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of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 29, 2002

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

MINISTERIAL STATEMENTS

Five-Year Plan for Child Care

Hon. Tim Sale (Minister of Family Services and Housing): I have a statement for the House, Mr. Speaker.

It is with great pleasure and great pride that I rise in the House to make this statement. Today our Government has announced a five-year Plan for Child Care. This represents the first time in Manitoba history that the Government has stated its intentions with regard to child care over a multi-year time period. The current Government has a strong legacy with respect to child care. It was the Schreyer government that created Manitoba's child care system in 1974. It grew and developed into a world-class system under the Pawley government, and now our Government continues to build on its strengths and grow it further.

Since April 2000, our Government has increased its investment in child day care by \$16 million, or 32 percent. The total budget for the Child Day Care Program is now almost \$70 million. Research strongly indicates that young children benefit from high quality programs and those benefits last a lifetime. Manitoba's five-year Plan for Child Care involves three major elements to be pursued over a five-year period as follows: maintaining and improving quality, improving accessibility and improving affordability.

The first year of this plan, with its continued emphasis on supporting increased salaries for child care workers, also includes a public

education and recruitment campaign to be undertaken to attract more students to this field; support for mandatory training for new family child care providers in their first year of operation, and incentives for existing providers and child care assistants to begin training; incentives to encourage the increased use of licensed family child care homes for infant care; examining the concept of a comprehensive nursery school program for three- and four-year olds in conjunction with community funders and partners; freezing the maximum fees parents pay as a part of funded programs; and a review of the child care subsidy program and the non-subsidized daily fee.

* (13:35)

From year two to year five, the plan would continue the focus established in year one on the identified key elements. It is anticipated by the end of March 2007, that: Wages and incomes for service providers will have increased by 10 percent; 450 newly trained ECEs will have graduated in addition to the numbers already in our training programs; all licensed family child care providers will be encouraged to complete designated training; there will be 5000 additional funded spaces; Manitoba's existing nursery school program for three- and four-year-olds will be significantly expanded and more closely linked with other early childhood development initiatives; subsidy income levels and allowable deductions will be adjusted to ensure more low- and middle-income families are eligible for full or partial fee subsidies; the \$2.40 non-subsidized daily fee for subsidized families will be reduced, and more subsidies for child care will be available to support newly created spaces.

We are continuing our commitment to children and families. These steps are integral to our comprehensive approach to early childhood development, leading to healthy and successful futures for our children. This five-year plan is a

high priority for our Government and must be based on future fiscal realities. It is hoped that the Government of Canada and all key stakeholders will be partners in supporting our Government's five-year Plan for Child Care. Thank you, Mr. Speaker.

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, I welcome this statement from the minister.

Certainly, we all recognize that early childhood development is the key to successfully having an impact on the development ability of our children. As this announcement, however, says at the end of the third page, it coincides with the answer that we have always had from this Government, and that is this is all subject in many respects to the support of the Government of Canada for a fully accessible, funded and high-quality day care program. So I hope that this means that this Government is committed to the process and will continue to implement this regardless of its ability to achieve third-party funding from the federal government, either that or this statement will be unachievable.

Nevertheless, I encourage the thrust of this, and want to see the proof that we will actually have these subsidized spaces in place very shortly.

Hon. Jon Gerrard (River Heights): I ask leave to speak to the minister's statement.

Mr. Speaker: Does the honourable member have leave? [*Agreed*]

Mr. Gerrard: Mr. Speaker, I would like to begin by a compliment to the minister for moving things forward a step.

I think that in the eyes of many in the child care community, the step that has been taken today is a relatively small step in terms of the additional Budget funding, but I think that there is within the goals of what the minister would like to achieve some positive development.

On the other hand, as I pointed out in my address on the Budget, that part of the problem is that the Minister of Health (Mr. Chomiak) overspent his budget by \$99 million so there are not the resources to put to child care to really

deliver on the kind of approach that many in this province would like.

I wish the minister well, and I will be watching very closely. Hopefully we will have, over the course of the next five years, some increasingly positive movement in this.

TABLING OF REPORTS

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, I would like to table the Quarterly Financial Report for the six-month period from April to September 2001, and the Province of Manitoba Financial Update for the years '01-02 to March '02. As well, I would like to table Volume 4 of the Public Accounts 2000-2001 for the year ended March 31, 2001.

* (13:40)

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have from Devils Lake High School in Devils Lake, North Dakota, 17 Grades 11 and 12 students under the direction of Mr. Al Henry.

Also in the public gallery we have from Good Neighbours Seniors Centre 25 visitors under the direction of Mrs. Lynda Jones. This centre is located in the constituency of the honourable Member for Elmwood (Mr. Maloway).

I would also like to draw the attention of all honourable members to the Speaker's Gallery where we have with us today Her Excellency Geetha de Silva, High Commissioner of the Democratic Socialist Republic of Sri Lanka in Ottawa.

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

Also in the Speaker's Gallery we have with us today Colleen Maynard, a student from Duck Bay, which is located in the constituency of the honourable Member for Swan River (Ms. Wowchuk).

Also in the public gallery we have Rex Pio Castañeda visiting from the Philippines. Rex is

the nephew of the honourable Member for The Maples (Mr. Aglugub).

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

ORAL QUESTION PERIOD

Manitoba Hydro Act Amendments

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, following last week's Budget, the Minister of Finance (Mr. Selinger) indicated that the Doer government would be bringing in an amendment to The Manitoba Hydro Act. Can the Premier tell Manitobans why this amendment is necessary?

Hon. Gary Doer (Premier): Mr. Speaker, the member will recall last year we brought an amendment in to the Legislature on Hydro. We brought an amendment to ensure that the rate reductions for rural and northern Manitoba would be contained or be passed by this Legislature, a matter that was opposed initially by the Leader of the Opposition and then after a little bit of public criticism in many rural newspapers he flip-flopped.

Obviously the dividend or the revenue issues dealing with the export sales would require the same kind of legislative mandate that they have in British Columbia, Saskatchewan, Québec, Newfoundland, Northwest Territories; and thirdly, we amended the Hydro act to disallow a government in the future from selling a Crown corporation without the public consent. We are proud of the legislative initiatives we brought in on Hydro. It is too bad the public did not have those rights with the sale of the telephone system in 1996.

Budget Manitoba Hydro Profits

Mr. Stuart Murray (Leader of the Official Opposition): Unfortunately, the Premier fails to answer the question. So I would like to table, for his reference, section 43(3) of The Manitoba Hydro Act. Will the Premier admit that according to section 43(3) of The Manitoba Hydro Act, and I will read it, Mr. Speaker, it

says here that "the funds of the corporation shall not be employed for the purposes of the government or any agency of the government", 43(3) of The Manitoba Hydro Act. So I ask the Premier: Will he admit that, according to that section of The Manitoba Hydro Act, he does not have the authority to raid Manitoba Hydro profits for any purpose, particularly to cover his deficit from last year?

Hon. Gary Doer (Premier): Members opposite will recall that in 1987, the Legislature—
[interjection]

An Honourable Member: Are you off your meds again?

Mr. Speaker: The honourable Official Opposition House Leader, on a point of order.

Point of Order

Mr. Marcel Laurendeau (Official Opposition House Leader): Mr. Speaker, all too often the member from Transcona speaks from his seat and makes fun of people on medication. I would like you to call this member to order. Maybe he thinks it is funny when people have to be on medication for different reasons, but I do not. I think this member should be brought to order.

* (13:45)

Mr. Speaker: The honourable First Minister, on the same point of order.

Mr. Doer: I would suggest that all members refrain from heckling and deal with the matters in questions and answers in a proper way.

Mr. Speaker: I thank all members for their advice. I will take the matter under advisement to peruse Hansard and consult the procedural authorities, and I will report back to the House.

* * *

Mr. Doer: Mr. Speaker, an act was passed in this Legislature predicting in the year 2000 there would be revenues available for subsequent governments from export sales from Limestone. Members opposite, in 1986 and '87, I have some of the quotes, predicted there would be 3 cents a

kilowatt-hour for revenue with the export sales and therefore there would be no money available for education, health care, for balancing budgets, for debt reduction. Thankfully, those people who had the vision to build that Limestone dam, partially for domestic use and partially for export sales, were right. The revenue now is 6 cents a kilowatt-hour. The revenue from American sales is 6 cents a kilowatt-hour and obviously it is very, very advantageous for Manitoba to have a situation where this extra U.S. export revenue can be used to bridge the uncertainty of the federal accounting error, the uncertainty of the slowdown in the economy. It is a great asset. Most Manitobans are saying to us it is very sensible to use Hydro in these uncertain times. That is why we are doing it.

Mr. Murray: Mr. Speaker, why will the Premier not just admit that he is raiding the profits of Manitoba Hydro to the tune of \$288 million rather than take that money, \$288 million that could be returned to seniors, ratepayers? It could be returned to ratepayers like the seniors we have in the gallery, paying down the debt, but instead he has a spending problem. He needs to raid it to cover his deficit from last year.

Mr. Doer: Mr. Speaker, the \$288 million (a) was in the Budget, (b) it was fully disclosed as a matter—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: Thank you, Mr. Speaker. It was fully disclosed as a matter that required legislation in the Budget presentation by the Minister of Finance (Mr. Selinger). Thirdly, it was identified as an item of revenue in British Columbia, in Saskatchewan, in Québec, in Newfoundland and Labrador and the Northwest Territories—

Mr. Speaker: Order.

Point of Order

Mr. Mervin Tweed (Turtle Mountain): Mr. Speaker, just a point for clarification. Is the Premier talking about last year's Budget or this year's Budget?

* (13:50)

Mr. Speaker: On the point of order raised by the honourable Member for Turtle Mountain, he does not have a point of order. It is a dispute over the facts.

* * *

Mr. Doer: The situation with the Hydro revenue allows us now, the U.S. export revenue, allows us to not draw for two years in a row money from the Fiscal Stabilization Fund. I think that is positive and prudent in uncertain times. It is positive and prudent not to take money out of the rainy day fund. Since we have been elected, not one dollar has been taken out of the rainy day fund. When one compares that to \$100 million, \$185 million and \$185 million in the last three years in their office, I think that this is a very prudent course of action.

Finally, Mr. Speaker, the Leader of the Opposition (Mr. Murray) points to the gallery to seniors. Seniors in that gallery are paying 65 percent more for their telephone bills today than they were before you sold the phone system.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: Thank you, Mr. Speaker. Let me say to the Leader of the Opposition, seniors in the gallery are paying 65 percent more under your vision of selling off the Manitoba Telephone System. Under our—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: The seniors in rural Manitoba are paying even more, and I do not know how any one of the rural members could have voted for that bill in 1996.

Finally, Mr. Speaker, on the issue of spending, the level of spending in the three years we have been in office is lower than the last three years they were in office, and they were drawing a lot more from the so-called rainy day fund.

Because we are taking revenue from U.S. export sales, we can keep our Hydro rates frozen and not have a situation where the rates go up 65 percent, as they did under the Tories.

Manitoba Hydro Act Amendments

Mr. John Loewen (Fort Whyte): Mr. Speaker, in the early 1960s the visionary leaders of the day had the foresight to create Manitoba Hydro by passing The Manitoba Hydro Act. Section 43 of this act prohibits the mixing of government and hydro funds except for specific purposes laid out in that section. Can the Minister of Finance inform the House if he needs to amend the Hydro act prior to draining the corporation of \$288 million?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, the Budget Address clearly said that we would amend The Manitoba Hydro Act in order to access some of the \$371 million of extra revenue earned above forecast between the years 1997 and the year 2001 by Manitoba Hydro.

Manitoba Hydro Act Contravention

Mr. John Loewen (Fort Whyte): Mr. Speaker, Hydro only has \$14 million, so I would like to ask the Minister of Finance if he can inform the House today of his proposal to drain \$288 million from the coffers, cash which they do not have. Does this proposal contravene the Hydro act as it exists today?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, I just returned from a Finance ministers' meeting, and when I informed people about how we handled our economic slowdown this year and the accounting error, and I indicated that Manitoba Hydro would be making a contribution to support all the health care programs that Manitobans enjoy, every other province said to me: What took you so long? That is a policy we have had for many years. It is a policy that serves their citizens well, as well as it will here in Manitoba.

Budget Amendments

Mr. John Loewen (Fort Whyte): Mr. Speaker, I would like to ask the Minister of Finance if he will do the right thing, if he will amend his Budget to remove the proposal to draw \$288 million from Hydro, cash which it does not have? Will he bring before this House and before the people of Manitoba legislation that they will have an opportunity to have input on, that he has admitted will be needed? Will he amend this Budget?

* (13:55)

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, unlike the members opposite, we will bring all of our initiatives before the House, including legislative initiatives. They will be fully available for debate in this House and at committee, where our citizens will be able to present and, yes, we will do the right thing for Manitobans. We will stabilize our health care system, we will keep our costs affordable, and we will keep Manitoba Hydro owned by all the citizens of Manitoba for the benefit of Manitobans.

Manitoba Hydro Act Amendments

Mr. Harry Enns (Lakeside): Mr. Speaker, I direct the question to the Minister of Finance. A year ago, just about a year ago, the minister was very complimentary to past leaders, particularly with respect to hydro development in the North. I assume he meant in the leaders like Duff Roblin, Walter Weir and others, and I want to thank the minister for that acknowledgment of their wisdom and their vision.

My specific question to the minister is: Does he include in his congratulations that he made a year ago in his Budget Address of the wisdom and the vision of these past leaders, the inclusion of section 43 in the Hydro act, which specifically forbids the mixing and matching?

Hon. Greg Selinger (Minister of Finance): I think we can be very fortunate that previous leaders in this Legislature had the foresight to build Limestone for export purposes and to indicate very clearly at the time that the benefits

of those export sale profits would be available for the use of all Manitobans. That allows us to do what we are doing today for the benefit of all Manitobans.

Mr. Enns: Mr. Speaker, is it not a fair and reasonable question to ask that the very reason Duff Roblin, one of these past leaders that the minister congratulated a year ago for his vision and his wisdom, inserted clause 43 into The Manitoba Hydro Act was to prevent future bandits from raiding Manitoba Hydro?

Mr. Selinger: You know, Mr. Speaker, unlike members opposite, we have been very clear and forthright about our intentions with respect to Manitoba Hydro. The members opposite had a water power rental agreement where they were using Hydro resources for government purposes and noting it in the footnotes of the Manitoba Hydro annual report. We eliminated that agreement because it was not transparent and available to people.

Mr. Enns: Mr. Speaker, a new question to the First Minister.

Mr. Speaker: The honourable Member for Lakeside, on a new question.

Mr. Enns: Just a few moments ago the First Minister, in response to my leader, indicated with some pride that he was bringing amendments in to the Hydro act with respect to referenda that serve future shares, or something like that. Is that not precisely what Duff Roblin did in 1961 when he put amendment 43 in the Hydro act?

Hon. Gary Doer (Premier): Mr. Speaker, the member opposite is on record as making some accurate predictions into the future. He is also on record as making some very inaccurate predictions into the future. He predicted that hog manure would smell like strawberry jam by the turn of the century, the year 2000. We are not quite there yet; we are working on it.

Mr. Speaker: Order.

Point of Order

Mr. Enns: I want to publicly confess hog manure is not smelling like raspberry jam, not

even like plum jam, Mr. Speaker, but one day our researchers will make it smell that way.

Mr. Speaker: The honourable First Minister, on the same point of order?

Mr. Doer: The second prediction—

Mr. Speaker: Order. The honourable First Minister, on the same point of order?

On the point of order raised by the honourable Member for Lakeside, he does not have a point of order. It is a dispute over the facts.

* * *

Mr. Doer: The second prediction the member opposite made in 1987 was that the benefit from the export sales of Limestone would produce no extra revenue from export sales because in fact under the formula negotiated with the—

An Honourable Member: We had an 87-cent Canadian dollar then.

Mr. Doer: Oh. The words are in Hansard, Mr. Speaker, 3 cents a kilowatt-hour was the prediction of the member opposite. Thankfully, he was wrong. I would like him to be right on hogs, and I know he is wrong on Hydro.

* (14:00)

Mr. Speaker, there was an act to deal with a new development—the members opposite, when they were in government, when the member was in Cabinet, they mothballed Limestone. They cancelled it. They killed it, just like they did in the '80s to Conawapa.

We built Limestone. We built it for domestic use, but more importantly we also built it for export sales into the future to have revenue coming back to Manitoba from export sales in the United States. Thankfully, we built that resource. We built that asset, and that asset can be used to keep domestic rates low through

cross-subsidizing the export sales to domestic sales. That is why we have the lowest rates of 185 jurisdictions in North America in hydro. Secondly, we have this advantage in uncertain times to use this asset to deal with the uncertainty, to protect health care, to protect education, to deal with our debt repayments, to balance the budget and to deal with moderate and sustainable tax reductions.

Manitoba Hydro Initiatives of Former Administrations

Mr. Harry Enns (Lakeside): Mr. Speaker, on a new question to the First Minister.

Mr. Speaker: Order. The honourable Member for Lakeside, on a new question.

Mr. Enns: A little bit of forthrightness and directness would be appreciated. Will he acknowledge that in 1969 the major platform of the New Democratic Party of Manitoba was against the diversion of the Churchill River via South Indian Lake? Without that diversion, there would be no Conawapa, there would be no Limestone, there would be none of the northern developments. That is their record, and the Aboriginal members of this community will confirm this, that in 1969 Ed Schreyer ran against northern development. So much for the history of the New Democrats.

Hon. Gary Doer (Premier): As I recall the 1969 election, and I know the members opposite are upset about the 1999 election, but I did not know they were still bitter about the 1969 election. But I love this debate because, Mr. Speaker, as I recall the '69 election, Ed Schreyer was campaigning for public insurance, keeping the investments in Manitoba for the benefit of Manitoba; \$1.2 billion now is invested in schools and hospitals in Manitoba instead of going to Zurich and New York.

As I recall correctly, former Premier Schreyer also campaigned about some of the investments made with the so-called dubious Churchill Forest Products, CFI. That was also a major campaign initiative, Mr. Speaker. The plan was amended by the Schreyer government. The flooding that was scheduled under Weir to be about 35 feet was reduced, I believe, to 9 feet, though it is important to note that on the Nelson

River where Limestone was built, very little, if any, environmental damage was created. Yet this revenue stream, twice as high than was predicted by the Tories, was generated from U.S. export sales.

Mr. Speaker, former Premier Roblin did develop hydro resources for the benefit of all Manitobans. Unfortunately, after 1968, the Tories in government were the mothball party. They mothballed Limestone; the NDP built it. The NDP negotiated Conawapa; the Tories mothballed it. We are building dams for the future because that is our future in Manitoba. We are not the mothball party.

Canadian Blood Services Winnipeg Facility Status

Hon. Jon Gerrard (River Heights): Mr. Speaker, in 1998, the former Minister of Health proudly announced a new state-of-the-art facility, the Winnipeg Canadian Blood Services centre on William Avenue in Winnipeg, as a major achievement. Last year the centre formally opened as the centrepiece of the role of Manitoba in the Canadian Blood Services delivery system.

Last week, the Canadian Blood Services announced major changes to their operations. Many Manitobans, like myself, were very puzzled that there was no mention of the major Canadian Blood Services facility in Winnipeg and its future.

Could the Minister of Health explain to this Legislature what the plans are for the Canadian Blood Services Centre on William Avenue in Winnipeg?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, the Canadian Blood Services operation on William Avenue, the newly opened centre that is utilized in Manitoba, has and will continue to be utilized in Manitoba for the purpose for which it was created.

Mr. Gerrard: Mr. Speaker, my supplementary to the minister. I would ask the minister if he can clarify or assuage the current situation where at the moment there are rumours swirling around that there could be a layoff of as many as 60 percent of the staff there as a result of the changes being made.

