



Third Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHEEMA, Guizar	The Maples	Liberal
CHOMIAK, Dave	Kildonan	NDP
CONNERY, Edward	Portage la Prairie	PC
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Cliff	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold	Rossmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary, Hon.	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, March 16, 1992

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Oscar Lathlin (The Pas): Mr. Speaker, I beg to present the petition of Arthur Desjarlais, Joseph Cote, Chris Desjarlais and others requesting the government show its strong commitment to aboriginal self-government by considering reversing its position on the AJI by supporting the recommendations within its jurisdiction and implementing a separate and parallel justice system.

Mr. Daryl Reid (Transcona): Mr. Speaker, I beg to present the petition of Maureen Kaiser, Linda Jeffrey, Andrea Badgley and others requesting the Minister of Justice (Mr. McCrae) call upon the Parliament of Canada to amend the Criminal Code to prevent the release of individuals where there is substantial likelihood of further family violence.

Mr. Gregory Dewar (Selkirk): Mr. Speaker, I beg to present the petition of G.M. Ralph, Bolena Hunek, Lena Haddad and others requesting the Minister of Justice call upon the Parliament of Canada to amend the Criminal Code to prevent the release of individuals where there is a substantial likelihood of further family violence.

Ms. Marianne Cerilli (Radisson): Mr. Speaker, I beg to present the petition of Michelle Frankton, Dawn Pullon, Darcy Normand and others requesting the Minister of Justice call upon the Parliament of Canada to amend the Criminal Code to prevent the release of individuals where there is a substantial likelihood of further family violence.

READING AND RECEIVING PETITIONS

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

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

The Aboriginal Justice Inquiry was launched in April of 1988 to conduct an examination of the relationship between the justice system and aboriginal people; and

The AJI delivered its report in August of 1991 and concluded that the justice system has been a massive failure for aboriginal people; and

The AJI report endorsed the inherent right of aboriginal self-government and the right of aboriginal communities to establish an aboriginal justice system; and

The Canadian Bar Association, The Law Reform Commission of Canada, among many others, also recommend both aboriginal self-government and a separate and parallel justice system; and

On January 28, 1992, five months after releasing the report, the provincial government announced it was not prepared to proceed with the majority of the recommendations; and

Despite the All-Party Task Force Report which endorsed aboriginal self-government, the provincial government now rejects a separate and parallel justice system, an Aboriginal Justice Commission and many other key recommendations which are solely within provincial jurisdiction.

WHEREFORE your petitioners humbly pray that the Legislature of the Province of Manitoba may be pleased to request that the government of Manitoba show a strong commitment to aboriginal self-government by considering reversing its position on the AJI by supporting the recommendations within its jurisdiction and implementing a separate and parallel justice system. (Mr. Lathlin)

* * *

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

The bail review provisions in the Criminal Code of Canada currently set out that accused offenders, including those suspected of conjugal or family violence, be released unless it can be proven that the individual is a danger to society at large or it is likely that the accused person will not reappear in court; and

The problem of conjugal and family violence is a matter of grave concern for all Canadians and requires a multifaceted approach to ensure that those at risk, particularly women and children, be protected from further harm.

WHEREFORE your petitioners humbly pray that the Legislature of the province of Manitoba may be pleased to request that the Minister of Justice (Mr. McCrae) call upon the Parliament of Canada to amend the Criminal Code of Canada to permit the courts to prevent the release of individuals where it is shown that there is a substantial likelihood of further conjugal or family violence being perpetrated. (Mr. Reid)

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* (1335)

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, I am pleased to table with the House the Annual Report of the ministry of Natural Resources for the year '90-91.

Hon. Eric Stefanson (Minister responsible for The Fitness and Amateur Sport Act): Mr. Speaker, I have a ministerial statement.

One week ago, it was with great pleasure that I rose before the members and, on behalf of the members and citizens of Manitoba, took the opportunity of congratulating Connie Laliberte and her Fort Rouge rink of Laurie Allen, Cathy Gauthier, Janet Amott and Arlene MacLeod on winning the Scott Tournament of Hearts Canadian women's curling championship.

It is with that same great pleasure that I rise again today to extend congratulations to Manitoba's new Canadian men's curling champions—Vic Peters

and his rink from the Granite Curling Club, Dan Carey, Chris Neufeld, Don Rudd and fifth man, John Loxton.

