollars in that fund, put them against the long-term debt, and then I say, well, do you want to take the interest that we save and spend it on programs? They say, no, no, you take the interest and you pay that against the debt, and you keep paying down the debt until it is all used up. That way we will get out of this cumbersome debt load quickly and be able to get the economy in this program just taking off.

If we take a look at the way money is spent in terms of the budget, we take a look at Health and Education and Family Services spending 65.5 percent of the total spending. The fourth largest department in this government, Madam Speaker, is the public debt, which takes 9.7 percent of the total spending. Now, the positive note is that it is almost a full two percentage points reduced from the time when we took office, and that is a very positive result in terms of the fiscal responsibility and the fiscal management that our government has undertaken in this province.

If we take a look at a medium-term fiscal plan for this province, Madam Speaker, we take a look at 1997-98 having an operating surplus of \$344 million. Now, if we take a look at our projections for '98-99, we have a slight dip in that of \$340 million, but in '99 and 2000, we have an operating surplus of \$426 million projected, and in 2000 and 2001, we have \$544 million projected as an operating surplus.

Now, how do you account for this increase in this operating surplus? Madam Speaker, the major difference is the fact that our public debt costs in '97-98 are \$520 million and are projected to be \$505 million in 2000-2001. At the same time, if the economy of the province is continuing in the trend that it is, we will always see increased revenues coming in as a result of the income tax and sales tax. So what that results in is the fact that throughout the same period of time, program expenditures can also rise at the same time, so we are projecting almost \$50 million to \$100 million in increased program expenditure over that period of time, as well.

So we are able to maintain the program spending in this province, we are able to pay down the public debt,

and we are able to keep a balanced budget, Madam Speaker—very positive.

If we take a look at some of the reasons why Manitoba is in such an excellent position as it is today, the fact that there are so many good things happening, Madam Speaker, I think one of the things that was pointed out by one of my colleagues is the fact that as a government, government is not responsible for jobs, not responsible for the general framework of the way the provincial economy is going. We provide the basis. We provide the catalyst to go in that direction but, basically, it is the attractiveness of the province that creates the initiatives that we are seeing today.

If we take a look at some of the aspects of the economic renewal strategy, we see that the Conference Board forecast 2.9 percent GDP growth in '97, that there will be 20,800 more jobs in Manitoba than one year ago, mostly full time, all private sector. The unemployment rate continues to be among the lowest in Canada. Housing starts are up 18 percent, almost 50 percent above the national increase; manufacturing shipments up 8 percent in 1996; total foreign exports up 9.7 percent. Exports to the U.S. are booming. They have doubled since 1990. Retail sales are up 6.1 percent; farm cash receipts up 13 percent, the only province to record increased private capital investment for five consecutive years; continued strength in mineral exploration activity since 1995. Four new mines have opened. Out-migration to other provinces has declined for seven consecutive years, Madam Speaker.

* (1610)

In conclusion, Madam Speaker, we have a competitive tax environment. We achieved that. We have priority social programs that are protected in health and education and social services. We have public sector wages that are controlled. We have internal reform achieving results to provide us with the lowest cost government in Canada, and our pledge is to keep on working at keeping government low cost in Manitoba and keeping ourselves as No. 1.

We will continue to have balanced budgets and no new debt, and we will start paying down the provincial debt, and I think that given the right type of

circumstances and economic growth that debt will be paid down even more quickly. We will have more jobs and a stronger economy and, Madam Speaker, most importantly, all Manitobans, based on the leadership from our government, will start to live within our means, and that is the most important thing that we can demonstrate to Manitobans. We can demonstrate this to the rest of Canada that we live within our means.

So, Madam Speaker, in conclusion, I would just like to say that this budget is a milestone budget, is a budget that I have no trouble supporting wholeheartedly, and my hat is off to the Minister of Finance (Mr. Stefanson) for doing such an excellent job of putting this budget together. I thank you for the time.

House Business

Hon. James McCrae (Government House Leader): Madam Speaker, I rise on a matter of House business. House leaders have had discussions, and I believe there would be agreement, if you checked with the members of the House, that on Thursday of this week the House begin at 10 a.m. with Routine Proceedings and Oral Questions and sit through, if necessary, to pass Interim Supply, until four o'clock with no break for lunch in order to allow maximum time for discussion of the Interim Supply. So that would be the question I would ask that you put to honourable members.

Madam Speaker: Order, please. Does the honourable government House leader have leave to adjust the sitting hours on Thursday as proposed, commencing at 10 a.m. and sitting directly through with no break until 4 p.m., with the understanding Question Period will commence at the beginning at 10 a.m.?

Some Honourable Members: Agreed.

Madam Speaker: Agreed? Agreed and so ordered.

* * *

Mr. Daryl Reid (Transcona): Madam Speaker, I look forward to the minister providing lunch for us on Thursday next.

Madam Speaker, I am pleased to take the opportunity once again to rise to speak on the government's latest

budget, which they tabled here in this House some eight days ago; March 14, I believe, was the date. There are many facets to this budget that I find distressing, and I will go into why I find it distressing in a few moments, particularly when it applies to my own critic responsibility, which is workplace safety and health through the Department of Labour Estimates.

Madam Speaker, first I want to talk about some of the issues that have been raised by members of this House on the government side when they say that there have been no tax increases by this government, which, I think, is a fallacy when you take a look at the changes that they made with respect to user fees and how it has been impacting upon the families in the community that I represent. I represent a modest-income community, a middle-income community. I am proud to represent Transcona for the number of years that I have been here, and I find, in talking with my constituents and asking them quite openly without in any way trying to colour the conversation or add my comments to any decisions that they might have made in the impressions that they have formed about the government's latest budget, that they are very much ambivalent or see no real benefit or no impact upon them to improve their quality of life. Now, that is their comments. Those are the comments of the constituents of my community that I have talked to since the budget was tabled.

I have taken the opportunity to ask everyone from my community that I have encountered what they thought of the government's latest budget. That would be my phrase to them. They said that they saw nothing that was in this budget for them. In fact, they were quite distressed that the government, having had the surplus, had not made changes to programs that would impact upon them directly, whether it be health, education or other services that are provided by government to assist families.

One of the things that the government has increased as a taxation was the elimination of the Pharmacare program; that is going to impact upon every family in the province of Manitoba. Now I know in the situation of members of this House that what can be deductible for Pharmacare can vary, but it is from just rough calculations that I have done that deductible has now increased from the range of a couple hundred dollars into the range of some \$1,500 or \$1,600 a year

deductible for members of this House. So that is a tax increase. You are dipping your hand into my pocket again. You are taking another \$1,300 a year out of my family's income, and I represent an average community, so you are taking \$1,300 out of the pockets of the people, the working families of my community, which is a tax increase. No matter how you want to colour it or disguise it, it is a tax increase.

You have also increased park fees. As my colleague the member for Dauphin (Mr. Struthers) has raised here on numerous occasions during Question Period, you have dipped again into the pockets of Manitobans by increasing park fees some 90 percent, so you have another tax increase on the recreational activities of Manitobans, and we have a very short summer period, and yet you have taxed that once again.

You have dipped into the pockets of seniors for the first time on fishing licences, and you have increased fishing licences overall by about 25 percent, a rough calculation, so another tax increase, first time for the seniors for fishing licences and an increase for the general public, for those who like to partake in fishing.