Is the present minister going to preside over the decimation of the centre?

Mr. Chomiak: Mr. Speaker, there is a plan to consolidate call centres across the country as a cost-saving measure, insofar as the Canadian Blood Services budget has gone up something like 30 to 40 percent in the last three or four years. The consolidation of the call centres, I believe to Sudbury, Ontario, will result in the loss of one job, as I understand it, in Manitoba. There are also plans for a consolidation of some of the lab services over the next several years. I think the 60% figure is something nowhere near, I have heard.

There is a blood centre that has been constructed to draw blood here in Manitoba. That will continue to be the case. There is a consolidation of the call centres across the country.

Mr. Gerrard: Mr. Speaker, my supplementary to the Minister of Health. I am glad to hear his comments, and I hope in fact that is true.

Can the Minister of Health, in fact, give us a clear guarantee that the efforts in the centre and the number of people employed there will grow instead of shrinking and that this centre will continue to play a tremendously important role nationally in the Canadian Blood Services system?

Mr. Chomiak: Mr. Speaker, Canadian Blood Services is, I do not know if the member is aware, a national organization, something I think that is somewhat foreign to people who were involved with the federal government, that they do have national agencies that do things across the country.

I will do better than that. I will get the new executive, the official, the vice-president responsible for those services, one Darren Praznik, who is now responsible for public and corporate relations in that area, to provide the member with a direct response and a direct briefing on that matter.

Food Development Centre Government Support

Mr. Tom Nevakshonoff (Interlake): Mr. Speaker, my question is for the Minister of

Agriculture. Last Wednesday, the Member for Emerson (Mr. Jack Penner) was quoted on CFRY in Portage as saying that as a result of this Budget, Portage will lose the Food Development Centre.

Could the minister tell this House what impact the Budget has had on the Food Development Centre in Portage la Prairie?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, I thank the member for that question, because he does raise an important issue.

I was very disappointed to hear the member from Emerson on Portage radio announcing that, although we had announced money for the Food Development Centre, he was telling people that the Food Development Centre was going to be closed and moved to Winnipeg. He caused real havoc in Portage la Prairie and had many people phoning us saying: What is happening? Why are you closing the Food Development Centre?

Well, the member obviously did not know how to read the Budget, because the Budget said we were going to be investing in the Food Development Centre in Portage la Prairie. On Friday, I had the honour to announce, Mr. Speaker, an \$11-million expansion: \$7.9 million from the Province and \$2.9 million from the federal government, along with investments from the Great Plains Aseptic Processors. This is going to result in about 100 jobs per year for the next five years.

Manitoba Hydro Water Flow Estimates

Mrs. Bonnie Mitchelson (River East): Mr. Speaker, last week I asked the Premier (Mr. Doer) to provide the analysis that Manitoba Hydro has done. We know that they have prepared an analysis on the severe drought conditions and what impact that might have on water flows, which we know do impact Hydro revenues and Hydro rates.

* (14:10)

Will the Minister of Finance, given that the Premier would not, table that analysis that we know Manitoba Hydro does on a yearly basis?

know Manitoba Hydro does on a yearly basis? What are the reduced flows? What impact are they going to have on Hydro revenues and Hydro rates?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, water flows are estimated every year by Hydro, as well as by the Department of Conservation. The most significant factor in those projections is what happens in the spring. Right now moisture in Manitoba has been on the rebound and people are generally optimistic that we are going to be in reasonably good shape as we go forward.

Standing Committee Review

Mrs. Bonnie Mitchelson (River East): Mr. Speaker, on a new question, because I am not sure the Minister of Finance—

Mr. Speaker: Order. The honourable Member for River East, on a new question.

Mrs. Mitchelson: Mr. Speaker, I am not sure where the Minister of Finance has been, but we know that western Manitoba or western Canada is experiencing significant drought conditions. I would like to table for the Minister of Finance the financial statistics for the last two decades for Manitoba Hydro. I would like the Minister of Finance to specifically take note of what happened the last time there were severe drought conditions in Manitoba, where we saw export revenues from Manitoba Hydro plummet in 1987 from \$113 million to \$31 million in 1990. Droughts have a significant impact on the generation of export hydro activity.

Mr. Speaker, I would like to ask the Minister of Finance if he would now call the Committee on Public Utilities and Natural Resources that we asked his Government to do last week so that Manitobans can hear the truth, that the reduction in water flows will have significant impact on Hydro revenues and therefore Hydro rates.

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, water flows are a factor that influence, first and foremost, water power rentals. We have made it a prudent assumption in the Budget, which shows them generating less than last year. Of course, we take very careful

notice of the weather and what the impact will be on Manitoba Hydro, but a drought in western Canada does not necessarily impact water flows for Manitoba Hydro. The majority of our water flows flow through the Winnipeg River system as well as through the northern system. The Saskatchewan River is a very small percentage of the total water flows that Manitoba Hydro relies on.

Once again, we are very blessed with geographic advantages which give us a fairly balanced flow of water even in lean years to the west of us.

Mrs. Mitchelson: On a new question.

Mr. Speaker: The honourable Member for River East, on a new question.

Mrs. Mitchelson: Mr. Speaker, we know that the management at Manitoba Hydro prepares on a yearly basis, and water flows are extremely important to the management and the corporation. Because we do not always get the truth from this Government—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mrs. Mitchelson: My question, Mr. Speaker, is that since this Minister of Finance and his Premier have drained the kitty dry and have left no cushion in Manitoba Hydro for the possibility of reductions in export revenues, will he now ensure that the committee is called so that the management can report in a factual manner to all Manitobans what the impact of the drought will be?

Mr. Selinger: The forecast for revenues for Manitoba Hydro in the coming year is about half of what the actual is going to be for this year, even after the loss of \$10 million in Centra Gas. So future forecasts are extremely prudent.

Of course we will have the standing committee sit, as we do every year, and at that time we can review any question you wish.

Manitoba Hydro Rate Freeze—Premier's Comments

Mr. Mervin Tweed (Turtle Mountain): Since the government of the day brought up the idea of

truth in reporting, I have a question for the Premier.

Will he confirm that on Wednesday, April 24, in *The Winnipeg Sun*, and Wednesday, April 24, in the *Brandon Sun* he made the comment: Hydro rates are frozen. Rates will not go up. Will he confirm that he made those comments, Mr. Speaker?

Hon. Gary Doer (Premier): Mr. Speaker, the member opposite asked the question. I mentioned last week that Centra Gas, the members opposite may recall, lost \$10 million, I believe, last year, and I believe there is a rate application before the PUB. I answered the same question last week.

Secondly, I believe the rates have been frozen in Manitoba Hydro for four or five years. With export sales we continue to feel very confident about rate stability and having the lowest rates in North America, and, Mr. Speaker, they are frozen.

Rate Freeze—Minister's Comments

Mr. Mervin Tweed (Turtle Mountain): I am pleased to hear that the Premier has confirmed that Hydro rates will not go up for the next four or five years, but I would ask him how that would coincide with what the Minister of Finance (Mr. Selinger) said on this very same day. He said there is no rate increase for this year and we will take it on a go-forward basis. I would ask the Minister of Finance to confirm those statements.

Hon. Gary Doer (Premier): Mr. Speaker, each and every year that Hydro rates are frozen we say they are frozen. Each and every year there are different scenarios from Hydro, most of which have not come to fruition because of the fact that export revenues have been very, very positive in terms of the bottom line at Hydro. If the rates do go up next year, I am sure members opposite will make it a huge political issue. I am confident they will not.

Rate Freeze

Mr. Mervin Tweed (Turtle Mountain): It is obvious that this Government has raided Hydro

of \$150 million this year to pay their last year's overspending debt, debt that was not included in last year's financial statement. They even have to change the law, the act, the Hydro act, to balance last year's Budget.

The question that Manitobans want—they are being led by this Government to believe that this money is being used to help all Manitobans when in reality it is being used to help the ministers of this Government.

I ask the Finance Minister: Who are the people of Manitoba to believe: the Premier, the Finance Minister? Will anybody answer the question in regard to Hydro rates?

Hon. Greg Selinger (Minister of Finance): You know, Mr. Speaker, in the last election campaign the former premier said the following, at least this was the quote in *The Winnipeg Sun*, and we all have a high degree of confidence in journalistic reporting. The former premier said: By challenging the utility to increase its export sales and profits we will generate more revenue which can be used for the benefit of all Manitobans. That is exactly what we are going to do.

Federal Transfer Payments Increased Funding

Mr. Jim Penner (Steinbach): Mr. Speaker, besides tabling a deficit budget, which is unbalanced without raiding Hydro reserves, this Government estimates an 11% increase in federal transfers.

* (14:20)

I ask the Minister of Finance, since he has not successfully negotiated with the federal government, where he expects the federal government to increase the funding to Manitoba.

Hon. Greg Selinger (Minister of Finance): In the Budget papers, I have disclosed all the information with respect to the federal accounting error, and I would draw the member's attention to that section. I think he will find it very instructive. He will find that we have a very strong precedent in 1990 from the then-Minister of Finance Michael Wilson on a very similar

base of revenue, where not applying equalization was considered an unjustifiable anomaly. That precedent has been put in front of the federal Minister of Finance. He has been getting pressure from all the provinces to address this problem, and he still remains optimistic that he will. He has given me his assurance that Manitoba will not suffer as a result of the federal mistake.

Mr. Jim Penner: Mr. Speaker, to the Minister of Finance again, I ask: How stable is the federal funding increase predicted by the Doer government, since it is expected to cover 34 percent of the Doer government's spending?

Mr. Selinger: Well, there are several elements that are involved in federal transfers. The first is the CHST, the Canada Health and Social Transfer. We believe that number is very stable, although inadequate and still has not returned to the level that used to exist before the '95-96 Budget, so even though it is 14-cent dollars, and we would like to see 18-cent dollars, we believe that amount is stable.

The equalization transfer is one that is calculated every year based on a five-province standard, and we expect to include within that the federal accounting error. The federal government will keep us briefed, but we hope they will do the right thing and solve the problem based on federal assurances and a very strong precedent from 1990.

Mr. Jim Penner: Mr. Speaker, on my second supplementary, we still need an answer. How can the minister present to the people of Manitoba a Budget that forecasts an 11% increase in federal transfers when he knows full well the financial implications of the federal error remain unknown?

Mr. Selinger: Well, you know, I thank the member for that question. It is a useful question.

We are basing our Budget on the assurances given to us by the federal Minister of Finance, based on a very strong precedent, and based on an equalization formula which is enshrined in the Constitution. We believe those three facts should give us some confidence on a go-forward basis.

Flood Protection Red River--Dredging

Mr. Edward Helwer (Gimli): Mr. Speaker, since the release of the KGS report, the flood protection studies for Winnipeg, there has been a lot of discussion about the future of flood protection measures. One issue that came up frequently or that comes up frequently in the public consultations regarding the KGS report was the need to dredge the Red River.

Indeed, in this House last year, I asked the Minister of Conservation (Mr. Lathlin) and the Minister of Conservation promised to raise this issue with the federal government. With the shipping season about to begin on the Red River and on Lake Winnipeg, and also with the spawning of fish in the Red River, will the Minister of Conservation tell us if the Government has had any discussions with the federal government about the urgent need to examine the dredging issue?

Hon. Gary Doer (Premier): Well, as Minister responsible for Federal-Provincial Relations, Mr. Speaker, we have raised all the issues in the KGS report. The member should understand that the KGS report and the IJC report were both—in fact the IJC report was a federal document scoped with an international body appointed by the federal government and was totally a federal study. [*interjection*]

Mr. Speaker: Order.

Mr. Doer: Secondly, the KGS report was a document paid for, the study was paid for by the federal and provincial governments; and thirdly, the public hearings were partially paid for by the federal government as well, held by Mr. Duguid. In all three of those studies, the issue of water impact north of the floodway was identified. The whole issue of the risk north of the floodway was identified.

This is not a document or a project that is only a unilateral provincial project. The original floodway, was built by Duff Roblin and the former Prime Minister Diefenbaker. All the studies have been conducted by both parties, i.e., the federal and provincial governments. We have no proprietary ownership of the studies so when

you ask the question of when the federal government had been given this information, they were partly sponsors of it to begin with.

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

MEMBERS' STATEMENTS

MB4Youth Web Site

Ms. Nancy Allan (St. Vital): It is my pleasure to rise before the House to recognize the launch of an important new resource for Manitoba's youth, the MB4Youth Web site. Unveiled at the Rural Forum in Brandon this past week, MB4Youth provided young Manitobans with access to a number of important government services and information. MB4Youth provides links to use specific programs, services, policies and information from numerous government departments without the need to search through each separate government department. Youth can access information about education, employment, recreation and culture, the environment and a number of other areas.

To ensure that the Web site is timely and relevant, the Web site was developed with the help of young Manitobans. We recognize the importance of Internet-based services and programs and the unique advantages that e-government provides. MB4Youth is a prime example of the efficient and accessible nature of Internet-based governments. E-government reduces costly office sites, mailings and call centres while providing 24-hour access to government information and programs from any personal computer.

In conjunction with programs such as Community Connections, which provides free public Internet access, the scope of e-government is extended to reach all Manitobans. MB4Youth also plays an important role in our Government's long-term economic development strategy. Our Government strongly believes that the education of our youth is the best guarantee we have that Manitoba will continue to prosper now and into the future. MB4Youth allows visitors to access important information about employment issues, career development, hot jobs and apprenticeship programs.

I would like to thank all those who helped to design and implement the MB4Youth Web site. I would like to urge all young Manitobans to visit the site to see the various youth services and programs that are available.

Parkland Southwest Regional Centre

Mr. Leonard Derkach (Russell): I rise today to extend congratulations to the Parkland Southwest campus for celebrating 10 years of delivering educational programs to the Parkland area. Last week the campus celebrated its 10th anniversary. This campus was created to deliver services programming to students who live on the western side of the province. To date, Mr. Speaker, some 1250 students have taken the upgrading program at the campus. In addition to that, many programs have been delivered through the Parkland Southwest campus to students who live not only in Manitoba but also in Saskatchewan.

This campus has delivered programs of need in the southwest part of the province and currently the program is delivering a nursing program in the area, a program that is needed in that part of the province. While this campus delivers programs for youth and for adults alike, it has also delivered programs for people who have come back to get an upgrading program or perhaps who have lost their jobs in an existing industry and have needed retraining to conform today with needs in the job market.

I want to congratulate the people of the southwest region, the people from the Russell area who have persevered over the 10 years to ensure that relevant programs are delivered to students in that area.

Parent-Child Centres

Ms. Marianne Cerilli (Radisson): I want to highlight a government initiative that is really wonderful and is taking off across this province. With the total budget from Healthy Child Manitoba of \$2,700,000, it is creating the infrastructure for early child development and families by providing a network of support for parents. I am speaking of the parent-child centres being developed by 22 community-based coalitions across our province. I want to focus on

the great things happening in the Radisson area with the River East School Division, St. Boniface School Division, and Transcona-Springfield School Division.

In St. Boniface, there is a joint program with one co-ordinator, a woman named Rita who is a real dynamo, who, I think, is setting the world record for starting the most programs in one year ever by partnering with other agencies, particularly Bookmates. These programs are at Marion School and at Archwood School. With programs like Story Sacks, Rock and Read, Ready for School, and Parent Child Mother Goose, children are certainly getting a head start in preparing for school. There are a number of other programs that assist parents in developing computer skills, learning how to play with other children, and getting a break to talk to other parents.

In the River East School Division, they decided to utilize the resources to create a community school steering committee, which is a coalition of agencies and a number of staff across the area that deal with children and youth. There is an extensive list. They have set out goals for community schools and have identified six schools, as well as the Elmwood and the Northeast Winnipeg Resource Centre. That centre is headed up by Cathy Gold from the Stars of Promise Day Care.

In Transcona, the lead group is the Transcona-Springfield Employment Network under the auspices of the Transcona Community Network, and there the program is headed up by a United Church minister. It is going to be housed at 980 Day Street in Transcona, where a staffperson has been hired to develop a partnership with the Transcona-Springfield School Division. Thanks, Mr. Speaker.

* (14:30)

Manitoba Tourism Awards

Mr. Larry Maguire (Arthur-Virden): Mr. Speaker, last Thursday evening, April 25, I had the pleasure of attending the ceremony during which the 2001 Manitoba Tourism Awards were handed out in conjunction with the Rural Forum in Brandon. Several recipients of these awards

were from Boissevain in the fine southwest constituency of Arthur-Virden.

Wayne Pringle and Ivan Strain of Boissevain shared the Volunteer of the Year Ambassador Award. These two men received the award for the positive contributions they have made to the community over the past 30 years.

Firstly, they were honoured for their role in organizing the mural painting campaign in enhancing the beautification of Boissevain. Their outstanding efforts have helped to create over 20 murals which have attracted national and international attention.

Secondly, the award recognized the countless hours they have contributed to organizing and running the very successful Boissevain Turtle Derby. They started this event in 1972 and the 30th and last derby was held in July of 2001. It was an international event with Canadian and American races and the crowning of a world champion. It has played a key role in promoting tourism in this area.

Pringle and Strain are also involved in other aspects of the community, including the tourism association and the arts council, in addition to their daily business occupations.

Winning the Business Innovation Award was the Irvin Goodon International Wildlife Museum from Boissevain. The award recognized the museum's significant contribution to tourism and visitation to the area. Having just opened last summer, the museum attracted thousands of visitors with its large collection of mounted animals, dramatic murals and unique product lines. Congratulations to owners Irvin and Mark Goodon.

Mr. Speaker, the Manitoba Tourism Awards recognize those that have led and contributed to the growth and success of Manitoba's tourism sector. The individuals and museum I have mentioned are truly deserving of this honour. In closing, I would like to congratulate these and other recipients of the 2001 Manitoba Tourism Awards. Thank you.

Families in Schools Together Program

Mr. Cris Aglugub (The Maples): Mr. Speaker, I rise today to speak about an inspiring and

touching program. It is called the Families and Schools Together Canada. It is an early intervention and prevention program designed to bring out the strength of families and communities so that they may trust and support one another.

I was privileged to attend the graduation of a group of 28 on February 28 at Elwick Community School in my constituency. I was most impressed by the warm atmosphere and sense of pride people took in their success. I want to congratulate all those recent graduates and encourage others to become involved in this effective program.

The first model addresses the tragedies of youth violence and chronic juvenile delinquency by building and enhancing the relationship between youth, young people and their families, peers, teachers, school staff and other members of the community.

These relationships form a social and protective bond with youth at risk which helps them to succeed at home, in school and in communities. It also encourages them to avoid becoming delinquent, violent or addicted. Improving the domestic relationship can have the added benefits of preventing or addressing family alcohol and drug abuse. It also promotes increased parental involvement in the academic success of their children. The program begins with outreach in which parents partner with professionals to visit the homes of isolated and stressed families identified by schools and invite them to attend eight to fourteen weeks of meetings. At these meetings, families learn to build communication skills and to identify and express emotions in constructive ways. Parents practise social play at home daily as well. FAST is co-ordinated nationally by family services Canada but has local partners such as the Addictions Foundation.

* (14:30)

ORDERS OF THE DAY

GOVERNMENT BUSINESS

ADJOURNED DEBATE (Sixth Day of Debate)

Mr. Speaker: To resume debate on the proposed motion of the honourable Minister of Finance (Mr. Selinger) that this House approve

in general the budgetary policy of the Government and the proposed motion of the honourable Leader of the Official Opposition (Mr. Murray), standing in the name of the honourable Member for Assiniboia, who has 21 minutes remaining.

Mr. Jim Rondeau (Assiniboia): Mr. Speaker, I am very pleased to rise again today to finish up my comments in support of a wonderful budget. When I stopped on Friday, we were talking about how this Government has dropped the tax rate and the cost of living for seniors, people on fixed incomes and those people who really needed to have some assistance.