While the Peters rink had previously served notice in Manitoba curling circles as a provincial runner-up on several occasions and has had some success on the major bonspiel circuit, it was the rink's first Brier. To their credit, in what was perhaps regarded the strongest ever Brier field, the Peters rink completed round robin play in first place and then treated curling enthusiasts to a thrilling, strategically played final against former world champion Russ Howard.

Like the women before them, the Peters rink has brought pride and distinction, through curling, to themselves, their families, the Granite Curling Club and the province of Manitoba.

The Peters victory now gives Manitoba its 23rd Brier championship and duplicates the feat of 1984 when rinks skipped by Connie Laliberte and Mike Riley won both the Canadian women's and men's championships. Both went on to the World Curling Championships in 1984, and I would ask all members to join me in extending best wishes to Connie Laliberte, Vic Peters and their rinks as they move on to represent Manitoba and Canada at this year's World Curling Championships in Garmisch-Partenkirchen, Germany, on March 28 to April 5.

On one other point, there were two other teams that deserve recognition in the House today. The Canadian University Athletic Union women's volleyball championship was determined over the weekend, and the final featured both Winnipeg universities. The University of Manitoba Lady Bisons eventually claimed their third consecutive national championship with a four-set victory over the University of Winnipeg Lady Wesmen. I would ask all members to join me in congratulating the members of these teams as well for excellent seasons and for providing Manitoba with national recognition through the outstanding women's volleyball programs of both universities. Thank you, Mr. Speaker.

Mr. Clif Evans (Interlake): Mr. Speaker, I rise to also add our congratulations to Vic Peters and his rink from the Granite Curling Club. As we are certainly aware, it is the first time since 1984 that Manitoba has captured the Canadian championship and to represent Canada in the world curling spiel in Germany this upcoming week or two.

For those of us who were able to follow Vic Peters rink throughout the week, we noted a splendid performance, ending up in first place overall, getting a buy into the final, and if we were able to watch yesterday's game against Russ Howard, the previous world champion, or a world champion of his own, I am sure that many of us spent quite a bit of time in front of that TV chewing our nails as, I may add, I did, for sure.

We on this side of the House offer our congratulations, not only to Vic Peters and his rink, but to Connie Laliberte and her rink and wish them all the very, very best. I think we are aware that not only do we have excellent representatives in the curling, but we have excellent ambassadors representing not only Manitoba but Canada in the upcoming world championships. On behalf of our side, we offer our very, very best congratulations and best wishes for the upcoming worlds.

* (1340)

Mr. Gulzar Cheema (The Maples): Mr. Speaker, we would also like to join with the members of this House in extending our best wishes to the Manitoba teams. While I was talking to my Leader, I was trying to come up with the correct pronunciation of Connie Laliberte, and I think I corrected myself there. I would like to extend our best wishes to Vic Peters and the rest of the team.

They have done a wonderful job, and they have given a good name to the people of Manitoba. Also, as the minister has mentioned, Connie Laliberte won the Canadian championship in 1984, and both Vic Peters and Connie will be representing Manitoba by the end of this month in Germany.

Mr. Speaker, we would also like to extend our best wishes to the other two teams, the University of Manitoba's team for volleyball—win. We wish them the best of luck and again would like the minister to convey our best wishes to both teams.

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I would like to table the first Quarterly Financial Report of the Manitoba Public Insurance Corporation.

Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Citizenship): Mr. Speaker, it is with pleasure that I table Issues, Trends and Options: Mechanisms for the Accreditation of Foreign Credentials in Manitoba, the Executive Summary. I also have a statement for the House.

Manitoba is an exciting and dynamic community with many proud traditions. Perhaps our greatest tradition is that of welcoming the people of all races, religions and cultures. The multicultural fabric of our province has been rewoven again and again, becoming richer and more diverse in its composition.

Mr. Speaker, I have just tabled the executive summary of the report prepared by the Working Group on Immigrant Credentials. This report will guide us as we take steps to help immigrants use the skills and talents they bring to our province.

As we approach the 21st Century, people from every country, every continent around the globe are still choosing to come to Canada and to Manitoba. In the past, immigrants have been recognized as a resource of immense value to our future growth and development, and this view has not changed. What has changed is our society, and many areas of our educational institutions, trades and professions are on the leading edge of modern technologies, theories and practices. Our ability to keep abreast of these changes has created problems in being able to set standards to assess the offshore credentials of newcomers.