Now, it is my estimation that when the Minister of Highways and Transportation (Mr. Findlay) promised, oh, before the 1995 election campaign, that he was not going to go to the dual licence plate system in the province of Manitoba here because of the cost factor, and then what do we find after the election? The Minister of Highways has gone to the dual licence plate system in the province of Manitoba here, and by my calculations he is dipping his hand into the pockets of those who drive in this province, those who have vehicles registered in their names, to the tune of some three-quarters of a million dollars. So the government is dipping its hands into the pockets again of those who have motor vehicles registered in their names. [interjection]

Now, the member for Inkster (Mr. Lamoureux) wants to talk about whether we need single or dual licence plates, and, no doubt, he has received letters in the mail the same way that we have. I have listened to the comments made by the member for Inkster, and I have listened also to the police officers and the school trustees and those who are working within the

education system where they too would like to have a dual licence plate system in this province for safety reasons, and I find that I must concur with their recommendations to us.

The problem that I have here though is that the minister is going back and gouging those who have those vehicles to the tune of three-quarters of a million dollars, which I think is unjust, and it is another taxation that the government has brought in after he said he would not do it prior to the '95 election. I remember quite clearly sitting in on those meetings. UMM, I believe, was the meetings where he made those public comments.

Now, the government has increased marriage licence fees, another increase in taxation. No doubt, as you have done in past years, you have probably increased the taxicab licence fees, as well, for those who are employed in that area of the economy. You have raised the deductibles for vehicles that are stolen. As some members of this House have had their vehicle stolen, they now have to pay a higher deductible, so the victims have to pay the new tax that you have brought forward with respect to vehicles that are stolen. You are punishing the victim, another taxation on the public.

Now, one of the things that I have listened quite intently to comments and questions that have been made here in Question Period over the last three weeks was that we have a serious problem in health care, and I say we because I think that trying to be constructive here, we can solve the problem. There have been many good suggestions that have been brought forward by those in the nursing community, those in the community of doctors in the province, on how we can alleviate the problems in health care with respect to shortages of beds, shortages of staff and doctors who are leaving this province.

* (1620)

One of the things that causes me great distress, and I have had constituents call me on this, is the long waiting lists that they have for surgery. Yes, it may be elective surgery, but, nevertheless, it is surgery that needs to be performed. The other problem that we have that has not been addressed by the current Minister of

Health (Mr. Praznik) or the previous Minister of Health are the problems dealing with the emergency room closures, the diversion of patients, ambulatory patients, to other facilities.

Nothing was more clearly demonstrated than when the accident occurred here in the city of Winnipeg about a week and a half ago when a large truck ran into a building on the corner of, I believe it was, Tache and Marion Street. They were a block and a half from the St. Boniface Hospital, and those patients were diverted to Misericordia Hospital and Seven Oaks Hospital, obviously as a result of the closure of the emergency rooms to accepting those particular patients, the people who were involved in that accident. Now, that speaks volumes about the problem that we have in health care for emergency services. I do not see any steps being taken by this government to address that problem.

Madam Speaker, one of the other areas that causes me distress is the government shell game that they play with respect to funding. The government adds or places in health care some \$111 million in the last budget year on top of the monies that had been allocated that year. Then they have the nerve to say because they have added these special warrant monies in there, they did not include it in the calculations for this year's Health Estimates. So in other words, we have a decrease in funding for the Health department this year, a \$66-million decrease in funding for health care for this year, yet the government has the nerve to stand up in this House and say they have increased funding when they have not taken into consideration the special warrant of \$111 million.

Madam Speaker, in addition to that, we saw that this government through the latest budget has come forward with a new capital program. Now, my colleagues and our caucus here talk very often about capital projects that they need for their particular constituencies, whether it be personal care homes or changes or improvements to their hospitals or to other services that are provided by the Department of Health.

It is very clear that the government has gone back on their word from the '95 election campaign where they promised a capital program and specified or identified the projects and then said, now, communities, you have

to raise 20 percent of the funding; we will only cover 80 percent.

Well, that was not a condition of the agreement or the contract that Manitobans signed when this government was successful in the '95 election campaign. The public of Manitoba believed you and hopefully are going to hold you to your word, when you told them that you were going to fund the capital projects and you supplied the list for those projects. Now you are saying that you can only get those projects if you get 20 percent of the funding, no doubt up front. It is going to be quite difficult for areas of the province that are economically depressed to come up with the 20 percent funding that is required, so we look forward to seeing the discrepancies that occur with respect to capital projects that would move forward in Manitoba.

One of the other areas that we find that this government has cut and which is taking effect this year is the Life Saving Drug Program. Now, that program was put in place for those who could not afford to pay for the high cost of drugs to sustain their lives when they have encountered or contracted life-threatening illnesses.

Unfortunately, the government has cut this program and is now forcing those people who are living day to day with diseases like cystic fibrosis, rheumatoid arthritis or indeed even cancer and no doubt a whole host of other illnesses, that these individuals are going to have to pay the cost of these prescription drugs that had previously been paid under the province's Department of Health budget. These people living day to day with these life-threatening illnesses are going to have to pay for these drugs through the Pharmacare program which means they are going to have to pay for the prescription drug costs up front until the deductible is met, and if it is a working family and the deductibles are into the range of \$1,500, \$1,700 a year, you can see it is going to add substantially to the burden of these families at a time when they can least afford, no doubt, to pay for these costs.

I listened closely to the Minister of Health (Mr. Praznik) here when he was talking about the Home Oxygen Program, and now this government wants to privatize that service that has so ably been provided by

the home care department of the government's Department of Health.

I find it an interesting position that the Minister of Health has taken when he refers to the Canadian Federation of Independent Business as one of those paid political lobbyists, yet at the same time, the Minister of Finance (Mr. Stefanson), when he tabled his budget talked about listening to the interests of Manitobans, and one of the positions that the minister listened to, the Minister of Finance listened to, was the Canadian Federation of Independent Business when they called for reduction of business taxes in all of the specific areas that the Minister of Finance has reduced taxation for the business community.

Now, yes, as my colleague the member for Burrows (Mr. Martindale) indicates, the CFIB was happy. They said that they were quite happy that the Minister of Finance listened to them and, yet, at the same time the Minister of Health (Mr. Praznik) says that this particular organization is one of those paid political lobbyists acting only solely on behalf of their members. So it is interesting to compare the two positions of the two ministers talking about the same organization.

It is unfortunate that the government had to sell the Manitoba Telephone System. In fact, I think it was a disaster on the part of this government, and it will be a legacy long remembered about this government by the people of Manitoba. It is unfortunate that they had to sell the Manitoba Telephone System and then take some of those funds and hold it out as a carrot in front of the hospital boards of this province and say, yes, here is some money for you. We will pay your deficits if you agree to move towards the regional health boards. So here is a little carrot here, yes, we will cover this debt for you, at the same time saying that you must come on board with the government when we want to move to these regional health boards.

Then to take the remainder or a good portion of the remainder of that money and put that into a slush fund so that you can go to give tax breaks to your corporate friends now and, no doubt, use it as a slush fund to add further incentives to the public of Manitoba just prior to the election campaign next I think is a shameful act, to use our corporation, our Manitoba Telephone System, proceeds in that fashion. I did not agree with the sale

of it and neither did the constituents that I represent, by an overwhelming majority.

One of the things that I find myself comparing, because members opposite, a fair number of them, like to refer to themselves as good business people from farming communities, having their own farm businesses and that they like to tell us how fiscally astute they are. But I find it difficult to imagine any one of the members opposite that run a farming operation or any other business operation, whether it be the purchase of a combine or any other equipment for your business, to show that you would sell off that to pay the debt, the mortgage that you have on that instead of working off that debt over a period of time. I do not know of anybody in this province that sells off their assets to pay down the debt unless you find yourself in a bankrupt situation which this province is not anywhere close to at 10 cents on the dollar for the debt.