When we became Government a couple years ago, we were faced with huge taxes. What we are doing is slowly whittling them away so that people can afford to live and live well in this province. We were using some examples of senior couples, et cetera. A senior couple earning \$80,000 basically in 1999 would have to pay \$7,855. They have had tax decreases every single year. Within four years we are going to have over a 10% decrease then.

It is really important to note that even a two-income earner family of four at \$60,000 started off in 1997, and that is in the years of the Tory government, our past Tory government, at about \$4,500 in tax. That is \$4,500 in tax. In the year 2001 we are talking about \$3,600. By 2002 we are talking \$3,400. So it is considerable. It is a \$1,200 difference in tax. That is considerable.

Another thing that we need to talk about is corporate income tax. The members opposite often think that they are friends of big business and understand business. It is amazing and passing strange that they actually did not drop the corporate tax rate. They did not drop the small business tax rate, and our Government has done both. We have dropped the corporate tax rate to become competitive, and we also dropped the small business tax rate.

When you are looking at the drivers for the economy, small business is the driver. It is the major form of creation of jobs. It is also jobs that do not get up and leave, do not unplug like some companies, but what we are going to do is have permanent jobs, and it is nice to see that we have

two things. One, in the small business threshold, we have increased the threshold at which they pay tax and we have also decreased the tax rate. So we are very, very business friendly, small business friendly, and we have done well.

We have also spent some money in a wise investment, in the Film and Video Production Tax Credit. This is one that creates a lot of money from outside the country, outside the province. They come in, they develop video and film industry, and I have to admit I was amazed at the huge increase in investment, the large number of films that are being filmed here on a regular basis, and the huge spinoffs. These are generally companies that would not locate here, would not do business here if we did not provide that tax credit. It is a huge boon for our economy and boon for our industry. We have a wonderful place to film. We have a great national heritage site here, so it is great for turn-of-the-century movies, and it is also one of the industries where we can compete on a world, global basis. So that is wonderful to see, that we are going to continue that and enhance the amount of money that is spent there.

* (14:40)

So what we have done in this Budget is we have invested in education. We have invested in industry. We have invested in post-secondary, which is our future. We have had things like apprenticeship, co-operative vocational education expand, and what we have done is we now have a good future.

It is nice to see that we are borrowing ideas from other groups, that we are creating incentives to stay in Manitoba. Therefore people in nursing, in medicine are using these incentives to actually remain in our province, work in our province and help our province.

It is neat to see that when you are comparing the treatment of our Government with others, in the year 2000 we were the highest taxed province for a family of four earning \$60,000. By 2001, we were the seventh lowest, and in 2002 we are the sixth lowest. So what we have done is we have actually whiled away that. We have whiled away the property taxes. We have increased the property tax credit for

homeowners. We have also decreased the education support levy which also makes it affordable, so people on fixed incomes and people on moderate incomes can actually afford to live in Manitoba. We truly have a Manitoba advantage.

Now we talk about how we pay for that. We pay for that with equity. We pay for that in an equitable fashion, and that fashion is that we use a fair income tax rate structure, and we also take some money from Hydro.

The members opposite, they are berating us for using the Hydro dividend, and I would like comment a little on our Hydro dividend. First, I believe it is prudent. We are taking not all; we are taking a small percentage of each year's profits. We are talking about paying down the debt and making \$600 million in a period of about five or six years. So the draw on Hydro is less than 50 percent of that. What we are talking about is taking the money from export sales.

Let us compare that to what happened in the MTS privatization. There the major winners were places like Wellington West. Wellington West was the appraisal. They were the ones who made a lot of the money on valuing the company and selling the company. What is scary about it is that I believe it could have been sold for more money. It was not sold for good value. In fact, it was approaching \$40 and over \$40, yet was only sold for a third of that.

What is neat about it is it was sold, and who bought it? Well, you look at the board of directors who got lots of shares for their service to the Crown corporation and for their service to the private corporation, so people who got rich were the board members. I challenged the media, I challenged lots of people to look at who was on the board and who was awarded what shares at the time. You look at their annual report on 2002, and you will still see a number of connections with the members opposite, who financially benefit. I would rather have it where we take a Crown corporation and use the money for all Manitobans and keep the asset and keep the asset working for all of us, rather than sell the asset to the benefit of very, very few people.

I know, when it was sold, it was supposedly sold to Manitobans, but right now, Manitobans

are not the majority shareholder. They are by far the minority shareholder. So who is getting the benefits? The large corporations who bought the shares. They are the ones who made the profits. Who are the ones who took the shares, turned them over and made a tidy profit? It was not the average Manitobans. It was the people who knew that the company was undervalued and knew that they were going to make money when they invested in it.

Let us look at what happened in the rates. The rates have basically almost doubled in only four or five years. We went from one of the lowest telephone rates in the country, and I repeat the lowest telephone rates in the country, to now one of the highest rates in the country. Who makes that? The shareholders again.

So I look at it now. We have the lowest hydro rates in the country, and that makes it very, very economic, et cetera. What happened is that I look at a government that is prudently taking less than 50 percent of the money that they made in five years, and what you do is that money is going to the benefit of all. It would be much better than people making money on a million dollars of shares when they are a member of the board. It is much better than people who are hired from Wellington West, et cetera. It is inappropriate, I believe, that these people are benefiting from a sale of a public corporation. I believe it is better to have a public corporation to the benefit of everyone, not to the few privileged rich people or who got richer.

Anyhow, I also look at this: We have a society which is based on fairness and equity. We have a democracy. In a democracy, what happens is you are trying to do what is best for everyone, what is best for all Manitobans. By taking a small dividend and spreading it among everyone in health care, education, roads, infrastructure, child development, industry development, what you are doing is you are benefiting all Manitobans and building for the future. I know that this Government is building for the future. I believe that it is far better for everyone to benefit by a large building, a plan, a long-term plan that is developing, rather than having some people get rich off everyone's efforts.

So I am very, very pleased to support this Budget. I am very, very pleased to be part of this

Government that is looking to the future, building for the future and has a great vision for the future. Thank you, very much.

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, I am very pleased to have the opportunity to put a few words on the record regarding the third budget of the NDP.

Prior to doing that, I would like to extend a very warm welcome to the newest member of our caucus from Lac du Bonnet. It was an extreme pleasure to work with him and his family in the by-election, to get to know him and what he stood for. It was a pleasure to listen to him as he talked to people, to watch how he listened to people. He certainly came across as a man of integrity, with principle, a man of compassion and caring, and a man of vision. He had a good sense of what needed to be done in the area. He certainly gave you the impression as a man who would roll up his sleeves and get at doing good things for people and representing them very well. It was a pleasure also to reacquaint myself with his wife, who I worked with years ago at St. Boniface Hospital, to meet his two daughters and to meet his mother-in-law, who is a wonderful cook as well. So it is a pleasure to have him here in our caucus, Mr. Speaker.

I read the words, regarding the Budget, of the Member for Lakeside (Mr. Enns). There is always something that somebody can learn from the Member for Lakeside. You know, Mr. Speaker, he always said he tries to find something positive to say about things when he can. So being a fair-minded person myself and somebody who deplores injustices, I sat back with that view in mind, and I reviewed the NDP's third budget. But I am afraid I did not have much luck. Try as hard as I could, I could not find much to support in the Budget. I found there was no inspiration and I found that there was no vision. It painted the picture of a very timid government, a government in a rut and a government that seemed happy to stay there.

Unfortunately, it is not a budget that provides incentives for young people to stay here in Manitoba. As the mother of two young children, it gives me extra angst, I guess, to think that if they do not have the opportunities here in

Manitoba my two young sons may not choose to stay here. Despite seeing Manitoba suffer a net interprovincial migration loss of 4547 people in 2001, up 47 percent from the previous year, there was no plan in this Budget to address that. As the mother of two young boys, I really wish there had been. Taxes remain wickedly high. This will continue to drive people out of this province. Why should middle-income earners like teachers and nurses stay here when they remain the highest taxed people west of Québec?

* (14:50)

Governing is about making choices. This Government chose to do what NDP governments do best—spend, spend, spend. We saw it with Howard Pawley; we saw it with Bob Rae in Ontario; we saw it with Glen Clark in British Columbia. All three of those men devastated the economies of their provinces, and it took years, in the case of B.C. it is going to take years, for repairs to rebuild them. In fact, Glen Clark's spending turned British Columbia into a have-not province. Now the Campbell government in B.C. is forced to enact draconian measures to try to revive that province.

If Manitoba's NDP stay too long in government here, I predict that we will end up exactly as British Columbia has. It will cause all kinds of future hardships for the people of this province. I am watching the news to see what is happening there in terms of health care. It is interesting to watch what they are having to do, the draconian measures they are having to enact in order to fix what the NDP broke in that province.

Manitoba's NDP have started on a slippery slope with robbing from Hydro to deal with their last year's deficit and their future ones. They obviously are not planning to curtail their spending, so Manitobans are rightfully wary. In March 2001 it was the Premier of Manitoba (Mr. Doer) who said, and I quote: I am responsible for all financial decisions. So it is crystal clear where the blame will lay in Manitoba.

The role of government is to be good stewards of the public's money, the taking in of that money and the spending of that money. It has become more than obvious that trusting the

NDP to be good stewards of our money is like trusting the chimps to run the banana factory. This Budget failed to offer Manitobans any vision for an innovative, successful and sustainable future. It failed to provide a sustainable provincial spending plan or an economic development plan. Visions of the '80s and Howard Pawley's government come quickly to mind. In this Budget, Mr. Speaker, the Premier (Mr. Doer) has increased spending by almost \$250 million. They are spending more than they are taking in. This type of spending is absolutely not sustainable. In fact, Manitoba's finances are increasingly looking like an Atlantic province. Even people living in Saskatchewan are better off than us here in Manitoba.

This Government received almost a billion dollars in new money in their first two years of government. In fact, they laughed at us, they ridiculed us, they made jokes in the House and outside the House when we predicted that we would see a billion dollars in five years. It was our pledge at that time during the 1999 election that half of that money would go into health and education and half would go into tax relief, back into the pockets of Manitobans. The NDP jeered, and they certainly had a lot of fun doing it.

Mr. Speaker, lo and behold, look what happens. They find the money in their first two years in government and spent every cent of it. In fact, in health care, in their first two years, almost half a billion of it went into health care. We saw almost a 22% increase, or it was a 22% increase, in health care spending. Now, with this Budget, we have seen a total, since the NDP have come into government, of \$650 million more being poured into health care. That is getting very, very close to the three-quarter-billion-dollar figure. It is amazing how quickly they have added that to their baseline funding.

Even Roy Romanow has said that blindly pouring money into the existing system will not work, nor will working harder or smarter. It is interesting, coming from Roy Romanow, to hear comments like that.

Mr. Speaker, this Minister of Health (Mr. Chomiak) has overspent his past year's budget by \$100 million. He increased the spending in health care again in this Budget by \$182 million.

It is up to \$2.7 billion, so that 40 percent of the total provincial budget is spent on health. We see provinces, in fact every other province in Canada, working hard to try to bring down their health care spending, being extremely worried that they cannot sustain this kind of funding. Yet we have an NDP government here in Manitoba that continues to put more and more money into health care. One really has to ask the question: Does anybody truly believe that this is sustainable over the long run?

I do not think this Minister of Health is going to stop there. I think he truly believes that putting more money into health care is really the answer to his problems, and it appears to be his only answer. He does not appear to be looking for efficiencies in health care or innovations, things which would make our health care system stronger. Instead he stumbles from crisis to crisis and throws money at everything.

Mr. Speaker, the financial burden of health care is growing beyond our ability to fund it if the status quo is maintained. However, the current government sees health care as frozen in time and does not seem to truly understand that the money for it will not be there at the rate they are going. They need to wake up to this fact before it is too late, before it is too late for Manitobans, and Manitobans are going to be the ones that suffer for their lack of insight, their lack of ability to plan and their lack of even understanding what this spending is going to mean to Manitobans down the road.

We see very little signs of truly strengthening our health care system by this Government. In fact, their biggest claim to fame around the area of reform is the purchase of the Pan Am Clinic, and a commitment for more funding there for an extension. They have spent \$7.3 million. They have bought bricks and mortar. They have bought an old building. They have bought old equipment there. They are going to have to put more money into it to make it functional, and it really begs the question as to how this, in fact, can be seen as anywhere near reform in Manitoba. Why did they not just take that money and buy needed care for patients?

They did not have to buy an old building and old equipment. All they needed to do was

take \$7 million and buy patient care, which would seem to me, Mr. Speaker, to be much more fiscally responsible and a prudent thing to do. Yet this Government chose not to. They are so busy building their monopolistic kingdom in health care that in the end, Manitoba patients are going to bear the brunt of some of these, I think, bad decisions by this Government, bad policy.

The minister brags that this will be a model for Canada, that the Pan Am Clinic is going to be a model for Canada. In fact, Mr. Speaker, I think that it is quite the opposite, and I imagine there must be some smiling going on across Canada by other ministers of Health who have heard these proclamations coming out of Manitoba, because all the big provinces in Canada are moving in exactly the opposite direction.

The Minister of Health from British Columbia has opened his doors wide to collaboration with private clinics, as have Alberta, Ontario and Québec. NDP Saskatchewan, of course, is not going to, and I am not sure what the Maritimes are going to do. But, certainly, for the Premier and the Minister of Health here in Manitoba to indicate that this is a model for the rest of Canada, I think, is somewhat misleading because certainly nobody is going in that direction.

When asked for proof of their claim that nationalizing the Pan Am could save money, the Minister of Health could not provide that. Well, if he is so sure that this is such a wonderful model and that he is saving money by buying an old clinic and buying old equipment, and it is a model that other people in Canada are going to follow, and he thinks that it is a cost saver, he really has to be able to back that with evidence. So far, he is not able to do it. So all we are seeing, Mr. Speaker, is some spinning and some rhetoric, but we are certainly not seeing the evidence of what he is saying.

Mr. Speaker, this Minister of Health (Mr. Chomiak) misleads Manitobans at every turn with his rhetoric, with his manipulation of information, but, you know, I think Manitobans are soon going to figure it out. As more evidence mounts everyday about the problems in health care, Manitobans are becoming more and more

aware of how this Minister of Health is failing them, this minister who won an election based on false promises, this minister who won an election praying on the fears of the sick and the elderly, this minister who promised to fix health care in six months with \$15 million.

Well, Mr. Speaker, two and a half years later and well over half a billion dollars later, I think it is fair to say that he is failing miserably. The NDP government are failing miserably in the area of health care.

* (15:00)

It is so interesting to note, Mr. Speaker, that right after the NDP formed government, the Minister of Health said, and I quote: We do not have any control over spending. The buck stops nowhere.

Well, it still appears that it stops nowhere. The minister at the time said, when the budget was \$2.1 billion, that spending was out of control in health care. He called it a disaster. Half or more than half a billion dollars later, I wonder what he is going to call it now.

The Minister of Health has also said that everyday he spends on the job is like a frightening ride on a runaway train. Well, it appears that train may have now derailed itself. Where will the spending in health care end, Mr. Speaker? How can it possibly be sustained at this rate? Where is all this money that the minister has now built into the base line going to come from in future years? Especially with the fact that this Government has now put Hydro in jeopardy, we are certainly going to see, I think, some fiscal challenges for this Government in the future. When they have run a deficit already in their past budget, I do not think it is going to take them long to get into deep, deep trouble.

Mr. Speaker, I will tell you where they are going to have to turn when they do run into trouble. I think we are starting to see it now, and we started to see it in some of their Budget. They have overspent and overspent, and now Manitobans are starting to have to bear the brunt of that. We have seen it with a decrease in chiropractic funding. Interesting that the minister was happy calling it increasing user fees when

we were in government, but he is certainly trying to backtrack from that now. Is the minister going to have to delist services in order to find the funding he needs in the future for health care? He was very evasive the other day when he was asked about whether or not fees in personal care homes will rise like they did in Saskatchewan. He refused to unequivocally guarantee that he will not increase rates in the same way that they did in Saskatchewan. He is forcing the RHA amalgamation in western Manitoba and, by doing that, is removing decision making from closer to home, the very reason that regionalization was put in place in the first place.

They are doing that with absolutely no evidence that it is going to work. The minister, if he is going to go down that road of forcing amalgamation to regional health authorities, really needs to be able to provide evidence that he is going to save money as he said. Otherwise, it is going to be as hollow as his promise to end hallway medicine, something he could not do because he did not do his homework. He was going to open 100 beds. Well, he could not do it, because he did not do his homework. Are we going to see the same thing now with the forced amalgamation of regional health authorities?

Where else can we look for where the Government is going to find money to make up for their overspending? We are seeing it now with the removal of drugs from the formulary. We are seeing it with an increased deductible for Pharmacare. We see taxes rising in various levels. Are we going to start seeing this Government charging user fees or co-payments for home care?

I mean, down the road they are going to be in a tough position of having to make some tough decisions, and they are the ones being responsible for that in the first place. If they were more prudent with how they spent their money now, they might not be putting our health care system in such jeopardy.

I imagine, though, down the road that they certainly can continue to raid Crown corporations, they have opened the door to that, or they are going to have to take money from other departments, like Justice, like Education, like the roads. Those are the kinds of tough

decisions this Government is going to have to make, because this is the very real reality of where they are placing themselves.

Mr. Speaker, they thought it would be so easy. In opposition, they demanded over and over that the Tories put more money into health care. Well, we added money to health care to meet the demands when we were able to. Then they became government and accused us after they saw the books of reckless spending. Then guess what? They built all this so-called reckless spending into the Budget, and now they have added dramatically on top of that.

So it is really kind of strange, Mr. Speaker, that they can make all these accusations in opposition and call everything reckless spending and then dramatically, nearing three-quarter billion dollars, add that much more into the Budget, and then, despite adding all the money into the Budget, they continue to overspend every budget, \$75 million the first time, \$100 million the second time.

While the Minister of Health has said that the buck stops nowhere, he is dead wrong on that one. Whether they like it or not, the buck stops at the desk of the Minister of Health (Mr. Chomiak) and the Premier (Mr. Doer) of this province. They have choices to make, and they are not always easy choices. In this Budget, they chose to spend, spend, spend.

Has their spending spree made a difference in Manitoba? You would think, with that kind of money going into the health system, everything should be fixed, but hallway medicine is worse than it was two years ago. Waiting lists for diagnostic treatment and treatments themselves are high. Access to care is compromised. The nursing shortage has more than doubled since the NDP came to power. Full-time nurses have actually decreased, according to the Manitoba Nurses' Union. The numbers have actually gone from 35.5 percent down to 33 percent, and yet they said in their Budget that they are going to work towards increasing full-time nurses.

Well, they promised that in the election too, so it looks like they are just rehashing some old news, and they still have not been able to address that adequately at all. In fact, Mr.

Speaker, it is interesting to note that Manitoba has, according to the nurses' union, the worst full-time to part-time ratio in all of Canada at 33 percent. In fact, the Canadian average is 52 percent and the American average is 72 percent. We look forward to seeing the minister move far more aggressively on this issue than he has in his first two and a half years in government.

The Premier is running around telling people that the nursing situation is better, but his rhetoric and his misleading information is starting to trip him up. He got caught the other day trying to say that he added seats to the University of Manitoba Faculty of Nursing, but whoops. Not so. He has done nothing, and in fact, when Alan Rock was in town he actually made a statement that he found it deplorable that the NDP government has not done anything to enhance the number of seats at the University of Manitoba when Manitoba's nursing shortage was so bad.