This problem is a serious one that needs to be resolved. The failure to address it adequately robs our new immigrants of access to a better future and deprives the greater community of the potential benefits of their contributions. This awareness has led us to take positive measures, such as our creation in February 1991 of the Citizenship Division of Culture, Heritage and Citizenship. By bringing the Immigration and Settlement Services Branch from Family Services and the Adult Language Training branch and Working Group on Immigrant Credentials from Education and Training into one operation, we created a vehicle which has the ability to move decisively to meet the needs of the immigrant population in Manitoba.

Already we are experiencing positive results of this reorganizational move. The Working Group on Immigrant Credentials recently delivered to me this comprehensive report on their findings, and we have been able to react quickly to the recommendations. As a result, Mr. Speaker, I am pleased to announce we have committed \$150,000 in new money towards the immediate implementation of many of the recommendations outlined. Through this funding and the redirection of extensive internal resources of the department,

we have established an Immigrant Credentials and Labour Market Branch within the Citizenship Division of Culture, Heritage and Citizenship.

* (1345)

One of the report's strongest recommendations is the establishment of a central clearing-house with international, national and provincial links to assess foreign credentials. The branch will be just such a clearing-house. It will begin by establishing a data bank which allows educational institutions and credential granting bodies to access information from foreign degree-granting institutions. This data bank will be an immensely important resource in the screening and evaluation of offshore credentials presented to us. The branch will immediately begin developing a directory of how credentials are granted in the various trades and professions. Steps will then be taken to ensure this directory is made available to every Canadian embassy, consulate or other foreign post around the world.

The data bank and directory will be further supported by a credential assessment officer. The officer will assist immigrants in accessing information about having their own degrees and credentials recognized in Canada. The credentials assessment officer will also work very closely with immigrants, helping them access training opportunities with additional training as required to meet Canadian standards of certification in their field.

Through this new branch, we will begin working immediately with various institutions at all levels to facilitate the process of how credentials are granted. The branch will be responsible for identifying the demands of Manitoba's various labour markets. It will work closely with business, trade and industrial sectors to identify growth areas and provide effective support mechanisms. This will include a strong emphasis on identifying specific skill shortages and then proposing immigrant recruitment plans to meet those shortages. It will work to establish ties with educational institutions, professional and trade associations and community organizations, taking appropriate actions to bring this initiative into full operation.

It will not be an instant overnight fix. It is an important first step in opening doors for immigrants. We are confident that this branch will help us to better utilize our human resources right here in Manitoba. These resources, Mr. Speaker, cannot

be overlooked if we are to improve Manitoba's place within the Canadian economy. Thank you.

Ms. Marianne Cerilli (Radisson): Mr. Speaker, I am pleased to be able to respond to the minister's statement about this very important issue for newcomers to Manitoba. Not having their credentials and prior experience recognized in Canada has been one of the key issues among the multicultural communities. I would just like to encourage the government to make sure that this system becomes truly a way of assisting people and does not become another barrier, another bureaucratic barrier and amount of red tape that they have to wind their way through.

A credentials and skills evaluation network is available in other jurisdictions. I would encourage the government to spend the money to purchase the computer system so that Manitoba can access that, also to tie this in with other immigration policies like the focus on the investor class, which may decrease the number of professional immigrants who we have coming to Manitoba, to tie this program into other programs like English language training, English as a second language training, so that when people come here and have the academic qualifications, but what is really the barrier is that they need to improve their English, to see that this is also provided for and that programs which have been taught at Red River are reinstated to support this kind of a positive initiative.

We will be watching to see that the full range of recommendations made in this report are implemented, specifically the ones that are going to deal with the professional and trade associations that are providing a variety of barriers and are not regulated in any way in this province. We will be looking forward to seeing the government implement the many recommendations in this report.

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, for far too long many Manitobans' talents, expertise and skills have been wasted by both the federal government's and the provincial government's failure to recognize the importance to bring on stream some sort of a body that would allow individuals in Manitoba who are qualified to be able to compete on an equal footing.