An Honourable Member: Pretty close in 1987.

Mr. Reid: No. I do not think it did. If you take a look at the numbers that you have had for your debts, a picture over this period of time, and I know the member opposite wants to get into these numbers, we found that there were significant problems that you have had over the life of your government with respect to debt. You have the unenviable distinction of having the highest recorded debt, single-year debt, in the history of the province of Manitoba at \$766 million, and they have also got the second highest debt, single-year deficit, in the history of the province of Manitoba, so I do not know why you want to be proud of that particular fact.

* (1630)

It is quite clear that your government is one to—an unenviable position. You have added significantly to the debt of this province over a number of years, and you have had to take the proceeds from the sale of the Manitoba Telephone System even to make your so-called payment of \$75 million that you say you are going to be paying against the total debt of this province. You had to sell your assets to make that payment. You could not even do it with up-front accounting and bookkeeping even though you know quite clearly that you have a \$120-million surplus.

So you continue to cut programs in this province with a \$120-million surplus, and that is something that my constituents cannot understand. They cannot understand why you would cut back on the services that they rely on day to day, and you have got money in the bank. We have got a balanced budget, from what you tell us and, yet, you continue to cut programs that affect them very directly.

I want to deal directly though for a few minutes with the Department of Labour and the changes that the Department of Labour has made. I have raised with the previous Minister of Labour in this House, when we were going through the debate on the labour legislation last year, Bill 26, on the impact that it was going to have, that the new workload was going to have on the Department of Labour, in fact the Labour Board itself, more specifically.

Now, I am pleased to see that the minister took some of our advice, if nothing else, at least in a minimum way. He has increased some funding to the Labour Board itself dealing with their costs to hold and conduct the activities of that Labour Board throughout the province of Manitoba under the new mandate given to them. The minister has raised the funding to the Labour Board by a token amount of just over \$4,000 a year, and if you add to that, that there is some increased funding for travel and other meeting costs, it will assist the Labour Board with their activities, but it does not mean in any way that they are going to be able to hire any additional staff or provide for staff to allow for the increased mandate of the Labour Board.

One of the things that is so distressing about this budget through the Department of Labour is that you have cut the Labour department by over \$345,000. I do not understand why you have made that kind of a cut to the Labour department. You have cut labour programs by over \$363,000 this year. Now, the Labour department does not have a very large budget to start with, but you have cut \$363,000 out of that particular department. You have increased the minister's salary at the same time by \$500, I might add, but you have cut labour programs that provide services to the working people of this province.

You have raised executive support for the minister's staff by over \$17,000, and yet you cut labour-related

programs by over \$300,000. I do not understand why you would do that. You have cut funding to the Worker Advisor's office by \$29,000 on the salary line. You have cut Workplace Safety and Health by nearly \$15,000 this year on the salary line for the people who provide the protection, hopefully, the inspections in the workplaces throughout the province, and God knows, this government has been very lax on the inspections of the workplace and the enforcement of The Workplace Safety and Health Act in this province.

Judging by the fines that were just levied by the courts this week where there was a \$500 fine—an individual nearly lost his life in a trench cave-in—it is very clear that the fine structures in this province are woefully inadequate and need to be increased substantially, and we are proposing that they be increased into the range of \$500,000, half a million dollars, for anybody who is prosecuted for failure to protect their workers, where a life is at risk or threatened or indeed does lose a life.

One of the other areas that this government has also cut was the mines rescue inspector. You have cut \$65,000 in salaries out of the Mines Inspection Branch at a time when we have an increasing number of mine deaths, mine fatalities, mining companies being prosecuted in this province, and you are cutting mine rescue instructors. Why did you not take this money and roll it over into the mines inspection area so that you had another inspector or two inspectors to go out and inspect the mines? There is a problem, but, no, you decided you are just going to cut the funding out of it instead.

Now, you have given, it looks like merit increases to the Employment Standards Branch of a small amount, a couple of thousand dollars, but you have cut the Pension Commission by just under \$30,000. You have cut the Conciliation and Mediation Services Branch by \$33,000. You have cut the Mechanical and Engineering branch by \$123,000, inspectors who go out into the field to inspect, and you have cut that branch. That is the safety of your very homes. Do you not read your own press releases talking about the furnace problems that are encountered in the homes of the province? These are the very people who do that inspection.

You have also cut the Management Services salary line by \$125,000 for a \$345,000 cut to the Department of Labour. You take a look at the Labour department's overall budget, \$12 million, and you have taken \$345,000 out of that particular department.

Now, I hope you can live with yourselves when someone else is hurt in a workplace accident or perhaps, and I hope this does not happen, if someone dies in an accident at a worksite, and you have cut back on the number of inspectors and the people that could be doing that work. I hope you can sleep with yourselves at night as a result of your decisions to cut back in those areas, because I can tell you as I am raising those issues here with you now I will be raising them with you as those events occur, because I think it is incumbent upon this government to provide safe workplaces for every Manitoban. It is your job, your job as government through the Department of Labour, to ensure that there are inspections that take place.

I have had the opportunity to travel into some of your communities between sessions, and I have had a chance to take a look at some of your industries in your communities, and I can tell you, some of your industries are not acting in exactly a safe fashion. I have seen employees in some of your plants that are operating power tools without the proper eye protection, without the proper respiratory equipment. I have never seen and heard of an inspector from Workplace Safety and Health going into these operations. I plan on questioning the Minister of Labour (Mr. Gilleshammer) when we move into the Estimates for the Department of Labour. I know you may not care about the people in your community, but I do, having seen first-hand the conditions under which they work which I do not think any human being should have to work in those conditions and put their sight or perhaps even their lives at risk as a result of having to work with power tools without proper equipment or in dust environments where they are working with fibreglass components.

Madam Speaker, I know my time is growing short, and I want to say that this is a budget that I find I cannot support, and I find myself in full and complete agreement with my Leader who has proposed a motion here today that this government has lost the confidence of the House and the people of Manitoba as a result of

the decisions they have made with respect to this budget. I, when it comes to a vote on this particular budget, will be voting against this budget. Thank you.

Mr. Marcel Laurendeau (St. Norbert): Madam Speaker, I would like to just take a couple of minutes tonight to put the reasons on the record on why I am supporting this budget. This budget launches its first sustained attack on the province's debt since the 1950s. It continues our government's commitment to protecting and enhancing health care, education and support to children and families. It has no tax increases, and it extends Manitoba's freeze on major tax rates to a full decade. It provides strategic targeted tax reductions. It invests in Manitoba's hospitals, schools, roads, and it continues to spend taxpayers' money wisely. Those are the reasons why I will be supporting this budget, and those are the reasons why I think that our Finance minister has brought in something that will be historic and will be looked upon in the future as the guidelines for other provinces to reach to.

Madam Speaker, I would like to also take the opportunity to thank the Minister of Family Services (Mrs. Mitchelson) for giving me the opportunity to work with the child care community within our province. It has been a very interesting year. I have had an opportunity to visit a number of facilities throughout the province with my colleagues, and the changes that are coming forth are positive changes which have been accepted and brought forward by the community, and I am looking forward to those changes in the very near future. Thank you.

Mr. Leonard Evans (Brandon East): Madam Speaker, I know we are rapidly running out of debating time here, and out of courtesy to the Minister of Finance (Mr. Stefanson) we will be going until ten to five to give the minister the normal time to conclude the debate on the 1997 budget.