The Premier is on record as saying actually, in one of the local papers on March 9, that his Government has quadrupled the training spots for nurses since taking office. Well, my goodness, Mr. Speaker, if he did that, there would be 1600 new first year students at the University of Manitoba. It just shows you how trying to spin information and play with rhetoric, how it might trip you up from time to time. The university has been successful in recruiting students, but it has absolutely nothing to do with the NDP government. It has everything to do with the aggressive advertising by the University of Manitoba Faculty of Nursing, and they deserve alone full credit for what they have done.

Mr. Speaker, this Government also promised during the election to immediately open 100 beds. Well, I wonder where that is at. In fact, I think for probably well over the last year we have had a cardiac surgery program in Manitoba that is in some degree of crisis. How much of it is related to their political interference during the last election to force the WRHA to move to two sites for a cardiac surgery program? Doctor Postl was adamant when we were in government, as was the head of cardiology and the head of cardiac surgery in Manitoba, that the best way to provide care, the best economy in terms of efficiencies would be for one site.

* (15:10)

In fact, this Government chose to go quite in the opposite direction. It is interesting the Minister of Health the other day got all excited about a letter to the editor that I had tabled for the House. The letter was written at the time decisions were being made in Manitoba, Mr. Speaker, for whether or not there should be one site or two sites. That letter is as relevant today as it was the day it was written. I appreciate that the Minister of Health does not have a health background, so he might not appreciate that that letter still has relevance today.

The minister was also quick to make a snide little comment that oh well, the Bell-Wade Report did not support that. Well, in fact, on page 29 of the Bell-Wade Report, it indicates very clearly that their preference was for one site for cardiac surgery in Manitoba, as is the case with all programs across the country. If they are not there, they are certainly moving in that direction. It would beg the question, if this Government is really looking for efficiencies like they say they are going to do, then maybe they need to be looking a little bit more at this issue.

This Premier is also running around telling the media or putting it in his franking piece that they were able to attract so many specialists to Manitoba. Mr. Speaker, what I find quite comical is they have not said how many specialists have left Manitoba. The numbers do not quite look so pretty, but when he says, oh, we were able to bring in all of these specialists, it looks good in his franking piece. People in his community must think it is wonderful. But the fact of it was he did not give the flip side. He did not give the accurate information and the right picture of how many people have actually left. So the truth tends to get lost in his rhetoric, actually a lot of times. I think that he is going to continue to trip up more and more on trying to get his spin out there.

Mr. Speaker, I have to wonder where the comprehensive prostate cancer centre and screening program is. The centre was promised immediately after they were going to form government, and the screening program was going to take place one year after they formed

government. Now I have to wonder if the spending spree by the NDP has actually compromised this particular program. Has it compromised their promise to put nurses in schools?

I notice there were no announcements of funding for kitchen renovations at the Health Sciences Centre and St. B., despite the fact that he certainly made some promises to Manitobans and to the unions that he was going to change all of this around. Yet we did not see or hear any announcements in this Budget for what he was going to do with those kitchen renovations and the huge amount of money it is going to cost to actually make those renovations.

In this Budget I did not hear anything in terms of a strategy for Aboriginals, women, mental health. We have certainly been aware that the accreditation results are out there for the WRHA. Those people in mental health that I was speaking to indicated that the mental health aspect of it, according to them, is appalling. Where was their health strategy for seniors? What is happening to the midwifery program? We have been told that in Brandon it is underresourced and at risk of closing, and yet there was no mention of that in this Budget. Where are their primary care and community initiatives? Glaringly absent from this Budget, Mr. Speaker.

So have they rescued health care like they promised? They are so far away from that, Mr. Speaker, that really has turned out to be a promise that they must have a great deal of discomfort about. You can see why they are not able to do what they said they were going to do, because, as the Minister of Health (Mr. Chomiak) said, he has no plan for health care. He has no grand scheme. So without a plan, without a road map, without a vision for health care, you will get lost. Patients will fall through the cracks. They will continue to spend in an untargeted fashion. It is like a dog chasing their tail. That is what we are going to continue to see over and over again. In fact, Mr. Speaker, the Minister of Health is like the red Queen in *Alice in Wonderland*, running as fast as he can to stay in the same place.

This Premier (Mr. Doer) and this Health Minister have got to grasp the simple concept

that simply throwing money at problems is not going to solve them. They have to have a real plan to address the very health care issues that are alive in our province, but they have failed to deliver that plan. Our priority as a province must be providing patients with quality and accessible health care services. Our priority is to improve patient outcomes. We are seeing that all this money is definitely not doing what it should be doing to improve patient outcomes.

Health care in Manitoba and throughout Canada is indeed facing unprecedented challenges. To face these challenges we have to take part in a dialogue about the kind of health care system that Manitobans want for themselves. Instead what did the NDP choose to do with their consultations? They asked Manitobans how to pay and things not to do. Well, it is becoming more evident that from all of the patients who sent in their surveys related to the request for government not to touch chiropractic services, this Government really has turned their back on people that have filled in those consultations.

Mr. Speaker, I think the NDP consultations have really shown that it was a PR exercise—smoke and mirrors at best. They pretended to listen, but then one of the NDP members went to one of their party member's houses and told that person that the Minister of Health was not happy that he spoke up and actually criticized this Government.

It must have seemed easy, during the election, to promise to fix staffing shortages. I guess they thought they could just wave a magical wand and everything could be better. Well, without a comprehensive plan and an innovative vision, bold reform, these problems are going to continue to escalate. I hope the NDP act more aggressively, and sooner than later, to bring about a vision that can address these challenges. They need a road map to the future of health care in Manitoba. Unfortunately, in this Budget, we heard no road map. All we heard was a rehash of old announcements. At least they did not mention the ridiculous notion of the \$1 million on a sandwich factory, but I suspect that is just around the corner.

We did not hear anything in this Budget about the \$18.5 million for the medical

equipment, and we wait anxiously to hear what this minister has to say about where he is going to be spending all of that \$38 million for medical equipment in Manitoba. We are still waiting to hear about the Brandon MRI which his Government has promised for the last I-do-not-know-how-long. That does not seem to be out there either.

I almost half expected this Budget to talk about another announcement on hallway medicine, seeing as they really have not done anything to fix that at all. In fact, it is getting worse. It must make them squirm a little bit every time it is brought up and they are reminded about it, but they did promise that they were going to fix it. Again, we certainly have seen that is one of the major promises from the election that they have not been able to address. Some of their rhetoric over the last two years as to why they have not done it, you know, you want to talk about pretzelizing, I think they are becoming quite good at it themselves.

The funding in health care, from what we have seen since the NDP took over, is really unsustainable at this rate of increased spending, and it really is spending with no accountability. They have added \$650 million in their first two and a half years of government, and it has not improved patient outcomes. It is made worse by no plan and untargeted funding and certainly shows that their method of doing this is management by crisis du jour.

* (15:20)

They have not saved despite the fact that they knew they had 160 health care contracts coming up in this year alone. Now they are telling people, health care professionals, we have no money, we cannot be competitive. The absence of meaningful reform to address sustainability is very, very obvious in this Budget. The only reform they continue to tout is the Pan Am and Tory initiatives. It is interesting how they keep talking about the things they are doing which are all initiatives that started when we were in government, like the flu shots, the pneumonia shots, the Telehealth, the palliative care, mental health reform, midwifery, the new nursing acts. Mr. Speaker, all of those started back when we were in government, and there is

absolutely an absence of innovation and reform from this Government.

The Premier has said—and it is interesting to note his rhetoric. It is a little bit amusing too. He said it is time to get rid of the ideology and stop whining, but every time he turns around, all he is doing is whining to the federal government to give him more money. That seems to be the NDP answer for how to fix health care, put more money into it. We are going to stick with our ideology. We are not going to make reforms which are going to help patients get timely access to care.

They are a government without vision, without a plan, without a commitment, it does not appear, to address this. They are committed to ideology. They seem to be willing to compromise timely access to care and quality care in order to keep their ideology intact. They are willing to leave patients suffering in pain, but they will not bring about reforms that might actually help patients. All they can do when we talk about the need for reform, and it is so typical of this Government, is fear-mongering and the Americanization of the health care system. It is interesting that more and more people are becoming aware that NDP governments have a tendency to do this, is to fear-monger and try to frighten people into supporting their positions. At the NDP annual meeting the Minister of Health (Mr. Chomiak) said that Manitobans need to expect less from their health care system. Why should Manitobans expect less? Just because the NDP have overspent, now Manitobans have to have rationed care because the NDP could not budget properly, because they overspent all their budgets. Now Manitobans have to have their care rationed to them. Manitobans have to lower their expectations because the NDP has no sound fiscal policy.

This Premier (Mr. Doer) has said that health care services must be available based on need. Well, what about the heart patient who needs heart surgery but gets bumped five times? What about the mom of three with a breast lump who needed it tested, had to wait over three months to find out whether or not she had breast cancer? What about the woman who had a baby that was dying in her and they could not help her here in Manitoba?

This Minister of Health needs to strive for a vision, an increased focus on strategy and policy, less on firefighting and crisis management. There needs to be visibility, transparency and accountability to the public. Key issues need to be addressed in a timely, effective way and there needs to be a plan for the future.

I am sorry that I did not see a vision for strengthening our health care system in this particular Budget. I think this Budget has been a major disservice in terms of health care. It has been a disservice to Manitobans, and it is only going to get worse in the future. I urge this Minister of Health to just sit back a little bit, to think about it, to put a plan in place, to put a vision in place and do not let Manitoba patients suffer because he has an inability to do that. He is surrounded, at many levels, with some good talent. He needs to tap into them. He needs to find out how we can make things better in Manitoba. I think Manitoba patients deserve that, Manitoba families deserve that, and I urge this Minister of Health to move in that direction. Move away from being the Red Queen in *Alice in Wonderland*.

Mr. Jim Maloway (Elmwood): Mr. Speaker, I am pleased to rise today to put a few words on the record regarding budget No. 3 of the new Government. I want to say that the Budget was introduced on the 22nd and the response so far has been pretty good actually. I do not think that there have been much of negative responses from even the Conservative members of the Legislature. I know our side does not report a whole lot of negative activities, and you know that really does not bode well for the members opposite if they cannot stir, because you know, part of their job is to stir up opposition to the Government. They are falling flat.

Mr. Conrad Santos, Deputy Speaker, in the Chair

You would think after a third government they could get somebody upset at the Government. I could understand the first year maybe people would be willing to give us the benefit of the doubt, they would have some difficulties, but in year two it gets a little tougher and year three it should be tougher yet. It is

getting easier for this Finance Minister (Mr. Selinger). He has had an easier time in year three than he had in year one. So that tells me that the Member for Charleswood (Mrs. Driedger) has got to get back to the drawing boards and come up with some new strategy, because her current strategies just are not working.

Now, Mr. Deputy Speaker, you know, people understand that the economy was in decline, not as of September 11 last year, but in a decline in the run-up to September 11. Certainly within the last six months to a year before September 11 there were signs. We know that declines follow bull markets. We have had a bull market, unprecedented I think in history, for the last 10 years. So a decline had to come. The question was: When was it going to come? It probably should have come, given past history, earlier than it did, but it finally came.

People understand that the economy was in decline. They understand that they have to make some sacrifices when the economy is in decline. The revenues are down. We recognize that revenues are not as precipitously down as they could be, but, nevertheless, they are down. We have to deal with that.

Now, what could we do? There are several things that we could do. We could have cut income taxes. We could have done what the B.C. government, the Liberal-Conservative coalition out there, or Reform—I do not know what it is actually, it is sort of a spotted-cat government in B.C., but they cut the taxes by 25 percent. We could have done that, but we would have simply compounded the revenue shortage. I mean, why would a government like the government in B.C. do what they did knowing that the revenues were in a state of decline? Well, the truth is they promised it in their election campaign. They were simply fulfilling a campaign promise, which is admirable, but the timing was not right, so they should not have brought in the tax cut that they did.

We did not do that. We simply followed through with the modest tax cuts that were previously announced, and we have honoured those tax cuts. The people understand that. They want to see responsibility in government. They do not want to see irresponsible government. In

a way that is why the previous government stayed around so long, because they did not make sudden moves right, sudden moves left. As a matter of fact, when you look back, what killed them in the last election, given that they went in 10 points ahead after the Pan Am Games, was their current leader. The current leader did them in. Normally one would be suspicious about that, but these guys were not.

I mean, what did he do? They come up with a plan that was out of the ordinary. People were used to boring Tory government year after year, and they kind of like that. They had been used to boring Tory government for the last 50 years in Manitoba. They like that.

But what did they do? They came up in the middle of the campaign with a billion-dollar plan to cut revenues, to cut taxes. People did not think that was what they had been voting for for the last three or four elections, so they made a switch.

An Honourable Member: And we paid the price.

Mr. Maloway: And you paid the price. Exactly.

So, Mr. Deputy Speaker, we could have followed Alberta's example. We could have done what Alberta did. What did they do? They increased medicare premiums. In our case we would have had to reintroduce medicare premiums because we eliminated them way back 30 years ago in the Schreyer government in 1969.

We adopted a sensible, middle-of-the-road approach to the budget problems. We followed through with modest tax reductions. We balanced the Budget. We know the members opposite just hate that. They know that that is something that they are used to seeing NDP governments not do. As a matter of fact, we are used to seeing Conservative and Liberal governments not doing that, but it was the Saskatchewan NDP government that led the way, that introduced the first balanced surplus budget in this country a few years ago.

* (15:30)

So this really bothers them. It does not give them a lot of room to stir up trouble against the

Government. They hate the idea that we are bringing in balanced budgets and we are paying down the debt. That is another thing that is kind of new for Conservatives. They talk about it a lot. They talk constantly about paying down the debt, but did they ever do it? No.

In recent years, they started to look at it after Roy Romanow gave them the map, gave them the game plan, turned on the flashlight and showed them the way. They followed. After the full six and a half years of the Howard Pawley government and the full term of the Tories under Gary Filmon, at the end of the day, the total accumulated debt was not all that different. I mean, we still accumulated a little bit more than they did, but it was not much.

I would have been happier if it had been a little less, because then I could stand up and talk about it a little longer, but as it is, it is not an issue. The point is that, if you look at the facts, you find out that these people opposite ran deficits. They were big tax-and-spenders I think. That is what I would want to call them. As a matter of fact, they inherited the tax regime of the former Minister of Finance under the NDP government, the government that fell in 1988. They inherited all of that, and they lived off those tax revenues for the next 12 years.

Now, Mr. Deputy Speaker, another point was that we dealt with the unfunded pension liabilities. They did not—

An Honourable Member: We had that in mind, though.

Mr. Maloway: Well, the Member for Lakeside (Mr. Enns) says they had it in mind. If we had not done something about the unfunded pension liabilities, we would have been in a horrendous position some 20, 30 years from now, and that had to be dealt with.

Did these fiscal Conservatives, these great fiscal minds opposite, have a solution? Did they come up with an answer? No. They did not. Twelve years. Now, you know, on page B-19 of the Budget papers, you can see the graph. I will just show it around here, but this is where it would have been had we not done something about it. It goes right off the page, the unfunded

liabilities. Our plan is to take care of the unfunded liabilities for the pension plans and get them down and eliminated by 2030, and that is still 28 years from now, but we had to do something.

As a matter of fact, Mr. Deputy Speaker, for new hires in the Government, we have mandated that their pension liabilities have to be dealt with as we go along. Now why could not these geniuses opposite come up with an idea like that? They had 12 years. They could not figure that out. You would think that liability is increasing, it is open-ended, I mean, getting bigger and bigger every year. Were they all asleep over there? What was going on in the Finance Department?

I do not know how they could, in any way, say with a straight face that they ran a tight shop. They used to say that with a liability increasing, open-ended the way it was, so we achieved a ranking that by both measures is middle of the pack among the 10 provinces. Rather than being constantly negative like most oppositions, they should look to what we call the Manitoba advantage.

Now the Manitoba Advantage is not new. This is something that the Filmon government used constantly to explain why Manitoba really was in a very good position in the country, and in fact they were right. It is a correct way of looking at things. They advanced that argument for 12 years while they were in government.

Now, Mr. Deputy Speaker, those issues have not changed in the two and a half years since they left office. As a matter of fact, do we ever hear the Opposition say that Manitoba is home to Canada's largest furniture plant, that it is a major national manufacturer in aerospace equipment, clothing, processed foods? Do we ever hear any good news from the Opposition? No. Do they ever say that Manitoba is also North America's largest producer of inner-city and urban buses? No. They do not. They do not ever talk about the true picture of the Manitoba advantage, and that is something that they should perhaps take a close look at.

When you move or set up a plant in a new jurisdiction, you have to look at the total picture.

You do not just look at zero sales tax in Alberta. You do not look at a 25% income tax reduction in B.C. and say well, because of that I am going to move my banana plantation to B.C. or Alberta. No, you have to go where the bananas are, right? So you have to look at the natural advantages of the province and what it offers. So a true picture comes about when you look at the complete picture, when you look at the income taxes, when you look at the retail sales tax, when you look at the gasoline taxes, when you look at the health premiums, the mortgage costs, the auto insurance, the telephone service, electricity, heating and property taxes. So you have to look at the whole basket of taxes to decide where you are going to set up your plant.

When we look at these together, you find that in Manitoba the annual personal costs in taxes of a single-earner family of four earning \$40,000, Manitoba ranks No. 1. Do they ever quote those figures? Do they ever talk about those figures? No. Number two is Newfoundland. Number three is Alberta. Number four is P.E.I. Do you know who is No. 10, dead last? Ontario. Good old Tory Ontario, dead last.

So, Mr. Deputy Speaker, when you see certain radio show hosts in town, they like to pick and choose and cherry pick their issues, and they pick something like zero sales tax in Alberta, but they do not look at the other side. They do not look at the medicare premiums in Alberta. They look selectively. They rant and rave for a couple of hours in the morning driving people into a frenzy about no sales tax in Alberta, but they do not say that what they are saving in the health care taxes is actually more than what they would be saving in PST taxes in Alberta.

Mr. Deputy Speaker, there are some other charts that are included in the book on the Manitoba Advantage, and it is pointed out that there is an extremely favourable business cost environment in Manitoba, affordable office and land costs, low construction costs, affordable taxes, North America's lowest electricity costs, a productive and well-educated workforce, modern telecommunications. You know, if we did not have one of these items, we would not see the expansion that we do in this province.

The location in the middle of the continent is advantageous to us.

Let us look at house prices, because house prices are one of the barometers here. In house prices, an average executive detached two-storey house in Toronto was \$438,000. In Winnipeg it is only \$169,000. So it is third lowest. That is a survey. We just did not make these figures up. This was done by a Royal LePage survey of Canadian house prices.

The average house price standard townhouse, which is more in line with where the majority of people would live, I would expect, Winnipeg is the lowest price in the entire country, \$67,000. Guess where the highest house price in the country is? It is in that province that just had a 25% tax cut, the province that Adler On Line tells you is a place to go because of the tax cut. Well, you are going to sell your \$67,000 house in Winnipeg and you are going to pay \$224,000 in B.C. Now, does that make any sense? Well, no, of course it does not make any sense, but neither does Adler On Line.

* (15:40)

As a matter of fact, Mr. Deputy Speaker, Moody's Investors Services named Winnipeg as Canada's most diverse urban economy. The Conference Board of Canada, February 2002, here is what they said: Manitoba is once again proving that its reputation as a diversified economy is well earned. Although the North American economy has showed clear signs of fatigue in 2001, the province managed to post the second highest growth rate of all the provinces. Second highest growth rate—that is from the Conference Board of Canada. Now, why do not the opposition members put that in their franks and send it out.

Let us look at the monthly industrial electrical bills. Once again Manitoba has the lowest priced electricity on the continent; New York, the highest, by a long shot.

I think that the *Manitoba Advantage* should be required reading for members of the Opposition. As a matter of fact, there is one note in here that the Member for Selkirk (Mr. Dewar) will enjoy. They say that golfing is one of North

America's fastest growing recreational activities. With more than 120 golf courses in Manitoba, it has one of the highest ratios of golf courses to golfers in Canada and one of the highest golfing participation rates. So, if you are an executive in Toronto and you cannot find time to go golfing and you cannot find a course, I mean, come to Manitoba. There are lots of opportunities in this province.

I wanted to point out that over the last three years, Manitoba's overall provincial rankings for personal costs and taxes have improved—improved, Mr. Deputy Speaker, since who left office? Since they left office. Over the last three years Manitoba's overall provincial rankings for personal costs and taxes have improved. They did not go down in the last three years. They went up, to our benefit.

Well, Mr. Deputy Speaker, we have balanced the budget. We could look at the taxation rates, because I know the Opposition like to look at those. We do not have the time to go through them all, but if you were to take a look at—well, I will take the best one here. I will let the Opposition look at the book to find ones that are not as good, but I am going to take the one that serves my purposes the best for the moment.

The annual personal costs in taxes of a single person earning \$30,000, this includes income, retail sales tax, health premiums, rent, public transit, telephone service, electricity and heating, once again, Manitoba, No. 1. And who might be No. 10? Ontario. Ontario is No. 10 by a wide margin. Members of the Opposition can review these figures. They can dispute them with me if they like, and I will be very prepared to listen to what they have to say about that.

We could expand on this advantage. We could take into account other factors, but we should look at the future because we know what happened in the past. We certainly do not agree necessarily with what happened in the past, but we can look at the future to see that Alberta, for example, has non-renewable oil. Manitoba has clean renewable hydro. I guess, if you were a betting person, you would have to bet on Manitoba over Alberta in the long term. Alberta has been doing well over the last 10, 15, 20

years, but it is an up-and-down economy. Manitoba is slow and steady, nothing spectacular in terms of highs but nothing devastating in terms of lows either. I can recall Alberta having very good years, where people rushed out there in droves and then in a year or two turned around and came back. So that is not the way to build an economy, to have a boom-and-bust cycle, but unfortunately that is how the cards are stacked in some jurisdictions, in some cities. They have to deal with what they have in front of them, but we are very, very lucky that we have a balance. We have always had a balance in this province.

We have a potential for existing wind power development. There is a story in the *Free Press* today talking about South Dakota and the wind power developments taking place there. We know that in the province of Québec there is a big wind farm. There is one in Saskatchewan that is being opened, I think, next month, the month of May. Manitoba should be looking at this as well. We have a couple of areas where wind is produced in great quantities, where we could be putting some of these wind sites. I would hope that we would be looking at it fairly soon.

We are developing the ethanol mixed with gasoline to reduce pollution. That is a program that certainly has a future and should be pushed with, I think, the most utmost urgency. The past is the oil, the coal, the rust belt industries. What the future is is ethanol, more hydro developments, wind power. My friend from Dauphin knows all about geothermal power. This is the future to which we have to work to try to reduce and get more efficiencies out of the energy that is consumed by the province.

So the picture in this province right now and what makes the Opposition so unhappy is the fact that the province compares very favourably with other provinces. It has nothing to do with ideology. It has to do with just basic economics. Companies do not care—

An Honourable Member: Eleven years of Tory government.

Mr. Maloway: The Member for Lakeside (Mr. Enns) is bantering and talking on here about 11

years of Tory government. Mr. Deputy Speaker, companies do not care which party forms the government. They really do not. Years ago, I was involved in fundraising in past election campaigns, and companies would say we really do not care which one of you forms the government. Just leave us alone and do not take too much of our money. Let us make a profit. So the Conservatives like to paint this picture about how companies are going to pack up their plants and leave if somehow the NDP gets in. They run these scare campaigns about what will happen if the NDP gets elected, and then the NDP gets elected and business improves.

So these scare campaigns, you know, the people who run the companies, the people who own the companies are not as unsophisticated as these people like to believe that they are, and they are not—some of them can get pretty riled up at times, I understand, but most of them are fairly understanding of what politics is all about and how they can do just as well—as a matter of fact, some of them may do better. Business, in some cases, may do better with an NDP government than they will with a Conservative government, because some observations I have made in the past might indicate that they can push us around a little more than they will with the Tories. Tories are a little wiser to some of their tricks, or should be.

Mr. Deputy Speaker, the goal of the business is to make a profit for the shareholders and if they can expand to other jurisdictions where the conditions are better, then they will do that. So that is why we have to look at a balance. We cannot be too far out of step with other jurisdictions, and I have always said that. One tax can be a little bit at variance with another province, as long as it is balanced out with another one that is more favourable. That is what provinces do. That is what jurisdictions do. It is done with the idea of bringing more business in, not turning business away.

* (15:50)

Governments do not—I do not know of any that are in the business of deliberately shutting down business; for example, the hog plant in Brandon. Brandon was a natural spot for that hog plant. No amount of incentives would have

caused the company to build a hog plant in Thompson or somewhere else. So, you know, you have to be reasonable here. Brandon won it fair and square. They had the natural advantages. They had what was needed. If the tax regime was as bad as the member is suggesting, then why are they there? The tax regime is part of it, but they know. I am not talking to people who do not know. They know. You do not put the hog plant in Sudbury. You put it in Brandon. That is where the hogs are. That is why it is there and it has little to do with the tax regime in Manitoba.

So Manitoba must be competitive with other jurisdictions, and it is. Overall, when you look at all the factors on balance, Manitoba is certainly holding its own. We have adjusted our tax system with the complete situation in mind. I know that the Minister of Finance (Mr. Selinger) goes through that constantly, about tweaking the film industry tax regime versus another, the trucking industry, balances it all together, makes sure that no one industry is left out being dealt with. The tobacco industry might not be too happy at this point, but other than them, I think businesses are fairly happy.

But the important thing is that we not get into this mindless comparison with Alberta on PST rates. If you do compare the medicare premiums as well, then you find out the two of those actually balance out in Manitoba's favour. So if you are going to take that comparison, Manitoba is still going to win. Alberta has the oil and gas. Manitoba has the hydro resources. So we should stop these comparisons, the apples and oranges comparisons, trying to get a headline. We should be honest, we should look at the whole picture, and we should be looking at the province and not scaring off business. I sometimes think that the Opposition sort of try to do that, where they actually feel they get progress if things go bad. I do not think the public like that. I think the public like to see the Opposition actually supporting economic development in the province.

You know, it would be nice, and I do not think it has probably ever happened anywhere, but there should be an all-party committee that looks at economic development. We have been over the years, we have had all-party committees, I think, on the Devils Lake

situation. We have had an all-party committee on Meech Lake, on the Charlottetown Accord. We are able to do it successfully. When it comes time to attracting business and promoting business in the province, we should be looking at it more along those lines, rather than attacking the province.

The Opposition will have their chance to govern. I mean, we too naively think and may have thought, as the Opposition I am sure do right now, that if they can just make that little point in Question Period or make that little point today that somehow they are going to improve their chances to win the next election, but the Member for Lakeside knows full well that changes in government happen over a long period of time when the public look at the situation, appraise the situation, and decide that it is time for a change. They will do that no matter how much tinkering you try to do with the system. You can tinker all you want and you can play all the little angles and try to knock the other guy down, but, at the end of the day, the government will change when the people decide to make that change. Normally that is after two terms. There are some situations where governments last longer than two terms, but normally it is a two-term proposition for most governments. I think the Sterling Lyon government was the first since the beginning of the province to have only one term, so it is unlikely that that will be repeated. I guess it is always possible.

Major decisions of the past were very controversial at the time. That is why governments have to be visionary. D.L. Campbell was famous for his rural electrification program that was visionary at the time. The Member for Lakeside would probably know that at that time he was probably criticized for bringing in the program. It probably cost too much. It did not go here, it did not go there. As it turned out today, people would wonder why anybody would be critical of a program like that. When Duff Roblin built the floodway I am sure the Opposition were criticizing him at that time as well. You know, it was not big enough, it was too expensive, all these different things, but at the end of the day it proved its worth. Ed Schreyer's hydro programs, once again another visionary move on his part. Once again the

Opposition fought tooth and nail knocking the programs. Once again, too expensive, Russian turbines were in backwards, and on and on and on, all the little nitpicky things that oppositions do to knock the program.

As a matter of fact, move the clock ahead a little bit, and we had the leader of the Liberal Party talking about Limestone as lemonstone. This is a program that came in a billion dollars under budget. What Tory government or Liberal government ever brought in any program a billion dollars under budget?

Now, to be fair, and I am a guy that believes in balance, there were some programs that developed problems. There was a CFI program. The Member for Lakeside (Mr. Enns) and I have been chasing each other for 30 years on this, wanting to know what happened to that \$93 million. We know it is gone. We know it will never come back now. We just talk about: Was it in Swiss francs? Was it in American dollars? What was the exchange rate at the time? What would it be today if you adjusted for inflation and exchange rates? That was probably visionary at the time, as well, to build the hydro plants up there, to build a pulp mill, but problems developed. The Alcan smelter, that was another visionary idea. Manitoba has cheap hydro rates, build the Alcan smelter. It was a natural place to put it. You do not put that Alcan plant in Saskatchewan or North Dakota or someplace where you do not have power, or you do not put it in California. You put it in Manitoba where you have the cheap power.

What happened? Well, they lost the election. We had one of their former ministers bought land up suspiciously close, you know, one mile away, all around the Alcan smelter, and, of course, that went. Then we had Flyer and we had—oh, the Member for Lakeside likes to talk about Saunders, which was not one of our most brilliant ideas and King Choy Foods, but I just want to point out to the Member for Lakeside—*[interjection]* King Choy Foods—I am talking about that. The fact of the matter is that we learned. Unlike the Tories, we do have the ability to learn from some of our mistakes.

What we learned, Mr. Deputy Speaker, and to the Member for Lakeside, we learned that

state capitalism does have some drawbacks. We learned that we have not repeated those mistakes in the past while. You have not seen us buy any more or set up any King Choy Foods or Saunders Aircraft. No, we have not done that. We did not buy the Buhler tractor plant. I am sure the members opposite would have loved it. They would want us to go in there and buy that tractor plant, right, when there is not a market necessarily for the product, and get ourselves embroiled in a big mess, so that they could come and whack us over the head the next time.

In the same way that the previous Tory leader was hard to catch, we were running around. On the cartoons there, who is the little roadrunner there that tried to hit him, Wile E. Coyote, right? Well, we have our own Wile E. Coyote now, and good luck trying to catch him, guys, because it will take you an awful long time to ensnare and entrap him the way you would like to do it.

Now, let us talk about MTS. I do not know how much time I have, Mr. Deputy Speaker.

An Honourable Member: Four minutes.

* (16:00)

Mr. Maloway: Four minutes. Well, thank you I have been wanting to deal with IT now. I have been waiting, resting here month after month looking for a big speech on IT, and once again I am not going to get to it. Now, I have pages and pages dealing with all the good things that we are doing in the IT sector that the members opposite would love to know about. I could tell our constituents things that would make the Government more efficient and government services more available to people on a 24-by-7 basis across the province, all the things that they never were able to do when they had their studies on how to reduce government regulations.

The Pallister commission, right before he toddled off to Ottawa, he was here talking about how he was going to reduce all these regulations for business. I have been hearing that out of the Tory governments for 20 years, and they never do it. Well, Mr. Deputy Speaker, we are doing something about it.

I want to deal with MTS for a moment. MTS was privatized at a time of great change, when worldwide telcos were being privatized. The member knows that. But the Tories did not have to trample the legislators' right to speak. They could have done this a little better than they did, as a matter of fact a lot better than they did. The Tories did not have to undervalue the shares at \$13 a share and virtually give them away. They did not have to enrich certain connected Tories on the board and in management.

Today the Leader of the party over there said that it was a cheap shot that I was referring to his wife having shares in the company and sitting on the board and the shares going up from \$13 when they were bought to \$30, and it had nothing to do with the price of telephones going up and up and up. The fact of the matter is that as the rates go up to this privately held monopoly, the share values go up as well, and he is kind of stung by that. He thinks that is a low blow. I do not really want to get into all of that, but the fact of the matter is that according to the 2002 annual report of the telephone system, Ashleigh Everett is still on the MTS board. She is also a member of their audit committee and human resources and compensation committees.

I do not know whether she still has shares or not. I do not know whether she sold them. She had to make a profit if she sold them because we know they were bought at \$13, and the shares have not gone down since then. So, folks, there is a profit there no matter how you look at it. Quite honestly, I do not care how many shares she has; I am just stating what is obvious.

Mr. Deputy Speaker, they could have held a referendum on the sale. They are big on referendums. They supposedly support referendums. Where was the referendum on the sale of the telephone system? No, they snuck around.

They could have waited till the '99 election, and they could have campaigned on it during the election, right? But they did not do that. Did they talk about it during the 1995 election? No, they did not.

Then as soon as the election was over, bingo, here it was presented to us as a fait accompli, and the public did not like that. They

felt there was something not right about this deal.

The Tories say buy it back. Well, not likely, folks. I mean it is \$30 a share, and they bought it for \$13. Of course they want it bought back.

Mr. Deputy Speaker: The member's time has elapsed.

Mrs. Joy Smith (Fort Garry): It is my pleasure to rise to put a few remarks on the record today, Mr. Deputy Speaker. I would like to especially welcome the Member for Lac du Bonnet (Mr. Hawranik) into our caucus. It was with great pleasure that I got to know the Member for Lac du Bonnet, a man of integrity, a man who is very knowledgeable in many, many areas, a person who has worked in business and worked in the community in a very meaningful way. I have to say that it is with great pleasure to have him here everyday, on a daily basis.

Having said that, Mr. Deputy Speaker, I listened with great interest to the third budget that the NDP government has put out. I would call it a silent budget. This is a budget that was silent in a number of critical areas. One of the most critical areas to the province of Manitoba and to Winnipeg and to Brandon is the area of justice and crime issues. The Budget was virtually silent in all of those areas. We have increased crime in this city at an alarming rate. We hold the crown for the highest crime in violent crime, robberies, homicides in many areas that impact on a daily basis the citizens here in Winnipeg and in Manitoba. This is critical. Our courts now are filled to the top. We have old crimes done in new ways, like Internet pornography and child pornography. There are issues that have to be addressed that this current Government has not addressed. It was with great expectation that I was waiting to see what was in the Budget to answer some of these very important issues.

This Government seems to even flip-flop on statements made a year ago. A year ago the Attorney General was very sympathetic with Thomas Sophonow. He said that Thomas Sophonow would need to have some cost recoveries, some remuneration for enduring four years in jail and three trials, and now, suddenly, Thomas Sophonow cannot seem to get a cheque

in the mail from this Government. There are many excuses. We have issues around insurance. We have issues around the City. When it all gets down to it, this current Attorney General could write a cheque, send it to Mr. Sophonow and negotiate with the rest of the partners after that. But this Government is very good, and this current Attorney General is very good at having numerous photo ops, numerous press releases with no substance behind them.

It has now been 343 days, almost a year, since the Attorney General announced a new cyber tip line to protect children from Internet predators. Children, this past year, have suffered greatly from internet predators and still no cyber tip line is available to them. We keep hearing that it is coming, and we keep hearing that it is in place. However, there are no resources committed to the cyber tip line to aid the police. When the tips come in, that is only the first part of the process. This Government and this Attorney General are avoiding the issue. They need to have police to investigate, police to bring the perpetrators into the court systems and have them brought to justice for this horrendous crime.

So the lack of substance, this silent budget in the issue of crime, it is really alarming. On our streets we have seniors who lock their doors as soon as five o'clock in the afternoon comes along because they are afraid of home invasions. We have young people whose parents are reluctant to have them drive at night because of the increased crime. We are just past the first anniversary of the Hells Angels coming to town, and the Hells Angels are still in town. I have to, at this time, commend the police service, the Winnipeg police and the RCMP for their very gallant, courageous efforts at fighting crime in this province of Manitoba and indeed in the city of Winnipeg. They have done much with very, very few resources.

* (16:10)

Mr. Speaker in the Chair

There is a great lack of understanding about what makes crime happen and how to solve the issue. The crime element has escalated so much in this city, that now resources have to be put in right at the grass roots level, right at the police

force level to ensure that crime is brought under control. Never in the history of the city of Winnipeg have we had shoot outs to this degree in the middle of the day. Never before have we had the crime element and the drug trade. The Attorney General will boast about the amount of drugs that have been captured in a day, and I commend the police force for doing that. That is great. What the Attorney General and this NDP government do not seem to realize is that we have twice as many criminals. We have biker gangs. We have twice as much, more than that, a horrendous amount of drug trade going through the city and through this province right now. So we will have larger amounts of drugs captured and taken under control because we have larger amounts coming in.

Mr. Speaker, when we have a budget come down that is silent on justice, silent on crime issues, silent on police support, we have a big problem. The domestic violence zero tolerance is taking up significant resources from front-line officers, and the minister has failed to address the situation. A couple of weekends ago there were 75 domestic calls over a 24-hour period, and each call takes three to four hours to process. So, as soon as a domestic call comes in, it is a priority one. The police officers go out, and the process begins.

Now, there needs to be an examination of the stats from family violence court to that as to the charges laid, in how many stays of proceedings in reference to domestic violence have gone through the courts. It is time for an evaluation of zero-tolerance policy from all stakeholders to make sure the objective to curb domestic violence is being fulfilled. The Attorney General needs to examine how the justice system can be enhanced. It needs examination, and the current Attorney General is ignoring this need that is there. Zero tolerance is a most pressing concern to the population and to the police officers.

Right now, in this city, members on this side of the House and indeed members on the opposite side of the House will agree that we do not tolerate domestic violence in any way, shape or form. That is why zero tolerance was put in place. However, when a government is in power, it behooves the government, it is a responsibility

of the government, to step up to the plate and take a look at all the policies put in place, and, at this point and time, it is time for the present Government to step up to the plate and take an evaluation of the zero-tolerance policy. How can we make it better? What things can we put in place to insure that it really is being very helpful to stop domestic violence and being very supportive of the police force instead of tying up the police force on bogus calls because, Mr. Speaker, there are bogus calls? There are people who have learned to use the domestic violence policy to their own ends, and that is not why it was put in place.

Zero tolerance was put in place so family violence would stop. Zero tolerance was put in place to assist men and women who were in situations where they needed to be helped. With every system, the government in place needs to take a close examination at this point in time and find out whether the objectives have been filled and how the system can be made better.

Mr. Speaker, the idea of zero tolerance is a very noble and very useful policy to have. However, how can police investigate without resources? At this point in time, it is where this Province needed to be verbal in its budget, needed to address the concerns that we have on crime here in the city of Winnipeg, in the province of Manitoba and needed to address the concerns that are there. This Government has been very prudent about stepping up to the plate and catching every press release possible and putting every photo op on the front pages, but there is no plan, no vision, no problem-solving, no evaluation of systems to make it better. Nothing like that has been put in place to any degree. That is why crime is out of control right now in the city of Winnipeg.

The biker gangs have to be addressed. They have to be eliminated, Mr. Speaker. The problem of home invasions has to be addressed. The problem of youth crime has to be addressed. There has to be a plan and a vision in place where you have a timeline, you have outcomes, and you have evaluation of the plan to see if it is working. As with the biker gangs, as with the cyber tip line, as with the zero tolerance policy, all these things need to be brought under control so they work. It is good to talk and use the buzz

phrases, and it is good to acknowledge the problem is there, but without measured results at the end of the day it means very little.