I just want to make a few general observations about the budget, Madam Speaker, and some of these have been made before by other members, but I think they are important. For one thing, this budget, as other budgets under this government, has had what I would call the illusive bottom line. It is a bottom line that is not a firm bottom line. It is a bottom line that is affected by movements in and out of various funds, the

Fiscal Stabilization Fund, the Lotteries Fund. In fact, now we are recognizing it in this latest report as deficit reduction transfers, in effect labelling the fact that we have monies in funds that we put in or take out as serves the purpose of the government.

* (1640)

Really, the bottom line, moving money in and out of funds to come up with a bottom line, is essentially a political objective, and I have to repeat that in 1988 this government did inherit approximately \$58.7 million from the previous administration. However those monies came about, the fact was that it did take \$200 million out of revenue and put it in the new Fiscal Stabilization Fund which resulted unfortunately, therefore, in a deficit of \$141.3 million. I want to remind members that at that time the Provincial Auditor, Mr. Fred Jackson, issued a written statement criticizing the government for this unacceptable accounting practice.

Now, there have been other movements of monies over the other years. In 1990-91, \$67.3 million was taken from the fund to reduce the deficit to \$292 million instead of the real level of \$359 million. If we look at 1992-93, we did have the largest deficit in the history of the province, but because the government was able to take \$200 million from the Fiscal Stabilization Fund, it reduced that bottom line from \$766 million to \$566 million.

In 1995-96, the government used lottery revenues that were accumulated over a period of years and transferred them in as a lump sum in that particular year, allowing the government to show a surplus instead of a deficit, and you may recall, Madam Speaker, that the Dominion Bond Rating Service in its report showed quite clearly that that year should have been in a deficit position. In effect, what the Dominion Bond Rating Service was implying was that this was contrary to good accounting procedures and that those revenues should have been spread over the years rather than shown in the one specific year, and therefore there would have been a deficit position, and, indeed, the Dominion Bond Rating Service in its report showed Manitoba in a deficit position.

Then we come to '96-97. The government sold MTS and took \$260 million from the sale of those assets, put it into the Fiscal Stabilization Fund instead of into general revenue and therefore showed a surplus of only \$55.7 million instead of \$315.7 million. So we have a different pattern, but it still serves the purpose, the political agenda, of the government.

In 1997-98, the government is showing a surplus now of \$26.8 million because \$100 million was moved into the general revenues from the Fiscal Stabilization Fund, and without that particular transfer there would have been a deficit of about \$73 million in '97-98.

On the other hand, Madam Speaker, since \$471 million was left in the Fiscal Stabilization Fund in 1997-98, we could conclude that the true bottom line was more like \$471 million plus \$26.8 million for a total of \$497.8 million, which would make many people in Manitoba believe that this government can do more for health, education and social services than it is doing in this particular budget, that really the government has more funds at its disposal than it is prepared to make known by referring to these bottom lines.

So, Madam Speaker, this is what concerns me, and it concerns many Manitobans, that the bottom line has been very elusive, that what we have been seeing is something of a shell game whereby the budget, instead of being something that is firm and pretty concrete, even though I appreciate a lot of work goes into it, nevertheless when you have these funds and when you are able to make transfers of money so quickly and easily, it does call into question just what is the meaning of that line which is called budgetary surplus or budgetary deficit.

I just want to comment briefly on the tax situation. I know the government likes to boast about not increasing general taxes, but there has been an increase in tax burden on Manitobans, and particularly going back to the year 1993, there was an increase of \$114 million on an annualized basis. This came about essentially, Madam Speaker, from the elimination of \$75 of the property tax credit per household. That was a significant increase in taxes. It was a \$75 blow to most Manitoba households.

Then monies were also obtained by extending the sales tax to include items such as baby supplies and school supplies, and according to an internal memo that was made available—I do not know how we got it, but the Department of Finance staff itself estimated—it was floating around this building—it estimated that that \$114 million in increased taxes was equivalent to increasing the Manitoba income tax rate from 52 percent to 57.7 percent. That is according to the Department of Finance. So what you did in that year was equivalent to a substantial 5.7 points of income tax increase or equivalent to increasing Manitoba's sales tax from 7 percent to 8.4 percent. So that is one way of looking at it. Or you could look at it in another way and talk in terms of the burden per household.

At any rate, just leave that aside. As my colleague from Transcona (Mr. Reid) has indicated, there have been other kinds of licences and fee increases which in effect are tantamount to tax increases, whether they be hunting licences, land titles fees, park entrance fees or whatever.

Something else that really bothers me in terms of social justice is the significant increase in nursing home rates that have resulted as this government has manipulated over the last few years the rates charged to residents or people who would like to reside in personal care homes. There has been a sharp increase in those rates, and it poses a serious burden on many Manitoba families who have loved ones living in nursing homes.

The Pharmacare cuts that have occurred for many people, yes, there is assistance for people on very low incomes, but there is a great group in the middle there who find that they are burdened significantly by real increases in drug costs, particularly people in elderly years, 70s, in their early 80s. I know one couple in their early 80s who said they are paying \$100 more per month for medication, and they are having a very, very difficult time of managing with that additional burden. So that is equivalent to a real tax increase for those people.

Then, of course, on the other side underfunding of municipalities and school boards. You have got school boards being forced to seek more revenue from municipal taxpayers. In effect you have got a transfer of the tax burden from the province to the shoulders of

the municipal taxpayers. Of course, there have been tax burdens, I would suggest, put on municipalities but also on individuals and various social agencies who are operating in this province. So while the government likes to brag about controlling its fiscal deficit, I maintain, Madam Speaker, that the social deficit has expanded at the same time. The social deficit has expanded in the meantime.

We have been blessed in Manitoba with a number of important economic variables, positive economic variables that have helped the Manitoba economy, have helped this budget no end. But I appreciate the fact the minister is involving some miscellaneous assistance, credits, programs to help business to help job creation. I would say, Madam Speaker, those are relatively minimal, those are relatively marginal. They are not the factors that will cause an increase in jobs in this province.

The main factor, we should recognize and be honest with ourselves, is the fact that we have a very buoyant U.S. economy south of the border, and it is taking a great percentage of our exports. We are benefiting by this buoyant U.S. economy here. We are benefiting by a low interest rate policy of the Bank of Canada which is helping business, which is helping consumers. We are benefiting from a cheap Canadian dollar which, of course, helps us to sell more abroad, and particularly we have been blessed by an expansion of farm income recently because of good prices internationally and a good crop yield.

Let us recognize that what happens in some of our basic industries as well, our primary industries such as agriculture and mining, is dependent on world prices. If the world price situation is positive, then our mining industry will expand, and then you will get more investment in mining and, similarly, with agriculture and some of the other industries that are dependent on world prices.

* (1650)

So, Madam Speaker, therefore our economy has been benefiting by this, but I would urge the minister and the government not to get too carried away with the last couple of months in employment increase. They are really misleading themselves comparing month over

month, January to January, February to February. If you look at the annual data, the more solid information from Stats Canada, you do not get such a rosy picture. In fact, you could look at some other factors as well and become very concerned as well.

I know I have to conclude because my time is running out or has run out. What bothers me is that structurally Manitoba has declined. In the last eight or nine years in the Manitoba scene, we have shrunk. Our share of the job pie has shrunk; our share of population has shrunk. Our wages have not kept pace with the Canadian increase, and these are all well documented. In fact, our wage increases have not kept pace with inflation; therefore, real wages today in Manitoba are lower than they were back in 1988 when this government took office.