Mr. Jim Maloway, Acting Speaker, in the Chair

There is an old crime with a new mandate in this province and a new way of doing it, and that is the Internet crimes against innocent children, child pornography. We have heard about this Government talking about joint forces and putting things in place to help combat this crime. In reality, what the truth is, Mr. Acting Speaker, that the joint forces have been put together by the different police forces because they knew they had to get it under control, but it drained from other police resources. They drained from other police services. The resources are not in place to combat this crime. So innocent children are being put at risk, because the resources are not there. The plan is not there. The vision is not there. Until we have that plan and that vision to address the crime element in this city and in this province, people will not want to move into the province. People will not want to stay in the province.

Mr. Acting Speaker, I was the other day at the law graduation. My niece graduated from law. When you listened to some of the graduates talking, they, too, are disillusioned with the court system here and with the kinds of things that are happening at the Remand Centre and the remands that are happening on the court cases. There are many, many issues.

I would like to see a plan that this Attorney General (Mr. Mackintosh) has that is actually dealing with these issues. I would like to see a timeline. I would like to see the outcomes. I would like to see the evaluation process that is put in place. It is like working in the bush league, as the *Winnipeg Free Press* stated. This Attorney General does not know what to do. The NDP government does not know what to do. What they do know how to do is the photo ops, the press releases, and the flowery speeches, but unfortunately people in this province are feeling unsafe.

Seniors, kids, residents in the city of Winnipeg and in the outskirts of the city of Winnipeg are being affected. The gang activity

now—when it starts in Winnipeg it goes out into the rural areas, and we have pockets of gang activity in different parts of the province right now—that is going on and it is not addressed.

We have Bill 2. The Attorney General proudly stated that this was a first of its kind in Canada. With great pride, he is stepping up to the plate. When you look at Bill 2, Mr. Acting Speaker, the authority is being removed from law enforcement authorities and it is a bit of a knee-jerk reaction, although we all agree that security needs to happen. But it does not need to happen because the Attorney General (Mr. Mackintosh) wants to have something that is the first of its kind in the country. It has to happen because there are specific things that need to be in place to keep people secure. So when we look at the picture that we see here in the city of Winnipeg of the high crime rate and the unsafe streets and the shootouts in the middle of the day and the biker gangs' anniversaries, why is Bill 2 in place when the other things have not even been addressed?

Here we have an Attorney General and an NDP government that wants to be the first of its kind in Canada, but it is all smoke and mirrors, because in actual fact we have a security problem here in the city of Winnipeg, here in the province of Manitoba that has to do with grassroots concerns—Internet crime, violent crime on the streets, examination of zero tolerance policies to make sure that it is working. All these are the issues that our Attorney General in this province could be addressing if he had the will to do it.

* (16:20)

But does this Attorney General have the will to do it? No, he does not. The Attorney General in this province wants to be first in something, so step up to the plate and be the first in Bill 2. I would like to see the plan about what resources are put in place to police this Bill 2 since there was nothing in the Budget. This was a silent budget, a budget that was silent on the first anniversary of the Hells Angels, silent on crime, silent on police resources, silent on seniors' issues. It was a silent budget.

Mr. Speaker in the Chair

It was very regrettable because people are not feeling safe. I know today the member

opposite was saying that people really do not want a government to say too much. It is kind of middle of the road, as he was stating in his speech. Well, I can tell you this Budget did not say too much, but it is very worrisome, Mr. Speaker, very worrisome that people are afraid and people are moving out because they do not want to stay in a province that is unsafe.

Having said that, I hope that after 343 days, almost a year since the Attorney General announced the cyber tip line, that maybe this time the NDP government might come together with a plan, a time line and resources to man that cyber tip line. It will at least be a start, something concrete.

Winnipeg is at the top of the list of stats of crime in many areas. When you look at the situation, Mr. Speaker, the homicide stats, even though they are the highest in Canada, they do not count the bodies found outside of Winnipeg, because stats count for where the body was found. For instance, the body that was found by the Morris River will not be included in the Winnipeg stats, and the Attorney General knows this. So the fact that we have the highest homicide stats without including outside the perimeter, that is more than worrisome; that is alarming. This is why people are fearful of what is happening on the streets of Winnipeg. So crime stats may be lower than the actual number of crimes being committed right here in the city, even though we are the highest homicide in the country.

Also, I visited the core area and I talked to many people after a crime had been committed. I will not talk about the specific crime, but I did go up and down the streets, and I know a lot of people were telling me that they do not in the inner city bother reporting a crime, because some of the individuals are afraid of retaliation, or they just think that, perhaps, the police will not be there to do anything, that they will not be there fast enough.

So there are a lot of crimes. Even though we are highest in violence, highest in violent crime, highest in robberies, highest in sexual assaults, highest in homicide, there is a problem when people are afraid to report crimes because there might be retaliation. They might have retaliation consequences.

These crimes, Mr. Speaker, are not included in the stats. So we have a silent, sleeping government on the issue of crime. We have an Attorney General in this province that wants to be first in something, so we have Bill 2, but we do not have the crime under control.

This Government and this Attorney General is trying very hard to lull the public into a false sense of safety when really crimes are taking place more often than they care to believe or they care to admit. So today in my speech I am pointing out that even though the jury stats show we are the highest in homicide, armed robbery, sexual assault, violent assault and other areas, we still are not counting the real crimes, because people do not always report them and because some of the bodies are taken outside the perimeter. Those are not included in the stats in Winnipeg.

Gangs are responsible for the high rates of crimes in a number of areas. Now we have just passed, as I said, the anniversary of the Hells Angels coming to town. When the NDP government got into government, the Hells Angels followed them right in. There is a vicious circle of gang-related crime that involves drugs, stealing cars, robberies, break and enter, drive-by shootings and homicide. So gang activity affects all crime stats. Gangs have a huge network all across Canada.

Mr. Speaker, the Hells Angels are notorious for this cycle of crime. The Hells Angels are national and even global and their resources far outweigh the resources of the police, and yet, in this year's Budget, this Government did not have the foresight and the vision to even mention what they were going to do about the high stats in crime. Where is the beef?

The U.S. has a series of legislation dedicated to organized crime. It gives police far-ranging powers and investigative abilities. Here in this province of Manitoba police are limited by resource support and legislative restraints.

The Hells Angels proper are far removed from the front lines. They are hard to find and trap using traditional methods. Other methods like wiretapping may be more successful, but access to these methods are limited due to legislation, for instance the Charter of Rights. Manpower is a significant barrier. RCMP are withdrawing people to work on terrorism

initiatives. With our current Attorney General terrorism is high on his list of priorities, even though our own minister is quoted as saying terrorism is very low here in the province of Manitoba.

Well, Mr. Speaker, I want to point out to the Attorney General, terrorism may be low on his priorities, but crime is high on the streets of Winnipeg and in the province of Manitoba. Wake up and smell the roses and get something done on it. Officer morale on the police force at this point in time is very low. This is something that our Attorney General should not be neglecting. Officers do not get the support from this Province in the way that they should.

Mr. Speaker, when we look at what is happening here in the province of Manitoba, is it no wonder that our law graduates are moving to Alberta? My own niece, who is a wonderful student and will be a wonderfully promising lawyer because her marks show and her dedication shows what she has done, is moving to Alberta. So it is not only the court system, it is not only the lack of control that the Attorney General has demonstrated over crime, but it is also the tax system and other things, the other variables that are in place as well.

There should be a more formal co-operation between police forces and the RCMP. A lot more can be done if the two entities work together effectively. This is where the Attorney General (Mr. Mackintosh) can make some real strides. Fighting crime is expensive, but it must be done, especially when the jury stats are showing the high rise of crime in this province. There are no revenues gained from fighting crime, but a province will gain people and businesses if they can claim it is a safe place to live, and, Mr. Speaker, this province, this city is not a safe place to live. That is one of the best-kept secrets that this current Government has kept under wraps, but now it is time for the Attorney General to step forward and put the resources into place instead of all the smoke and mirrors.

Under the funding agreement, money is supposed to support fully-trained officers ready for the streets. That is under the police complement agreement, but the number of

officers on the streets that we hear about include officer recruits who will not be trained and on the streets for some time, even though, when they are on there, they need a year to actually get the experience and understand. You put those young recruits at risk when they are dealing with gangs and they are dealing with hardened criminals. The funding agreement stipulates that a minimum of 1150 officers must be on the streets. Remove the recruits from the positions, and you are already below the complement. The fact that police officers get hurt, some police officers go on maternity leave, they get sick, that complement is under all the time.

There are fewer police officers on the streets now here in the city of Winnipeg than there were in 1995. The provincial government is playing games with the numbers. The federal aspect of the justice system does impact here in our province. The Youth Justice Act will impact significantly on the police service and social services. So right now, when a youth is taken into custody for their protection, the police will be responsible to babysit the youth until social services can find a place for them. Areas with limited resources, like rural Manitoba police forces, will find this to be a huge burden. This Justice Minister needs to take these concerns to the federal government and needs to push this concern through. Even though he has done some of that, it still is not enough. Having said this, this is only part of the reason why young people are not staying in the province. This is only part of the reason why young people want to move out of the province into safer and better territory.

* (16:30)

This Budget was very misleading when it talked about the kinds of things that it could do on the tax side for the people here in the province of Manitoba. This Budget showed no long-term reduction of personal income tax rates. Middle-income Manitobans remain the highest taxed west of Quebec, income taxes, family of four, \$60,000, compared to Saskatchewan. The tax grab is going, in the year 2000, \$200 more for a family here in Manitoba than in Saskatchewan and, in the year 2002, \$800 more taxes for a family here in Manitoba than in Saskatchewan. There was no reduction of the payroll tax. There was an added PST on

labour provided by mechanical and electric contracts, however. There was so much in the Budget that was camouflaged by grandiose statements that really did not address the problem of the tax situation here in the province of Manitoba, \$250 million in new spending, incredible.

Program spending is up 3.4 percent, and the revenue is only up 0.6 percent. Inflation here is up 1.4 percent. There is a problem with the lack of vision and the lack of planning. There is a problem because here in Manitoba not only is it an unsafe city and, in many respects, in parts of Manitoba, an unsafe province, but the tax situation has really put a burden on senior citizens and a burden on the everyday quality of life for Manitobans here in the province of Manitoba.

What I call the silent budget was very silent on the miscellaneous tax hikes that totaled approximately \$4 million. It is incredible what happened behind the scenes. This Government was not up front. They eliminated the learning tax credit to the tune of \$10.8 million. For senior citizens, the demographics in this province, Mr. Speaker, show that we have many senior citizens who are putting a tax on our health care system because they need added health care resources. We have senior citizens who also are on medication, senior citizens who are on fixed incomes, and here this present Government has taxed the seniors by having higher Pharmacare deductibles for prescription drugs.

I think, Mr. Speaker, that this lack of vision and the lack of taking care of people who are unable to take care of themselves, the lack of responsibility that this Government has shown for senior citizens has been nothing short of alarming and shameful. This is serious.

We know that in every society that fails to honour its senior citizens, that fails to provide for them, that fails to attend to their needs, every society then becomes not better but becomes worse because it is part of the roots that we have, it is part of where we live.

The Budget was silent on seniors. I know in Fort Garry, I started a mall-walking program because there are so many seniors who have no

way of transportation other than the bus or relying on family members, and not everybody has family members here in the city of Winnipeg. In Fort Garry, I have started the meal program at the Delta, Adamar, and different things because this is needed. My question is where is this Government's responsibility in the area of seniors? What has this Government done to provide for seniors?

An Honourable Member: They have walked away from them.

Mrs. Smith: They have. The Member for Lakeside (Mr. Enns) says they walked away from them, and I concur.

Mr. Speaker, this Government has walked away from the senior citizens in this province of Manitoba. There was nothing there to provide for them, and to increase the deductible, to higher the Pharmacare deductibles was a slap in the face to the seniors here in the province of Manitoba. There are many people who cannot afford this kind of thing. This is a joke. It is a joke when this Government gets up and says they can balance the budget by robbing Hydro and they are giving tax credits to people.

Well, I can tell you in the constituency of Fort Garry, Fort Garry is facing serious tax increases as a result of the Doer government's decisions and their lack of plans. To exempt the University of Manitoba from paying municipal and education taxes with no thought or consideration about assisting the taxpayers of Fort Garry with a significant added tax burden is unjustified. It is what I call political politics, the kind of politics that discriminate against a part of the city.

On January 11, 2002, the NDP government announced a five-year phased-in property tax plan for the province's four universities, and that is fine. The universities needed that support. The plan shifted the universities' property tax bill of almost \$50 million from the Province onto the taxpayers of Winnipeg and Brandon. Now, school divisions affected in this city by this decision are Fort Garry, Winnipeg No. 1, St. Boniface and St. Vital. The NDP did not consult the City of Winnipeg or the City of Brandon when making this decision.

So here, as the NDP government is talking about removing the ESL over a number of years, it is a drop in the bucket, with no understanding of what is really happening to the taxpayers. Or, maybe, they do understand and it is just an avoidance of what is happening.

The cost to the City of Winnipeg will be \$1.3 million in 2002, rising to \$6.64 million in 2006 for a cumulative loss of \$19.9 million over five years. So, in other words, the cost to the Fort Garry School Division will be 8.1 percent over the next five years. That is significant. The taxes are going up in Fort Garry. I do not care how many photo ops, how many pictures are taken, how many press releases go out, this is a bogus government. They are silent on this tax issue in the Budget. This is alarming.

So here we have the picture of Manitoba, highest crime rate, highest taxed west of Québec. Why should people stay here? How can this economy grow?

Fort Garry residents and businesses now face tax increases from both the City of Winnipeg and the Fort Garry School Division as a result of this decision.

Mr. Speaker, these are serious problems. These are serious problems to families, to old people. I mean, Tom Brodbeck, in *The Winnipeg Sun*, said: Tax relief, do not make me laugh. Tom wrote an article that really revealed a lot of the misconception about what this NDP government did with the Budget. I quote from this article. He gives credit where credit is due, and he did say that the NDP did give Manitobans a \$56.2-million income tax cut, but this was offset by a tobacco tax hike, \$45 million, a new sales tax on mechanical and electrical contractors, \$10.6 million. There was a \$10 million cut to property taxes, but this was offset by the elimination of the learning tax credit, \$10.8 million.

Manitobans did get a \$900,000 tax cut from the elimination of sales tax on feminine hygiene products. They got another \$900,000 break from tax credit increases for political contributions, mineral exploration and local equity investments, but that combined \$1.8 million in tax relief was more than wiped out by

miscellaneous tax hikes, and I talked about them earlier, totalling \$3.9 million, and a \$500,000 increase in propane taxes. The final tally: a \$2.8 million tax increase for individual Manitobans, and that does not include other fee hikes.

* (16:40)

I talked about the other fee hikes. Tom Brodbeck, in his article in *The Winnipeg Sun*, goes over them. If you throw in the \$10 vehicle registration fee increase—by the way, that was not mentioned before the Budget—worth \$5.7 million, the tax grab jumps to \$8.5 million. This Government has done a tax grab of \$8.5 million.

Now, the effects of bracket creep, to go over this with the present Minister of Finance, the NDP have done nothing to index tax brackets to inflation. That means when you get a raise to keep pace with the cost of inflation, you pay extra taxes. So it is a lose-lose situation for taxpayers. The higher Pharmacare deductibles for prescription drugs and the delisting of chiropractic services are something that was a complete surprise to Manitobans.

In the area of the chiropractors, I want to take a minute to speak to that. On April 25, 2002, Health Minister Dave Chomiak announced that effective July 1 of this year, 2002, Manitoba Health will be reducing the amount of coverage provided to Manitobans for chiropractic care by 30 percent. In other words, the coverage will be reduced from \$11.56 per visit to \$8.00 per visit. This covers a maximum of 12 visits per year, which was the same as it was before. Chomiak has said that his department will save a total of \$3.8 million through his cutbacks, \$2.8 million from adult visits and \$1 million from children's visits. The problem is no one under the age of 19 will have coverage any more. That is another little addendum to this silent budget, the silent budget that festers underneath, with all these little tidbits that cause poor quality of life.

What about the athletes who are on soccer teams, basketball teams, that go to chiropractors? My own daughter goes to a chiropractor on a regular basis to get her hip fixed when she plays soccer, but she is under the age of 19, so, from July on, she will not be covered anymore. I think that this is a real

political statement against the chiropractors here in the province of Manitoba. I think it is a slap in the face to the chiropractors who have provided those services, and there are people, many people, about 180 000 Manitobans in this province, who visit chiropractors annually. Now tell me, this NDP government has not explained to the 180 000 Manitobans how they are going to be covered for these services. So service has been withdrawn, in effect, when people have to pay more money with the increased taxes, with the increase in user fees, with all these hidden taxes that are coming forward, that the NDP has neglected to mention publicly.

We have a real problem here in the province of Manitoba. I think that the NDP government has shown, without a doubt, that they have very ill regard for the chiropractor profession, and I think this is something that should have been taken to the people of Manitoba.

Mr. Speaker: Order. The honourable member's time has expired.

Some Honourable Members: Leave.

Mr. Speaker: Does the honourable member have leave?

An Honourable Member: No.

Mr. Speaker: Leave has been denied.

Mr. Tom Nevakshonoff (Interlake): Mr. Speaker, it is my pleasure today to rise and give my response to the Budget. I notice that the focus seems to be on Manitoba Hydro this time around, so I am going to concentrate my remarks in that respect, given that the driving engine of the whole hydro-electric system in this province is Lake Winnipeg, which lies entirely within my constituency, the Interlake.

I would like to specifically focus on remarks by the honourable Member for Lakeside (Mr. Enns) in his speech last week. It was with great interest that I listened to his words, given that he is the acknowledged dean of the Legislature. He has been a member for 35-plus years and was present over pretty well all of the development of the industry in the province. I was so captivated by his comments, as a matter of fact,

that in order to get to the bottom of the whole situation, I phoned no less than the Right Honourable Ed Schreyer himself and made sure to pass on to him a copy of the honourable member's speech. He commented to me extensively on your words, and I will endeavor to articulate some of his thoughts and attempt to put some of them onto the record.

To begin, the Member for Lakeside (Mr. Enns), on the 24th of April, made a number of statements regarding hydro development which, in the opinion of Mr. Schreyer, are completely inaccurate and misleading, Sir, I am sorry to say.

To begin, just to keep the historical record straight, he is wrong in asserting that the Grand Rapids dam was the first northern dam built. Apart from some minor ones, a major dam was built at Kelsey on the Nelson River to serve Thompson and Inco. Contracts for construction were let as early as 1957, six years before Grand Rapids. In a typical year, as a matter of fact, Kelsey produces double the energy compared to Grand Rapids.

It is significant, as well, that both Grand Rapids and Kelsey involved far more flooding of land than any of those projects carried out in the 1970s and in the 1980s; Limestone, for instance. It is simple enough arithmetic. The Grand Rapids dam is by far the highest at 125 feet. The flooded acreage therefore included thousands of acres, including the Chemawawin Reserve lands and the village of Easterville. A high dam usually involves higher flooding. For that matter, the backup of water from Kelsey extends some 80 miles back upstream and therefore floods much of the perimeter lands even up to Sipiwesk Lake. Sipiwesk Lake is regarded as being in the resource zone of the Cross Lake community. The fact is because of the Kelsey project, there is much more flooding involved around Sipiwesk Lake than around Cross Lake itself, and that was done 43 years ago in the late 1950s.

But to press on. The Member for Lakeside (Mr. Enns) made certain assertions and had mentioned repeatedly the name of Ed Schreyer in the context of the Nelson River development. As I said, I contacted the former Premier, and he begs to differ with the member on a number of issues.

* (16:50)

He will acknowledge that you are correct on some points. He refers to the spirited reaction to the proposed high-level diversion of the Churchill River in '68 and '69, in your words as the dawning of environmental concern in Manitoba. This is factual. This was part of a new attitude generated across the country, and certainly this potential diversion garnered their interest.

But, also, the expressed environmental opposition in Manitoba was triggered by the extremity of that proposed high-level diversion. The problem with it was that it lacked common sense. Not only was a river to be diverted, but it was at the location of South Indian Lake to be raised no less than 35 feet. The whole lake and its hundreds of miles of shoreline were to be raised to a level 35 feet higher, all the way back to and including Granville Lake, many additional hundreds of miles of lakeshore and river shorelines to be flooded, thousands upon thousands of acres of additional flooding.

Two entire villages would have had water not only at their doorstep, but these houses would have been 25 to 30 feet under water if that whole diversion had gone ahead. Like refugees, entire communities would have had to uproot and move many miles away. In other words, both in human terms and aesthetic terms it was an extreme solution.

Not surprisingly, a major reaction erupted. It certainly would have caused one hell of an environmental mess on a gigantic scale. That is to be sure.

Yet there is one point on which the honourable Member for Lakeside (Mr. Enns) is correct. Without some augmentation of Nelson River water and without some storage, the Nelson River hydro development would have been uneconomic and pie in the sky. So the question became: Was there really no alternative to this rather dreadful 35-foot permanent flooding? The answer was to take a measured pause and study some credible engineering options.

One option that the Member for Lakeside conveniently forgot in his misdirected history

lesson last Wednesday, it was this: If the Nelson River's flows could be firmed up by any combination of two projects, then the dependency on any one of the two becomes less critical, less desperate and, therefore, could be scaled back to a more realistic and human scale. Fewer people would be inconvenienced or hurt. Certainly far fewer would be as drastically affected. It is the old proverb: Do not put all of your eggs into one basket, and, in this case, do not put all of them into one gigantic diversion basket.

I quote now from the chief engineer of Manitoba Hydro in the construction industry news of 1977 to support this: When Manitoba Hydro decided in 1966 to develop the hydro-electric potential of the Nelson River at some future date, the decision was based on the idea of using Lake Winnipeg to increase, by means of a controlled structure with storage and channels, the nature outflow capacity of Lake Winnipeg, thus improving upon minimum natural flows for any hydro sites along the Nelson.

The Member for Lakeside is either ignorant of this engineering view or he wants to forget it because only by forgetting this fact of history can he even begin to justify or try to justify this 35-foot-high level of flooding plan known euphemistically as the high-level diversion, this Conservative plan, as he himself describes it on page 750, his very words, but it gets worse. The honourable Member for Lakeside then begins to make a chain of statements that he links to the then-Premier Schreyer. You have to listen carefully because there is implication and innuendo in his words. To be specific, on page 750 of Hansard, the Member for Lakeside says the New Democratic Party fought the election against the development of power on the Nelson River. That statement is simple, and it is simply false. Fortunately, for the record, Mr. Schreyer was interviewed in '69 and put his thoughts on the record, I am sure.

Let us go further into last Wednesday's Hansard. He says Ed Schreyer saw, once exposed to the information that Hydro gave him, that the Conservative plan—his words—to flood South Indian Lake was the correct plan and had to be proceeded with, except he had a political dilemma. He had promised that he would not

flood South Indian Lake, at least not to the same level. And those words are very important: not to the same level. Very cute of the Member for Lakeside to add those last seven words. Why? Simply because it exposes the Member for Lakeside playing fast and loose with the facts.

Mr. Schreyer, when asked, offered the following observations: He marvels at the Member for Lakeside referring to the high-level flooding plan as the Conservative plan. He thinks it may be correct to call it the Conservative plan after 1967. Of this he is certain: It was ill advised and contrary to Hydro's own initial projections before 1967, which was to make use of four feet of water on Lake Winnipeg. As such, Mr. Schreyer rejects the statement, in quotation: He saw the high-level plan as correct. The opposite is true. He regarded it as treating the people of South Indian Lake and Nelson House as their homes were to be viewed at as nothing less than muskrat lodges. Mr. Schreyer saw the development of the Nelson River as a major priority. He saw that there was a less drastic alternative to high-level flooding and that was raising water levels by 10 feet instead of 35 feet of elevation. This is 20 percent of what the original Conservative plan envisioned.

The communities did experience some flooding, but there was a loss of 25 feet of storage off of South Indian Lake as was envisioned by the previous administration. This was a major fact, admittedly, but it was made up for by engineering, for storage, and regulation on Lake Winnipeg. It could be done with as little as four feet of reservoir on Lake Winnipeg, simply because of the fact that the surface area of Lake Winnipeg is more than eight times greater than South Indian Lake. So 4 feet in Lake Winnipeg would provide for more than 32 feet of storage on South Indian Lake. Clearly, such a drastic flooding option was no longer necessary.

What is important as well is that the 4 feet on Lake Winnipeg was chosen because this would be well within its historic natural long-term minimum and maximum fluctuations. Specifically, 11 feet to 7, 15 feet or 2 feet higher than the low and 2 feet lower than the high levels as reached in '51, '56, '66 and so on. In other words, there was to be a two-foot flood

protection, or at least flood reduction. This can logically be described as a bonus, as opposed to something to be criticized.

But this would not impress the honourable Member for Lakeside (Mr. Enns) because he goes on to say, and here it becomes quite silly and irresponsible, quote: Mr. Schreyer had promised he would not flood South Indian Lake. But here he adds, again: At least not to the same level. Mr. Schreyer accepts the last half of that statement as correct and valid. But then the Member for Lakeside stated: So he did what is usually the worst of all things. He compromised. Is that a problem? Should I repeat that? He compromised. All construction works are compromises. Every project involves compromises of some kind. It gets worse.

In the next sentence he says he made Lake Winnipeg into a Hydro reservoir as though this were something so terrible, as though Hydro engineering as far back as 1966 did not talk about the very same thing, as though the reservoir was raising Lake Winnipeg above its natural fluctuations. It was actually reducing the fluctuations by a significant two feet.

Now wait for this. He flooded four more communities that would not have been flooded out, the Member for Lakeside contends—Cross Lake, Norway House, and goes on to say and a few others. This statement is false and malicious, and in a geographic sense, ignorant. What are the few other communities? There are no others at all, unless he means Split Lake, but Split Lake's problem, if any, comes from the turbidity of waters from the Churchill River diversion not because of Lake Winnipeg regulation.

Does he mean Nelson House? This cannot be, because Nelson House lies along the Churchill River diversion and had the high-level diversion gone ahead, Nelson House's problems would have been even greater. That leaves flooded out—to use his words—Cross Lake and Norway House. What is the truth and the reality? East branch Nelson River levels at Norway House have been higher in 1951, 1955, and 1966 than they have been since Lake Winnipeg has been regulated to its present seven-eleven, seven-fifteen foot levels. In the case of Cross Lake, there is simply no flooding at all.

* (17:00)

There may be other problems due to water levels being lower in summer than in past years. The fishing catch was reduced for 12 years as a result. That is acknowledged. However, when the rock weir was finally built a few years ago, the water levels were dramatically improved and so has the fishing. The problem of mercury was encountered, not as a result of Lake Winnipeg regulation but rather due to Churchill River diversion. That would have been even much worse for every additional square mile or I should say thousands of square miles flooded by that high-level diversion so beloved by the honourable Member for Lakeside (Mr. Enns). This was, mercifully for South Indian Lake and Nelson House residents, dropped from any further consideration after 1969.

To summarize on this point alone, when the Member for Lakeside says, quote, he made Lake Winnipeg into a hydro reservoir, he flooded Cross Lake, Norway House and a few others, Mr. Schreyer says in response that there are no mysterious other communities at all in that geographic area not already mentioned. Furthermore, there was no flooding of homes in Norway House and Cross Lake. For each and every house and permanent dwelling witnessed as having been indeed flooded in either community by the project, Mr. Schreyer will publicly and he hereby publicly states that he is prepared to donate a hundred dollars to a designated charity such as Habitat for Humanity if that is the case. The fact is the statement that Norway House and Cross Lake and a few other communities were flooded by Lake Winnipeg regulation is a false statement. Every word of it is false.

But there are more statements from the honourable Member for Lakeside. On page 751, he makes several more flat-footed statements, all of them grossly inaccurate. He mentions the Justice Tritschler inquiry and suggests that Tritschler thought there were cheaper alternatives than Lake Winnipeg regulation. Well, what might they be? What might they be? No Lake Winnipeg component but rather only a high-level flooding of South Indian Lake, despite the impact on the surrounding communities.

That was dismissed. The flooding experienced behind the dam at Grand Rapids 10 years earlier surely was enough warning, was it not? But some Conservatives apparently never learn. In any case, Tritschler did not suggest a high-level flooding. Oh, no. He referred instead vaguely to an alternative of building less hydro capacity, perhaps buying more electrical power from neighbouring provinces or states. Others had suggested building good old reliable coal-burning power stations. Imagine that. Twenty years later, that seems dumber than ever.

Mr. Schreyer tells me that all the free advice to abandon hydro and build coal or gas thermal plants was as wrong-headed then as it would be today. Had we followed that advice from Tritschler and others of that ilk, we today would not have any surplus hydro energy to sell, with exports alone worth \$500 million these last 12 months. Had we built coal burners or gas burners, subject as they are to the swings of prices today, we would have nil available for export. Hydro's net earnings would be comparable to Ontario's or Saskatchewan's—zippo, in your words. No transfer to the Province's Treasury of \$200 million and so on.

While we are on the topic of foresight, not only did Manitoba Hydro in the 1970s begin the major expansion of interconnections southward but, most significantly, it applied in July of 1976 for National Energy Board approval for a high-voltage, 500-kilovolt line to Duluth and Minneapolis. It is this line, along with an initial 14-year export contract, that got the ball rolling in this province with respect to multimillion-dollar export earnings on electricity. That line has been loaded to near capacity ever since it was completed some 20 years ago. It has not been added to, so one can assume that this line accounts for the bulk of the annual exports of \$300 million, \$400 million, \$500 million to the U.S., and the energy is being generated. It is there. So does Mr. Schreyer and his colleagues of that period have to apologize? I hardly think so. The opposite applies. Words of approval and reconfirmation instead would be logical. *[interjection]* It gets better.

A number of interesting firsts were achieved in those days. Manitoba Hydro and Atomic Energy of Canada were first to bring direct

current, DC, long-distance transmission to North America, anywhere in North America. This was a non-political engineering decision that should not be second guessed. It has worked, and it has worked well. It would be done all over again, no doubt.

Another first, and one which the Member for Lakeside (Mr. Enns) has sneered at, has to do with the horizontal shaft turbines installed in Jenpeg. Now, the Member for Lakeside is right in one respect. At that time, there were none in North America. He hints at that on page 751, but he is dead wrong to suggest that it is still the only such installation and also, as he puts it, the most inefficient, wrong again. The truth is that horizontal turbines are now installed in Nova Scotia, in British Columbia, in Oregon and in Washington. In fact, the Straflo single unit installed just two years ago by Winnipeg Hydro at Pointe du Bois is a horizontal-mode unit. Nowadays, whenever the head is less than 30 feet, then for sure the horizontal shaft is installed because it is 10 percent to 15 percent more efficient. It is simply a matter of physics.

The Member for Lakeside (Mr. Enns) makes the claim that the water drop, and I presume he means head, at Jenpeg is only eight feet. It went: If we all went to the bathroom together, we would generate as much power. The honourable member is now bladder boasting, in the words of Mr. Schreyer, but he has now reached dizzying heights in both inaccuracy and absurdity. The Jenpeg generating plant operates not on eight feet, but at three times that amount of drop, at twenty-four feet. He implies that 185 megawatts is small and makes it inefficient. Well, its capacity is greater than that of five plants on the Winnipeg River and is only 20 percent smaller than the largest plant, Seven Sisters, on the Winnipeg River.

What the honourable member avoids mentioning is that Jenpeg last year produced over 1.1 million megawatt hours or, if you prefer, 1.1 billion kilowatt hours of electricity, at a value of \$55 million. This happens to be an amount, in fact, 10 percent greater than the production at Grand Rapids. Yes, Grand Rapids. As Mr. Schreyer explained to me, this does not necessarily mean Grand Rapids is inefficient, but it typically each year generates less power than

the very same Jenpeg structure the Member for Lakeside (Mr. Enns) likes to badmouth so extravagantly but also very inaccurately.

Mr. Conrad Santos, Deputy Speaker, in the Chair

More important for posterity is that Jenpeg operates at a very impressively high capacity factor, perhaps the highest in the entire system. What he described as one of the most inefficient stations in the system, I describe as the very opposite. According to the last 10 annual reports of Manitoba Hydro, Jenpeg is producing more than Grand Rapids. In any case, within 20 years, Jenpeg has paid for itself. It owes nothing to anybody. It continues to spin at a steady 62 revolutions per minute, year in, year out, producing at about 115 percent of its nameplate rating. Yes, the units are ugly to look at and the project was delayed by 18 months in installation. That is admitted. On the other hand, it has been an example of reliability ever since. To date, it has generated almost 25 million megawatts of megawatt hours which, over these 26 years, would have a cumulative value in current dollars of over a billion dollars. One can say with confidence that it has paid for itself more than twice, indeed, three times over. If this is an inefficient station, I say: Give us more like it. Some inefficiency indeed.

* (17:10)

But there is one more point equally important to the environmental community. Jenpeg alone in its 26 years of existence, accounts for the avoidance of approximately 25 million tonnes of carbon dioxide emissions. With respect to the entire Nelson River system, we are talking about 30 million tonnes of carbon dioxide avoided each and every year. Instead of talking about the Kyoto environmental treaty and signing it, or maybe not signing it, maybe yes, maybe no, the important task is to just get on with the work. Get on with it and build far more renewables. Future generations will not rue the day we build another hydro plant. As well, they might regret and resent every time we exhaust yet another oil deposit or deplete yet another gas field.

Manitoba's Nelson River was developed to its present capacity to produce just about exactly

\$1 billion a year of energy on the Nelson River alone, all dependable and all renewable. We are not subtracting from tomorrow's supply even one gigajoules, nor are we high grading any energy resource and depleting it from under the feet of the next and ensuing generations who seem to depend more and more on a fossil fuel world.

At the end of page 751, the Member for Lakeside takes another run, a repeat really, at his favourite, the South Indian Lake diversion. He states: Without that diversion and that additional 45 000 cubic feet of water, it would not have been economically possible to build those billion dollar dams on the Nelson River.

Well, that is wrong again in two respects. One, the high level diversion and that 45 000 cubic feet per second diverted flow of water never did happen. It was scaled back by more than 70 percent as to storage or flooding, and the flow was re-engineered downward from 45 000 to 30 000 cubic feet per second.

The very notion of 45 000 cubic feet being forced through an already swollen Burntwood River is ridiculous, to say the least. Nelson House and Split Lake would have had greatly increased problems. It did not happen and for that we can be glad that a sober second look was taken and followed. But the dams were eventually built. They produce, and they produce economically. The proof is 30 million megawatt hours per year of actual production, cash flows of over \$1.25 billion, and net earnings of over \$300 million without high grading or emissions of millions of tonnes of carbon dioxide to the ultimate disadvantage of tomorrow's future.

So let us quit the pretence. The facts speak for themselves. The high level diversion was a violation of common sense and was not built. A low level diversion could do the job and it has for the last 25 years. The earnings show it. The last 25 years have proven just exactly that. We have not had that 35-foot diversion and that 45 000 cubic feet of water diverted. It was reduced by factors of 60 to 70 percent. This was made possible by the common sense utilization of Lake Winnipeg for firming up seasonal diversity of water flows, all within a 4-foot range on Lake Winnipeg, instead of the nonsense of 35-foot rises in elevation, as intended on South

Indian Lake by the previous administration. It was intended until the government changed in 1969.

All I can say is: Thank God, it did. Thank God, it did. So would say the people of South Indian Lake itself and Nelson House and Split Lake. After looking at Manitoba Hydro's \$280-million contribution to the provincial Consolidated Revenue, so would a majority of Manitobans, except perhaps members opposite.

Mr. Deputy Speaker, I thank you for the opportunity of putting these words on the record on behalf of the Honourable Edward Schreyer and myself. Thank you, Sir.

Mrs. Bonnie Mitchelson (River East): Mr. Deputy Speaker, I listened with great interest to the history lesson that was just provided by the Member for the Interlake. If I were members opposite, I would be quivering in my boots, because he is so knowledgeable and has so much information in such great detail that I would believe that he would be the next Minister of Hydro in the province of Manitoba because he has a wealth of knowledge and understanding of exactly what Hydro is all about and the history.

I notice with great interest that he struggled greatly trying to read the words that Ed Schreyer wrote for him. He had difficulty pronouncing many of the words, and I would venture to guess that if we asked him any questions about any of the detail, he would have no understanding or no knowledge of what he was saying. We did get that lesson. I have heard Ed Schreyer speak many times, and the language that was used just in the previous member's speech, the Member for the Interlake's, was certainly Ed Schreyer's words. If I were the Member for the Interlake, I would thank Mr. Schreyer wholeheartedly for writing that speech for him.

I want to move on. Before I get onto the Budget I want to, first of all, congratulate and welcome the new Member for Lac du Bonnet (Mr. Hawranik) to the Manitoba Legislature. I can say without equivocation that he was the best candidate in the by-election, and I had the opportunity to work very closely with the new Member for Lac du Bonnet in the Beausejour area. I do want to indicate that my new colleague

certainly has roots in the constituency of Lac du Bonnet and is very well liked for the number of activities that he has been involved in.

Mr. Speaker in the Chair

In the immediate Beausejour area, Mr. Speaker, I noticed with great interest and great pleasure that the people who supported and worked very hard for the Member for Lac du Bonnet were genuine, hardworking people. His family and extended family and many friends that he has made over the years certainly were there wholeheartedly supporting the quality and the calibre of candidate that we elected. So I do want to congratulate him. He has already made a significant contribution in this Legislature, and I know that he will continue to do so.

Mr. Speaker, I also want to welcome a new constituent in the fine constituency of River East, and that would be the now-Premier (Mr. Doer) of the province who will be moving into my constituency in July, who has just bought a home down the street from me. I welcome him, as I welcome anyone who moves into our fine constituency. He will soon come to realize and recognize the quality of the individuals that live in River East constituency and the quality of facilities that we do have.

I know that his daughters, or at least one of his daughters anyway, uses the Gateway Recreation Centre complex that has an indoor soccer complex. I know that he already has been able to experience, first-hand, some of the benefits that River East constituency has. I welcome him also to River East School Division. I know that where he lived before, his children were not part of the River East School Division, and I know that he will recognize and realize the fine schools that we have to offer.

* (17:20)

I will also ensure that I remind my constituents of the impact of the amalgamation of Transcona and River East and what impact that will have on their property tax bills. It will have a significant impact. I know that my constituents in River East also know that the amalgamation is going to cost more, not less.

My comments, Mr. Speaker, and the accuracy of my comments will come to bear as

we progress and see tax bills into the future. Passing strange that many of the school divisions that were considerably smaller than River East were not touched or were not amalgamated. There is real concern in my constituency about the political drawing of the new boundaries behind closed doors. Whether they were in the Minister of Education's office or the Premier's office, we are not quite sure, but there was no rhyme or reason to the amalgamations that did take place. River East School Division, having been the second largest in the city of Winnipeg, was amalgamated where places like Seven Oaks, St. James were left untouched, and there does not appear to have been any rationale except a political rationale for the changes that were made. Those changes, those decisions, will come back to haunt this Government.

As I have said, I do welcome the Premier to my constituency. He will find out that we have a great quality of life and much to offer for the residents. I want to assure him that I will represent him well in the Manitoba Legislature and that I might venture to guess, not saying that the Member for Elmwood (Mr. Maloway) presently does not represent his constituents well, but I might just say that the Premier could have significantly better representation when he moves in July.