Madam Speaker, with those few well-chosen words, I must conclude. But I just say to the minister and say to the government, let us face the facts, let us not kid ourselves. Let us realize where our economic strengths are, and let us be honest with the people of Manitoba. Thank you.

Madam Speaker: The honourable Minister of Finance, to close debate.

Hon. Eric Stefanson (Minister of Finance): Thank you very much, Madam Speaker. I am pleased to rise today on our eighth day of debate on the budget, and to have the opportunity to close debate. I do want to thank all members of the Chamber who participated in the Budget Debate for their comments, their advice and so on. Obviously, I found an awful lot more to agree with on this side of the House as opposed to what I found to agree with on that side of the House. In fact, I did not find very much to agree with from members opposite. In fact, I am concerned, based on the motions before us, that it appears that later today they are going to vote for the third time against a balanced budget in the province of Manitoba. That certainly is not in keeping with the wants and wishes of the people of Manitoba that I have come in contact with in terms of the priority they are placing on living within our means.

Madam Speaker, on March 14, I had the privilege of tabling a budget for the people of Manitoba and for our government. I have had a chance now since March 14

to get a first-hand reaction to that budget, travelling throughout various parts of Manitoba, and I have to suggest to this House, that the approach and response from Manitobans has been a very positive one. They believe that we did in fact strike a right kind of balance with our priorities in this budget in terms of our expenditure priorities, in terms of what we have done with taxes and in terms of balancing our budget for the third consecutive year.

I am going to make some comments about the budget again. Some of them were made budget day. I think some of them are worth stating again. In fact, some of them are worth saying time and time and time again. Madam Speaker, our 10th budget is truly historic, and it is truly historic for at least two reasons. For the first time since the 1950s we are launching a sustained attack on our provincial debt, guaranteeing a better tomorrow for all Manitobans. It is also historic because for the first time in a generation we have a budget that projects a surplus for the third consecutive year. This is a turning point for our province, and one that was not achieved easily, I might add. It has taken nine years of hard work, unwavering commitment and the support of voters to eliminate the deficit habits, to balance the budget without increasing taxes, to focus government on the important task of providing the vital health, education and family services that Manitobans depend on.

As all of you know, we have had to make some difficult choices over this period. We made them and we stuck to our program precisely because balanced budgets and declining debt increase the choices available to individual Manitobans and to their government. More choices for our citizens because they are faced with lower taxes now and in the future. More choices for the government because the dollars freed from paying interest can be used for other purposes here in Manitoba.

There is something else that gives us more freedom as well, the provincial savings account or the Fiscal Stabilization Fund. The balanced budget legislation that we passed back in 1995 requires us to commit surplus amounts equal to at least 5 percent of annual expenditure to the savings account, and we are doing so. This means that if our revenue were to decline due to another national recession, we would be able to

maintain spending without running deficits, without borrowing money and without driving our interest bill back up, Madam Speaker.

When my colleagues and I travel the province listening to what Manitobans have to say about government, we hear one overriding message loud and clear. It is that Manitobans want to have the confidence that the key services, health care, education, support for families, will always be there when they need them. I believe that is precisely why the reaction of Manitobans to this budget has been so positive. People realize that with debt and debt costs declining and with money in the savings account, their government is better able to deliver the services they depend on come what may, Madam Speaker.

Of course, our government's budgetary policies are intended to do much more than secure services and keep them affordable, as important as that is, our policies are also intended to create an economic environment that generates more jobs. Our provincial job-creating program is our record-breaking decade-long tax freeze. Our tax objectives are twofold: to make taxes competitive, to promote investment; and to simplify and streamline our taxation system. By keeping taxes competitive, businesses located in Manitoba are better able to compete in national and international markets.

We have had 10 years of no increases in major taxes. By balancing our books and repaying debt, Manitobans can have greater confidence that their taxes will not rise in the future and that their government will be able to continue providing the services that they depend on. When people have confidence in their province and its future, they are more willing to make major purchases, to buy new houses, to start new businesses and to take on new employees. It is that spending by households and investing by business that puts people to work and helps us to build a province that we can all be proud of. In fact, by most indicators, Manitoba's recent economic performance has been much better than Canada's as a whole.

Allow me once again to review a few of the statistics that again I believe cannot be said too often in this House, particularly because some members opposite seem to have difficulty understanding them at times I

think, Madam Speaker. Private capital investment grew by 14 percent in 1996, more than double the national increase. It was the fifth consecutive annual increase, a record matched by no other province in Canada. Over the past five years, private investment in this province has grown 33 percent while the national increase was less than 9 percent. Furthermore, Statistics Canada's recent survey of investment intention shows that private investment will increase again in 1997 and will again exceed the national growth rate. There is no better measure of business confidence than the growth of private investment.

Let us look at retail sales. Retail sales, which are the best indicator of consumer confidence, are also growing strongly. In 1996, Manitoba's retail sales rose 6.1 percent. Not only was this the biggest increase in 11 years, but it was the second year in a row that Manitoba's increase has been more than double the national average.

Well, let us look at the value of manufacturing shipments. They exceeded \$9 billion last year on the strength of an 8-percent increase, almost triple the national increase. Over the past four years of strong growth in this sector, shipments have grown by a total of 46 percent. Three manufacturing industries in this province, food products, farm equipment and other machinery and transportation equipment, each ship more than \$1 billion worth of product per year. It is interesting to note because Manitoba has two thriving bus manufacturers, Motor Coach and New Flyer, we produce more buses than any other jurisdiction in all of North America. Because most of these buses are exported and also because New Holland exports so many Manitoba-made farm tractors, motor vehicles rank as our largest category of export product, ahead of cereal grains.

I am pleased to report that Manitoba's manufacturing employment has increased at a rate that is one and a half times the Canadian average since the recession low of 1992. Our rate increased by 16.2 percent compared to 10.9 percent in all of Canada.

* (1700)

Let us look at Manitoba's farm economy which is also doing very well. Farm cash receipts have reached a record level in each of the past five years. Last year's

increase in cash receipts was 13 percent, double the national increase and the largest in this province since 1979, and livestock and crop producers both recorded very strong gains as well.

Madam Speaker, our government has worked very hard to make Manitoba one of the best places in the world to explore for and produce minerals. These efforts have paid off repeatedly for new mine openings. Since late 1995, four new mines have opened, and another is scheduled to open in a few months.

Let us look at foreign exports which rose 10 percent in 1996, the seventh annual increase in a row, Madam Speaker. Especially impressive is the growth in exports to the United States which have increased two and a half times since 1990. This increase is well above the national export growth, and it proves just how competitive Manitobans are in the world's most competitive marketplace. All of this economic growth translates into more jobs for Manitobans. In the first two months of 1997, average employment was up by 20,800 from a year earlier. That represents a growth rate of 4 percent, five times greater than the national growth rate. Most of those jobs are full time, and all of them are in the private sector.

Our unemployment rate in February fell to 6.7 percent, three percentage points below the national rate, while our youth unemployment rate is almost five percentage points below the national rate. Madam Speaker, thanks to strong job growth, Manitobans are increasingly able to find work right here at home without moving to other provinces. Manitoba's balance on interprovincial migration has improved in each of the past seven years. That is the most sustained improvement in the past three and a half decades. It follows seven years, 1983 to 1989 when Manitoba's balance deteriorated each and every year. I believe that many people were leaving in those years because of the high and rapidly rising taxes imposed by the previous NDP administration. They are now staying because taxes are below average and job opportunities are above average. Indeed, last year Manitoba had a net gain of population from six other provinces, including the province of Ontario.