Well, Mr. Speaker, now moving on to the Budget, I do have to say that from time to time, it does not matter what government is in power, there are some good decisions and some decisions that are not so good. I do want to indicate that I was pleased to see additional money in the Budget for the larviciding program for the communities just outside the city of Winnipeg.

I know, Mr. Speaker, that as soon as spring does arrive, and we have some question in my mind whether we ever are going to get spring or summer this year, but once the weather warms a little bit, we know that we are going to have a significant infestation of forest tent caterpillars that will, certainly, inhibit our ability to enjoy the outdoors in the way that we would like to. To add injury to insult, then, once the caterpillars are gone, we will see mosquitoes. So if, in fact, the larviciding program is in place and does start to make a significant difference, we may be able

to enjoy the later days of the summer better than we have in the past. So I am looking forward to that initiative, and I will be watching very closely to make sure that things get up and underway this summer as quickly as possible.

But, Mr. Speaker, I sense that the government side of the House is very sensitive and very defensive when it comes to the issue of taking \$288 million out of Manitoba Hydro to try, first of all, to balance their books retroactively. We heard nothing from this Minister of Finance (Mr. Selinger) or this Government about taking revenues from Manitoba Hydro to balance last year's books, and what a convoluted way of trying to do it. Standing up and bragging that they are not going to take money out of the Fiscal Stabilization Fund to balance the books but, on the other hand, they are going to take \$150 million from another source and bring it into government revenue retroactively.

Well, Mr. Speaker, they have no legislative authority to do that. There is not even a piece of legislation before us today that could or would be passed by the time the books for last year close. This kind of activity is unprecedented in our province. How can they retroactively balance their books by using \$150 million of revenue from Manitoba Hydro?

Now, Mr. Speaker, members opposite are trying to be very cute around this issue. They are trying to defend, and they are being very sensitive and very defensive about this, but the reality is [*interjection*] that they do not have the moral or the legislative authority to be able to go back.

We are not the only people on this side of the House that are concerned about what this Government is doing. We know that the Manitoba Society of Seniors is extremely concerned and that the Consumer Association of Canada is concerned, concerned to a point where they say that taking Hydro dividends to government coffers is a regressive tax measure. They know that what this Government is doing is a tax grab of significant magnitude, and what they are saying is: We want that money to be there so that our Hydro rates will not increase.

Well, the Premier stood up and said Hydro rates are frozen. Manitobans have nothing to

worry about. That was just a few days ago, last week, but we have the Minister of Finance and the Premier singing out of different hymn books. We have the Premier saying rates will not go up, and we have the Minister of Finance saying there is no rate increase this year and we will go on a go-forward basis. We asked the Premier today in the House if he stood behind his statement that said rates will not go up as a result of taking \$288 million out of Hydro revenue. He talked all around the issue, but he could not make that commitment today to Manitobans, that rates will not go up.

Manitobans should be worried. We have got, again, the Minister responsible for Hydro, the Minister of Finance and the Premier not on the same page. I wonder if they do not talk to each other, or if they do not understand fully what exactly their Government is doing.

We know that Manitoba Hydro's debt is on its way up, and that if in fact there is to be further hydro development, it is going to have to be done with borrowed money. Now the \$288 million they are taking from Manitoba Hydro today could be used as a good first start to any new hydro development, but, no, Mr. Speaker, they are going to raise the debt because of their insatiable spending habits. We are seeing that, in a year when things were pretty good and we heard the Minister of Finance and the Premier talking about how the economy was doing so well in the province of Manitoba, we find out now that there is a \$150-million shortfall, that they spent way beyond their means in the last year. Even though they had a billion dollars in additional revenue over the last couple of years, they spent that and even had to dip into Hydro profits in order to meet and balance their books for last year.

Mr. Speaker, it is unconscionable to think that we are back to the old tax-and-spend ways of the government before 1988 when in fact one of their own members voted against a budget that brought their government to its knees and put in place another government that had to, in fact, pull in the reins and reverse the trend that was taking place in the province of Manitoba. Manitobans remember one of the issues, one of the very significant issues, that defeated the Howard Pawley government when the Premier

today sat around the Cabinet table and politically manipulated and interfered with Autopac rates. There were significant Manitobans that protested in front of this Legislature when the Pawley government kept Autopac rates artificially low. They set those rates around the Cabinet table; they kept them artificially low before the 1986 election and then after the election by the stroke of a pen around the Cabinet table, raised Autopac rates to a point where Manitobans would not tolerate it. Those were in the days, Mr. Speaker, when there was political interference with Crown corporations.

* (17:30)

What did Manitobans do? Mr. Speaker, they turfed the Pawley government out of office, and we put in place a process at that time where Crown corporation rates had to go before the Public Utilities Board and have an impartial third party make the decision on what the rates should be set at. The corporations would bring those rates and their justification before the Public Utilities Board, and then the rates would be set and Manitobans would know clearly in an open and transparent way what the rates would be and why they would be increased or decreased.

But, Mr. Speaker, what has this Government done? It has gone back to the bad old ways of gerrymandering and politically interfering with Crown corporations where they say the Public Utilities Board is not relevant. We do not need third-party involvement. We do not need Manitobans to help make those decisions and to understand what the full implications are. We know best what is best for Manitobans, and we will tell Manitobans from on high what their rates will be and what they will pay.

They tried to take \$30 million out of Autopac to fund universities, and Manitobans gave them a strong, clear message that that was not acceptable and they backed down. Now they are trying to take \$288 million from Manitoba Hydro revenue and we know, as we sit here today, that we are into a significant drought situation. What happened to the export revenues of Manitoba Hydro the last time we were in this kind of a situation? Back in the late '80s, when there was not enough—and nobody is saying that

the Hydro export capacity or capability, I mean the sales were there in exports, but when there is no water and we cannot generate the hydro electricity to export, our export revenues go down. We saw in the late 1980s Hydro export revenues plummet from \$113 million to \$31 million, and it took several years for them to start to increase and generate more revenues.

Mr. Speaker, those are facts, and that is reality. We know that from time to time in Manitoba we go through cycles. We go through cycles of excess wet weather and flooding to cycles of drought, and you cannot take the revenues when we have got wet years with good water flows and raid the Crown corporation so that there is no cushion for those drought years so that Manitobans are protected and their hydro rates will not go up as a result.

Manitobans are concerned, the Manitoba Society of Seniors are concerned, the Consumers' Association is concerned, that this Government is politically manipulating for their own purposes what should be the jewel of our Crown corporations and should be there to protect and to cushion any hydro rate increases.

Mark my words, Mr. Speaker, Manitobans will see increases in their hydro rates as a direct result of what this Government is trying to do. I am serving notice today that we will not sit back and allow this Government to pass retroactive legislation to try to ensure that they make up for the shortfalls and the deficit budget that they ran last year. I wish the ministers on that side of the House would just own up to the fact and to Manitobans that they erred, that they goofed, that they overspent, that they have a \$150-million deficit, which is against the balanced budget legislation, and take the reduction in pay. Own up to Manitobans. Say we made a mistake. We spent more than what we took in. We have a deficit, and we will come clean. We are part of the problem, we will be part of the solution, and we will take that reduction in pay that the balanced budget law indicates should happen.

Mr. Speaker, along with the tax grab of \$288 million that we are seeing in Manitoba Hydro, we are seeing all kinds of other backdoor taxes. This Government likes to talk about the modest tax reductions and the balance that they have in

their program in this Budget, but it really is not the case. Manitobans will be taxed \$3 million more as a result of this year's Budget, not less. They give with one hand, and they take away with another. We see them brag about starting to reduce the ESL on property taxes, but, on the other hand, we see them removing the learning tax credit, which is worth more than the \$10 million Manitobans are going to receive.

I talked to some of my constituents who have kids going to university, and they are receiving some \$320 in tax credits as a result of the learning tax credit this year on their tax bill that they will not see next year. Those parents or those students will be paying \$322 more as a result of this Government's change, a sort of backdoor approach to changing education tax for our university students.

Another area I would like to just touch on briefly is the whole area of the floodway. We saw with great fanfare last year this Government put \$40 million into the Budget and talked about what they were going to do to start work on the floodway. Well, lo and behold, at the end of the fiscal year they let \$30 million lapse in the Budget for flood protection, and again this year in the Budget with great fanfare they announced \$40 million for flood protection. Well, what happened to the \$40 million that was supposed to be spent last year? Mr. Speaker, \$30 million lapsed. Obviously, this Government has no plan on how to deal with the whole issue of flood protection.

You know, it is passing strange that you have a government that makes significant unilateral decisions around skimming, robbing Hydro of taxpayers' or ratepayers' revenues, and yet when it comes to the issue of floodway and flood protection, because they do not have a plan, because they do not have a vision, and because they know they are going nowhere fast, they establish an all-party committee to deal with the issue. It is a smoke-and-mirrors committee, because they do not know what to do, and they do not know what direction they are going.

Mr. Speaker, I would welcome some move forward and some reassurance that the floodway will be expanded and that the people upstream

and downstream from the floodway will be protected in significant measure, and I am not sure that all of the studies that need to be done have been done. We have a government that does have a mandate to govern, and I have heard the Premier (Mr. Doer) make several excuses about, you know, the mandate of the reviews was not broad enough and it did not include some of the detail that needed to be looked at north of the city of Winnipeg.

* (17:40)

Well, he has the ability to expand the terms of reference, to go ahead and do that kind of study to ensure that when the floodway is expanded it deals with the issues that are outstanding in the areas north of the city of Winnipeg. Let us just get on with it and do it. It is fine to put money into the Budget and then let that money lapse, but let us get on, let the Premier show some leadership, indicate to Manitobans what the plan is and get on with protecting those that need protection should another flood occur.

We on this side of the House will not be supporting this Budget. It is ill thought out, and it does nothing to ensure Manitobans that we are on the right track and that we are moving forward with a vision. It is a budget that looks at an insatiable appetite for spending, without any concern about what might happen in the future. Mr. Speaker, I am extremely, extremely disappointed that this Government has no plan, has poured more money into the areas of health care with no tangible results, that we have no tangible results.

As a matter of fact, there are going to be additional user fees in the areas of Pharmacare for many in our province. There are going to be additional user fees for those that use chiropractic services, and those are two areas that we have heard something about, but what else is hidden in the Department of Health that will increase user fees? What is going to happen to personal care home rates, for instance, for many Manitobans in this year's Budget? We still have not heard from the Minister of Health (Mr. Chomiak) what other areas Manitobans are going to be expected to pick up the cost? We have not yet heard the final analysis on whether

we are going to see a new sandwich factory in the province of Manitoba. Are we going to spend a million dollars on bricks and mortar, like we spent several millions on bricks and mortar buying the Pan Am Clinic? Are we going to see these kinds of things? Are we going to see Manitobans asked to open their wallets and pay more for Pharmacare and pay more for chiropractic and pay more for personal care homes while this Government continues to build the bricks and mortar? It just does not appear that they have any plan or any vision.

We see the streets of Winnipeg and the crime rate continuing to increase without any discussion in the Budget about what this Government plans to do in order to curb the crime rate in our province. I do not believe that this Government has a plan or has a vision for the province of Manitoba except a tax-and-spend vision that is so typical of this NDP administration, when successive governments, after the NDP, have to come in and clean up.

I want to indicate that I will not be supporting this Budget, as I know my colleagues on this side of the House will not. We will continue to let Manitobans know about the tax grabs around Manitoba Hydro and the other hidden taxes that were not announced with great fanfare the day the Budget was announced, but that Manitobans will see, over the course of the next several months, as we get into the detail of what Manitobans can expect in the areas of increased user fees and increased taxes.

Thank you, Mr. Speaker.

Mr. Cris Aglugub (The Maples): Mr. Speaker, I would like to add my voice to the debate on the Budget that is before us. Being a member of this Government, I am proud to say that we continue to look after the interests of Manitobans while easing the burden imposed by the previous government.

This Budget brings optimism to Manitobans and trust in the way our Government manages the provincial Treasury. For over two years now, the NDP government has worked very hard to make a real difference in the lives of Manitobans. In the last two budgets we delivered what we promised and more. This Budget

continued to find ways to make the lives of Manitobans easier, by providing them with tax relief and social programs. This Budget is continuing the course of a broad and stable future for Manitoba families. It builds on human and economic potential through investment in education, health care, water quality and support for families. It provides further tax relief and creates a climate for strong, economic growth. At the time when there is uncertainty all around us, there is a lot of good news in this Budget. It is a balanced budget and sustainable. Having said that, I would like to touch on the areas that are closer to me and of importance to the constituency that I represent.

My constituency, The Maples, is a diversified community and my constituents have diverse interests in many things. Key issues to my constituents include health, education, immigration, children, families and communities, taxes and the environment. I will touch on each of these.

Greater efficiency, innovation and state of the art improvements in hospitals are among the highlights of Budget 2002, which focuses on enhancing service. I am very happy to see that the Seven Oaks Hospital has been expanded to add more dialysis units to serve the growing demand for related procedures. Further, Budget 2002 provides \$2.8 billion for health care. This will be spent on hospital improvements, more support for CancerCare Manitoba, better use of rural and northern surgical facilities, expanded community health initiatives, mental health initiatives, emergency response and transportation, long-term and acute-care services and new out-patient ultrasound services.

While there are still challenges in staffing, Budget 2002 will continue support for expanded diploma and degree nursing programs which will graduate more than 400 nurses this year. This is more than double the number of grads in 1999. More doctors will be trained and retained with ongoing support for student grant systems that has committed more than 150 future doctors to staying in the province. Since the fall of 1998-99, more medical specialists have been recruited to Manitoba.

* (17:50)

On April 24, 2002, I was privileged to be present when the Minister of Advanced Education (Ms. McGifford) announced the continuation of the 10% tuition reduction for the 2002-2003 academic year at Maples Collegiate in my constituency. This announcement complements our Government's vision and objectives in many areas, not only by training medical or health-related workers, but also by motivating our young people to take up the choice of training beyond the secondary education.

We have an aging population, and we also have an aging workforce. We are preparing our young people for workforce as the aging baby boomers start to retire. Now Manitoba students stand to gain and stand to benefit from the tuition fee freeze and another \$60 million in financial support in the form of bursaries, scholarships and study grants. In announcing the tuition fee freeze and bursaries, the Minister of Advanced Education said: "Education is one of the key priorities for our Government. We are committed to enhancing education opportunities for young people. The tuition freeze announced in the Budget 2002 ensures that education remains affordable for Manitoba students."

Statistics show that the 10% reduction and subsequent two years of tuition freezes have resulted in 12% increase in enrolment at post-secondary institutions in Manitoba. I would also like to echo the words of the Premier (Mr. Doer) who said on several occasions, and I quote: "We cannot have an effective economic strategy without a strong education strategy." The provincial government continues to build on a three-year record of strong support for Manitoba schools and post-secondary institutions.

Mr. Speaker, I would like to touch on immigration, and it is called the Provincial Nominee Program of the Department of Labour and Immigration. The Provincial Nominee Program has been a great success for our province. The Provincial Nominee Program recruits and assesses skilled immigrants who are best suited to contribute to this province's economy and who intend to live and work in Manitoba. An applicant nominated by Manitobans should receive a favourable and prompt consideration from the federal

immigration authorities as long as they comply with medical and statutory requirements.

Mr. Speaker, there is a shortage of skilled workers in Manitoba, and the Provincial Nominee Program is fulfilling its mandate to provide the industry with highly skilled workers. Thanks to the hard work of the Minister of Labour (Ms. Barrett) and her deputies, the program has recently been expanded. Next year Manitoba will be able to nominate another outstanding 1000 applicants. This will bring Manitoba so much closer to receiving its fair share of skilled immigrants to Canada.

This Government has maintained as well its commitments to children, families and Manitoba communities. It has provided almost \$22 million for Healthy Child, including support for 26 parent-child centres, the Healthy Baby and Baby First programs, fetal alcohol syndrome prevention, and nurses in school programs. We have introduced a new multiyear child care strategy and have supported the new affordable housing initiatives.

Budget 2002 builds on this success. The recent Budget provides for the new Healthy Schools pilot program which will better link public health services with local schools, the expansion of parent-child centres in 26 communities across Manitoba, full implementation of the Healthy Baby Program and the expansion of the fetal alcohol syndrome/effect prevention programs. These are wise investments in our future. Children supported to an early age do better in school, earn higher income later, and are less likely to become involved in the justice system or rely on costly social services.

The Budget also continues to restore the National Child Benefit to families on assistance. Effective January 2003, families with children under 12 will begin receiving the full benefits. Last year, the benefit was restored to families with children, six and under. The Aboriginal Child Welfare Initiative will also receive additional support. As well, the Province will be creating a separate office to serve as a focal point for disability-related issues.

Mr. Speaker, building safe, secure and vibrant communities is another priority of the

Budget 2002. The Government will continue support for successful revitalization programs like Building Communities, Neighbourhood Alive!, and the Winnipeg Housing and Homelessness Initiatives which are reversing the decline of older areas and providing more affordable housing options.

To keep communities safe, Budget 2002 dedicates more resources to policing and programs that will counter street gangs, organized crime, auto theft and impaired driving. Funding is also provided for the implementation of new safer communities and neighbourhood acts to deal with the disruption caused by booze cans, drug dens and prostitution in residential neighbourhoods.

Mr. Speaker, I would like to touch on taxes, and this relates to combined taxes with personal income tax reduction in the budgets of 2002, 2000, and 2001. The new 2002 income tax cuts represents a 11.5% personal income tax cuts for the average Manitoban. They have also resulted in the removal of 24 000 taxpayers from the tax roles since the year 2000. The Government has also committed a five-year plan to phase out the education support levy portion of residential property taxes. Last week in a letter to the Premier and the Minister of Education, Training and Youth (Mr. Caldwell), Seven Oaks school trustee chair, Dr. Morley Jacobs, expressed his thanks to this Government for introducing its long-term plan.

It will mean a greater furtherance to education support program, and the minister said, and I quote: "With modest cuts and improvements and credits, we can continue to keep Manitoba's taxes affordable and fair and build on our province's reputation as one of the most affordable places to live."

Last year, the Government delivered on its pledge to raise the minimum education property tax credit to \$400. All of this is good news to all Manitobans who are paying income tax and property tax. Property tax relief has been the outcry of Manitobans for years, and the previous government did little about it. It takes an NDP government to make a significant relief in both

income taxes to the ordinary worker and property taxes to homeowners.

As for business taxes, the cuts in small business will make Manitoba's tax rate fourth lowest in Canada, a new three-year plan to increase the threshold for small businesses and taxable income which was increased in 2002 to \$300,000 from \$200,000 will rise to \$400,000 in three steps: to \$320,000 on January 1, 2003; \$360,000 on January 1, 2004; and \$400,000 on January 1, 2005. Raising the threshold means more companies will qualify for small business tax rates, which was lowered to 5 percent from 6 percent in 2002. For businesses with taxable income in the \$300,000 to \$400,000 range, this means their tax rates will be reduced to 5 percent from the current 16.5 percent by year 2005.

Mr. Speaker, this Government has a plan. The Finance Minister also reconfirmed his four-year plan to reduce tax rates on larger businesses, the general corporation income tax rate. The plan, which began in 2002 and is the first general corporation income tax break since the Second World War, will see the general rate fall to 0.5 percent in each of 2003, 2004, 2005, and it will reach 15 percent.

As the minister has said, and I quote again: "We are continuing to build on earlier tax cuts to ensure Manitoba remains an attractive place to invest and do business."

As to our environment, Mr. Speaker, the current Government has shown that we are truly committed to the environment, especially when it comes to protecting Manitoba's water resources. For example, several initiatives reflect the recommendations of the Drinking Water Advisory Committee, including establishing a new drinking water agency and an investment of \$1.8 million in improved drinking water testing program.

Mr. Speaker: Order. When this matter is again before the House, the honourable member will have 25 minutes remaining.

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 29, 2002

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