Madam Speaker, our strong economy also provides the foundation for secure government finances and for

our social services. Our 1997 budget continues our commitment to provide Manitobans with the quality services that they expect from government. Our budget ensures health, education and social services programs meet the needs of Manitobans now and into the 21st Century. Over 65 cents of each dollar is spent by our government on these three departments. We plan to sustain these valuable services over the long term by ensuring that every dollar spent in these areas is put to better and more effective use. The most important of all of our social services is health care. As I said in the Budget Address, there is absolutely no doubt that we will sustain our high quality health care system. This year we will be budgeting \$1.826 billion on health, up \$14 million from last year. This represents 34 cents out of every dollar spent by our government. This is a higher proportion than any other province in all of Canada.

The following are examples of some of our strategies and action. Many elements of health care will be shifted from a high-cost institutional setting to more appropriate home care services. The home care budget will be increased to \$103 million in 1997-98. A commitment of \$1.3 million over three years for a new Aboriginal Health and Wellness Centre to open later this year. A \$150 million from the proceeds of the sale of Manitoba Telephone System is being used to reduce the debt owed by hospitals and personal care homes. Capital projects to be undertaken on a priority basis include the Health Sciences Centre redevelopment, the Brandon General Hospital development, the Boundary Trails Regional Health Centre expansion and replacement for the Lions Manor, Betel Home and Sharon Home.

Madam Speaker, our government is also committed to provide a strong education system to prepare our children to meet the challenges of the modern world and to make a contribution in their communities. As government, we embark on a path to ensure our students have a strong and modern education system that promotes higher standards, increased accountability and a better use of technology.

Our budget provides \$1.03 billion for Education and Training. This represents an increase of \$12 million over last year, and our 1997 initiatives include some of the following: \$1 million is provided for a new

program, Technology Learning Resources for Schools, that will place more computers in classrooms right across Manitoba; a continuation and expansion of the only learning tax credit in all of Canada right here in Manitoba to ensure that post-secondary education is a viable option for more Manitoba young people and for their families; \$1 million of new funding for scholarships and bursaries for university and community college students. The government will add \$1 for every \$2 raised by the institutions; \$1.4 million for Partners for Careers to provide unemployed aboriginal high school, college and university graduates with jobs in the private and public sector; continued support for many successful employment programs expected to assist about 15,000 youth and students this year.

Madam Speaker, let us look at our Family Services budget, which is \$661 million, an increase of \$6 million over last year. This year we are committing \$8.9 million to Making Welfare Work. This represents an increase of \$1.5 million over last year's budget. To ensure that our most vulnerable people in society are protected, our budget includes a \$4.4-million increase in Adult Services to help support those with a mental disability to live independently in the community, and respite for caregivers. It also includes \$2 million in new funding for children's special services.

We are proud to introduce a \$500,000 ChildrenFirst fund to develop new approaches to improve the lives of children and their families and \$300,000 to develop a Child Nutrition Program in conjunction with community-based agencies.

Our government also welcomed the National Child Benefit announced in last month's federal budget targeted for implementation next year. The National Child Benefit follows on the initiative of provincial Premiers to work towards a national approach to assistance for children in low-income families. Manitoba, along with other provinces, will redirect any savings in provincial social assistance towards services and benefits for children.

I am pleased that Manitoba is recognized right across Canada as a leader when it comes to improving our justice system and enforcing tougher penalties on criminals. Manitobans have told us that this is one of

their high priorities. We want to feel safe on our streets, in our communities and in our homes. Our budget continues special funding of \$2 million per year for 40 officers for community policing in Winnipeg. Funding for two urban sports camps will be extended. The Central Park Youth Recreation Centre project and the Youth Drop-in Centre and Athletic Club offer inner-city youth athletic, recreational and cultural activities as alternatives to gang-related activities. These worthwhile projects are funded by the Urban Safety program under the Winnipeg Development Agreement.

Madam Speaker, this budget maintains funding for Victim's Assistance and provides \$1.5 million for other justice initiatives designed to prevent crime and improve the justice system here in Manitoba.

Our economic development initiatives are targeted at stimulating investment and to create jobs. Our budget highlights the following measures: \$11.9 million in funding for the Manitoba Industrial Opportunities Program; continuation of the community works program; extension of Business Start for another two years; allocation of \$22 million toward a \$66-million infrastructure program; commitment of \$3.4 million to support a new Agri-Food Research and Development Initiative; commitment of an additional \$1.3 million to maintain and improve roads, highways and bridges, bringing the total to \$97.9 million; and the renewal of the Urban Capital Projects initiative with funding of \$96 million over six years.

Madam Speaker, our government will increase support to our local municipal governments in 1997-98. This is in marked contrast to the federal government, which has achieved virtually all of its program expenditure cuts over the past few years through reductions in transfer payments to the provinces.

* (1710)

This budget provides \$48.8 million for the Department of Rural Development, up 1.9 percent, and \$72 million for the Department of Urban Affairs, up 1.8 percent. In addition to the \$4.4 million being paid this month for 1996-97 under the Provincial-Municipal Tax Sharing agreement, our government has informed municipalities that the estimated total for this year is \$61.8 million, a 3 percent increase over last year.

Madam Speaker, we are also working together with the communities threatened with flooding this spring to develop an effective response. Our budget doubled the amount allocated to deal with emergencies of this nature to \$20 million from the \$10 million allocated last year.

Madam Speaker, in every way, in every way, Manitobans have demonstrated their confidence in our province. They are building houses. They are making major purchases, and they are staying right here in Manitoba. The private sector is demonstrating its confidence by investing and by creating jobs right here in our province.

Madam Speaker, I have to admit that I am dismayed that the Leader of the official opposition would try to rob Manitobans of this confidence. During the Budget Debate, he threatened to wipe out the Fiscal Stabilization Fund and increase our operating expenditure by some \$500 million. I quote from Hansard of March 17, 1997, on page 503, and I quote from the Leader of the official opposition: It does not make any sense at all to have \$500 million in a rainy day fund. Let us put that money into the rainy day of our children and our communities.

What are the consequences of just such an action? He would rob our future generation of increased opportunities. We are also looking for \$500 million, but we are looking for \$500 million to put into the hands of our children and our communities. This year, we are required to pay \$520 million in public debt costs due to the irresponsible financial and spending practices of the NDP during the 1980s. These debt expenditures are at the cost of services in health, family services and education. We are stealing from our children and our children's children when we run up debt. Does the Leader of the official opposition know that the public debt payment of \$520 million is greater than the amount that we are paying to local governments and taxpayers this year? We are providing \$499 million to Rural Development, Urban Affairs and net tax credit payments.

Madam Speaker, by paying off our debt, our children will have another \$500 million each and every year, not the one-shot spending splurge of the Leader of the Opposition (Mr. Doer), that he proposes. I think we

have to realize what the opposition Leader's increased operating expenditure of \$500 million really means. It means that we would have to find at least another \$500 million more each and every year, and faced with ongoing cutbacks in federal transfers it would be impossible to maintain this level into the future without having to go into more debt, driving more people from our province again with increased taxes, like happened in the 1980s.

Madam Speaker, Manitobans expressed confidence in this government's financial policies in 1995 when they returned our government with an increased majority. We cannot let Manitobans down. They have spoken loud and clear. They want us to keep our fiscal house in order and so guarantee a better tomorrow for all Manitobans.

This budget will ensure that Manitoba government finances remain sound over the long term. A sound fiscal position builds confidence, promotes economic growth, creates jobs and ensures that support for social programs can be sustained.

This budget delivers a third consecutive balanced budget in 1997-98, balanced budgets for 1998-99 and throughout the foreseeable future, solid growth in own-source revenue from a vibrant growing economy, expenditure plans which protect important health, education and social services for Manitobans from the cuts in federal support; continuation for the 10th consecutive year of the freeze on major tax rates; strategic cuts to bolster investment and job creation; declining debt and public debt costs; the lowest total-cost government in all of Canada; the first instalment in our government's plan to pay off the province's general purpose debt; plans to live within our means; transfers to build up our savings account, the Fiscal Stabilization Fund, a fund designed to protect against unforeseen events; and a bright future with freedom to cut taxes, enhance programs or lower debt.

Madam Speaker, I am disappointed that the Leader of the Opposition (Mr. Doer) still does not understand our tax system. You would think after all this time he would understand our tax system. In his speech, the Leader of the Opposition argued that the real growth in tax revenues has resulted from bracket creep. While it is interesting to hear him align himself with the Fraser

Institute, it is even more amazing to hear this argument come from a member of a government that introduced the net income tax, increased the sales tax by two percentage points and imposed a tax directly on job creation. In total, the administration that the Leader of the Opposition was a part of increased taxes by over \$800 million annually, and still they could not balance the budget. In contrast, our administration cut our personal income taxes by over \$100 million annually in our first two years in office.

Personal income tax growth is due to a stronger economy. More people are working and earning higher incomes, and therefore paying more taxes. Income taxes provide 30 percent of our total revenue, the highest share in decades, while federal transfers will only provide 28.7 percent as compared to 36.3 percent in 1994-95 before the federal cuts in transfers. If this is not a sign of a strong economy, I do not know what is.

But I still think the Leader of the official opposition needs to rethink his supposed support for small business. The opposition Leader was contemptuous of our efforts to help small business on budget day. In the Winnipeg Free Press of March 15, the Leader of the Opposition stated, there are tax breaks for businesses and that money could have been invested in our classrooms across the province. During his Budget Speech Debate, he argued that there are not enough jobs, or the jobs are not in the right sector, and then he complained that we exempted hundreds of small businesses from the payroll tax, a tax which makes it more expensive to hire workers. This is a tax the NDP brought in. The fact is that small businesses create a lot of jobs in our province, and initiatives in this budget make it possible for them to create even more jobs. It is no coincidence, Madam Speaker, that Manitoba's public finances and our economy are amongst the strongest in all of Canada.

The official opposition sometimes try to let on that they have a higher regard for fiscal responsibility than their sorry record in government would suggest. The last three elections and experience elsewhere in Canada have taught them that the voters in Manitoba and across Canada do not want and will not elect a government that spends without limit, and taxes without restraint. Fortunately for the voters, the members opposite cannot

keep their true intentions from showing through their thin veneer of fiscal responsibility. A good example was provided by the honourable member for Brandon East (Mr. Leonard Evans) who is urging the federal government to reduce its debt by having the Bank of Canada print more money. That is precisely what he means when he calls for the Bank of Canada to hold more of the federal debt because the central bank would pay for that debt by printing more money.

This, of course, has been tried many times in many countries and the result has always been the same—inflation. The member will say that I am wrong, and that the Bank of Canada bought federal debt during the war, but he neglects to mention that comprehensive wage and price controls were imposed during the war and they were supported by rationing of key commodities. So either the member for Brandon East does not understand what he is saying or he is calling for comprehensive wage and price controls or he is calling for a return to double-digit inflation. Whichever is correct, Manitobans do not want it and Canadians do not want it.

My point is, Madam Speaker, the members opposite have no intention of spending responsibly, no intention of keeping taxes stable, no intention of paying down debt if they ever get back in office. No, they will return to their old ways, and then seek out tricks and ploys to disguise what they are really doing.

* (1720)

Madam Speaker, I was also disappointed, I have to admit, when the second opposition criticized our balanced, forward-looking budget. The leader of the Manitoba Liberal Party was ecstatic over the recent federal budget. In fact, on CKY TV News on February 18, she boasted the federal budget did what Liberal budgets are supposed to do. Was the federal budget balanced? Did it rescind transfer cuts to provinces? Did it ensure the future for Canadians? The answer quite simply is no. In contrast, Manitoba's budget was balanced for the third year in a row and did ensure the future for Manitobans. But what did the Liberal leader say about our budget? I quote from the Winnipeg Free Press, and here is a quote from the leader of the Liberal Party in Manitoba: "I didn't hear where Mr. Stefanson

thinks Manitoba should be in the year 2010. He hasn't given us much to shoot for but big generalities."

Perhaps she could tell us what the federal Liberals are shooting for in 2010. Better still, better still, she might ask them to stop shooting at Manitoba. Madam Speaker, our budget does provide a clear direction for our future with more and better services for each tax dollar and a future not shackled by high interest costs. Manitobans confirmed this in 1995 when they increased our majority and decreased the number of Liberal seats. Manitobans know who had their priorities right. Manitobans know who is protecting their interests. You would think that the Liberals would learn over time. Why can the Liberals not have just some confidence in our outstanding province?

But the deputy leader of the second opposition made an interesting speech. I would like to enlighten him on the facts of federal-provincial financial arrangements, Madam Speaker. On March 18, 1997, on page 585 in Hansard, he states that federal revenues to Manitoba have increased from \$1.398 billion in 1988-89 to \$1.555 billion in 1997-98. But in fact when actual revenues were analysed Manitoba has received cuts of over \$300 million since 1994-95. Revenues increased from \$1.559 billion in 1988-89 to \$1.883 billion in '94-95, and then in 1995 the cuts were announced. We have faced the challenges of cuts of \$300 million and still maintain services here in Manitoba. But we have to question why. We have to question why the federal government's primary means of eliminating its deficit should be by grabbing provincial revenue growth. We are following a strong and steady course of balancing our budget, living within our means and maintaining services. It is common knowledge that Manitoba is a province that is in receipt of equalization revenue; because of our strong economy, Manitoba has also borne the burden of decreases in equalization entitlements in addition to cuts of \$220 million sustained through the Canada Health and Social Transfer in the '96-97 and '97-98 period. According to the most recent federal finance estimates, Manitoba's entitlements declined each year from '94-95 through to '97-98, and the total decrease amounts to \$161 million over this '97-98 period.

Obviously, Madam Speaker, this has been very challenging for our government. The effect of CHST

reductions implemented in '96-97 and '97-98 have the effect of offsetting all revenue growth in Manitoba taxation. In essence, this has left the province in the position of having to balance its own budget while having to make a major contribution to reducing the federal deficit. When it comes to revenue growth, the federal government's attitude seems to be what is mine is mine and what is yours is mine too. It is time for the deputy leader of the Liberals to stand up for Manitoba and fight for a fair deal from Ottawa.

I think the member for Inkster (Mr. Lamoureux) could use some lessons in strong, stable, and secure public finance. I regret he does not have the faith in the Fiscal Stabilization Fund. He advocates increased expenditures on capital commitments in health care and public education because of growing reliance on property tax. I am sorry he does not see how irresponsible a policy of increased debt will be for the future of Manitoba. The irresponsible spending actions of the NDP—

Point of Order

Madam Speaker: Order, please. The honourable member for The Maples on a point of order.

Mr. Gary Kowalski (The Maples): On a point of order—

Madam Speaker: Order, please. I am having difficulty hearing the honourable member for The Maples.

Mr. Kowalski: Madam Speaker, the national Conservative Leader Jean Charest has made \$15 billion in promises for their national budget with \$6.6 billion in cuts, increasing the deficit by \$8 billion. I am wondering, is it different for provincial Conservatives and federal Conservatives?

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable Leader of the official opposition on the same point of order?

Mr. Gary Doer (Leader of the Opposition): Yes, Madam Speaker, on the same point of order. A dispute

over the facts, of course, is not a point of order, and to have the Tories supporting Mulroney and the Liberals supporting Chretien, it is time in Canada for a real change after the next election.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

The honourable member for The Maples did not have a point of order.

* * *

Mr. Stefanson: Madam Speaker, just in concluding. I am sorry that the member for Inkster (Mr. Lamoureux), all members opposite do not see how irresponsible a policy of increased debt will be for the future of Manitoba. The irresponsible spending actions of the NDP in the 1980s have left us with mountains of debt. Public debt costs of \$520 million in this year are taking services away from Manitobans. How can they advocate a return to that kind of irresponsibility? The citizens of Manitoba have spoken clearly and have chosen our path of solid and secure finances. The reaction to our budget has been very positive. Manitobans are pleased. They are demonstrating confidence in our leadership, and I can give you a number of reactions. Unfortunately, I will not have the time, but perhaps the opposition will benefit from some of the comments and take the time to read all of the reactions.

Madam Speaker, the Canadian Federation of Independent Business, the voice of small business, stated, they are showing us business taxes are low and competitive in Manitoba. The chair of the Winnipeg Chamber of Commerce: As a nation, we have realized jobs have to be our No. 1 priority. With this budget we are well positioned for the future.

Madam Speaker, the Manitoba Motion Picture Industries: This will definitely be shot in the arm for our industry. On and on the accolades go. The independent analysts have nothing but praise in terms of our budget, from Nesbitt Burns talking about the red river turning to black ink, Wood Gundy talking about our budget having a high standard, and on and on. I challenge the Leader of the official opposition and his

Finance critic to try out their financial theories with the people who lend our province money and make investments that are creating record numbers of jobs in Manitoba.

Madam Speaker, in conclusion, all evidence points to the fact that Manitoba is working. I, together with all Manitobans, was pleased to see the very recent announcements that demonstrated the confidence that Manitoba companies have in our economy. Palliser Furniture, during the last two weeks, unveiled \$14-million plan that will create hundreds of jobs. Budgets are about the future. This budget sends a powerful signal to all of our young people and makes a commitment to Manitoba's future, a future where we will create more prosperity, more jobs, and I encourage everybody to support this budget.

* (1730)

Madam Speaker: The hour being 5:30 p.m., in accordance with subrule 23.(5), I am interrupting the proceedings to put the questions necessary to dispose of the proposed motion of the honourable Minister of Finance that this House approve in general the budgetary policy of the government and all amendments to that motion.

Therefore, the question before the House is the proposed subamendment of the honourable member for Inkster (Mr. Lamoureux). Do you wish to have the subamendment read?

Some Honourable Members: No.

Madam Speaker: No.

Voice Vote

Madam Speaker: All those in favour of the motion proposed by the honourable member for Inkster, please say yea.

Some Honourable Members: Yea.

Madam Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

Madam Speaker: In my opinion, the Nays have it.

Formal Vote

Mr. Kowalski: Madam Speaker, I believe if you canvass the House, you will find support for a recorded vote.

Madam Speaker: A recorded vote has been requested. Does the honourable member have support?

Mr. Steve Ashton (Opposition House Leader): Yes, our caucus supports a recorded vote.

Madam Speaker: The honourable member does indeed have support. A recorded vote has been requested. Call in the members.

Division

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

Yeas

Ashton, Barrett, Cerilli, Chomiak, Dewar, Doer, Evans (Brandon East), Evans (Interlake), Friesen, Gaudry, Hickes, Jennissen, Kowalski, Lamoureux, Lathlin, Mackintosh, Maloway, Martindale, McGifford, Mihychuk, Reid, Robinson, Sale, Santos, Struthers, Wowchuk.

Nays

Cummings, Derkach, Downey, Driedger, Dyck, Enns, Ernst, Filmon, Findlay, Gilleshammer, Helwer, Laurendeau, McAlpine, McCrae, McIntosh, Mitchelson, Newman, Pallister, Penner, Pitura, Praznik, Radcliffe, Reimer, Render, Rocan, Stefanson, Sveinson, Toews, Tweed, Vodrey.

Mr. Clerk (William Remnant): Yeas 26, Nays 30.

Madam Speaker: The motion is accordingly defeated.

The question before the House is the proposed motion of the honourable Leader of the official opposition in amendment thereto. Do you wish to have the amendment read? Yes. [agreed]

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

Therefore regrets this budget ignores the present and future needs of Manitobans by:

(a) withholding needed investments in health, education, children, and aboriginal peoples, while increasing tax breaks and subsidies for business; and

(b) using the sale of public assets to advance the government's political interest.

As a consequence, the government has thereby lost the confidence of the House and the people of Manitoba.

Voice Vote

Madam Speaker: All those in favour of the motion, please say yea.

Some Honourable Members: Yea.

Madam Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

Madam Speaker: In my opinion, the Nays have it.

Formal Vote

Mr. Ashton: Yeas and Nays, Madam Speaker.

Madam Speaker: A recorded vote has been requested. Call in the members.

Division

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

Yeas

Ashton, Barrett, Cerilli, Chomiak, Dewar, Doer, Evans (Brandon East), Evans (Interlake), Friesen, Gaudry, Hickes, Jennissen, Kowalski, Lamoureux, Lathlin, Mackintosh, Maloway, Martindale, McGifford,

Mihychuk, Reid, Robinson, Sale, Santos, Struthers, Wowchuk.

Nays

Cummings, Derkach, Downey, Driedger, Dyck, Enns, Ernst, Filmon, Findlay, Gilleshammer, Helwer, Laurendeau, McAlpine, McCrae, McIntosh, Mitchelson, Newman, Pallister, Penner, Pitura, Praznik, Radcliffe, Reimer, Render, Rocan, Stefanson, Sveinson, Toews, Tweed, Vodrey.

Mr. Clerk: Yeas 26, Nays 30.

Madam Speaker: The motion is accordingly defeated.

The question before the House is the proposed motion of the honourable Minister of Finance

THAT this House approve in general the budgetary policy of the government.

Voice Vote

Madam Speaker: All those in favour of the motion, please say yea.

Some Honourable Members: Yea.

Madam Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

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

Formal Vote

Mr. Ashton: Yeas and Nays, Madam Speaker.

Madam Speaker: A recorded vote has been requested.

Division

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

Yeas

Cummings, Derkach, Downey, Driedger, Dyck, Enns, Ernst, Filmon, Findlay, Gilleshammer, Helwer, Laurendeau, McAlpine, McCrae, McIntosh, Mitchelson, Newman, Pallister, Penner, Pitura, Praznik, Radcliffe, Reimer, Render, Rocan, Stefanson, Sveinson, Toews, Tweed, Vodrey.

Nays

Ashton, Barrett, Cerilli, Chomiak, Dewar, Doer, Evans (Brandon East), Evans (Interlake), Friesen, Gaudry, Hickes, Jennissen, Kowalski, Lamoureux, Lathlin, Mackintosh, Maloway, Martindale, McGifford, Mihychuk, Reid, Robinson, Sale, Santos, Struthers, Wowchuk.

Mr. Clerk: Yeas 30, Nays 26.

Madam Speaker: The motion is accordingly carried.

What is the will of the House?

Mr. McCrae: Madam Speaker, shall we call it six o'clock?

Madam Speaker: Is it the will of the House to call it six o'clock? [agreed]

The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, March 25, 1997

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