I welcome, and the Liberal Party welcomes, in fact, the working paper but do have some concerns. I know, for example, the minister, later on this

evening, is going to be meeting with some individuals who were invited to present this particular working paper. In talking to one of the groups, Mr. Speaker, I was told that in fact they were not contacted in terms of having some sort of input into the working paper. I hope and I trust that the government has gone out to the communities, as they have gone out to the communities now to present the working paper, but previously went out to the different ethnic communities to get the input prior to coming up with the paper.

* (1350)

Mr. Speaker, the Liberal Party had introduced a resolution a couple of sessions ago in which we acknowledged the need to have some sort of a data bank. I commend the minister on taking such a positive action. I think it is long overdue. In fact, we look to the province of Quebec where they have had it now for a number of years, and through that data bank, they have gone a long way in recognizing some of the very important credentials that the foreign individuals or immigrants bring to Canada.

My colleague, our Health critic, had made reference to a particular program that would have seen physicians accepted and going out to rural Manitoba, something that in fact the provincial government in Alberta has accepted but the current Minister of Health (Mr. Orchard) has refused to accept.

There are areas in which we believe that the government can go and work a lot more, put more resources in terms of ensuring that we are not wasting the skills that we have here in Manitoba. We would encourage the government to do whatever is feasibly possible and look forward to in fact reading over the report and seeing if she has consulted the community at large so that all Manitobans would benefit from it. Thank you, Mr. Speaker.

Hon. James Downey (Minister responsible for The Manitoba Hydro Act): Mr. Speaker, I have a ministerial statement, and I have copies for distribution.

Mr. Speaker, I wish to report to the Legislature today of a signing of an historic Northern Central Hydro Electrification Agreement.

The agreement signed today is to supply unlimited hydro landline electricity to nine communities in northeastern Manitoba, specifically, the seven First Nations of Oxford House, Gods

River, Gods Lake, Red Sucker Lake, Garden Hill, St. Theresa Point and Wasagamack, as well as two northern communities of Gods Lake Narrows and Island Lake. The agreement was signed by Canada, represented by the Minister of Indian Affairs, Honourable Tom Siddon, Manitoba Hydro represented by Bob Brennan, President, and by myself on behalf of the Province of Manitoba.

This agreement is cost-shared at a ratio of: Canada, 75 percent; Manitoba, 15 percent; and Manitoba Hydro, 10 percent. The agreement was also signed by Chief Jack Flett of the St. Theresa Point First Nation as witness to the agreement on behalf of the seven First Nations and the two community councils of northeast Manitoba.

The project is scheduled for completion in 1997 with an estimated cost of \$117 million. This project will provide considerable employment to our province over the next five years, with many of the jobs being done by northerners. In addition to training and employment, we expect much of the construction of the landline to be done by northern entrepreneurs and businesses resulting in positive spin-offs to the local communities.

The scope of the work includes an environmental impact study currently underway, the design and construction of a high-voltage transmission line with related transformer stations, subtransmission lines and distribution systems. Actual construction will include approximately 344 kilometres of transmission line, 178 kilometres of distribution lines, four transformer stations and the upgrading of an internal distribution system, the removal of diesel generating plants, including fuel storage facilities and restoration of sites.

* (1355)

I applaud the co-operation between the four parties, Mr. Speaker. This project will provide considerable employment to our province over the next five years. Many of the jobs, as I have said, will go to northerners. The skills developed and enhanced during the term of the project can in turn be applied in these communities to produce positive spin-offs for those northern communities.

This is long overdue and will make vast improvements to the standard of living and quality of life in each of these communities. We are pleased to finalize negotiations with Canada and Manitoba Hydro to provide this much-needed service to northeast Manitoba and to obtain the

co-operation and support of the people of this region. Thank you, Mr. Speaker.

Mr. Elijah Harper (Rupert's Land): Mr. Speaker, I am pleased to respond to the ministerial statement.

I believe the project is long overdue. What I would like to say is that it was not up to the governments to make it happen. Everything that we have achieved as aboriginal people in this country has been up to the aboriginal people themselves. What the minister is announcing is initiatives that should have been done a long time ago. We should not even have to beg for these services. These are human rights that should be guaranteed automatically to the aboriginal people.

These resources come from the North, right beside our communities. They flow through the communities, yet the services and the quality of life that we get from these resources are benefitted by southern people. It is a shame.

In 1986, we announced for a hydro development together with the federal government, and the federal government did not act, did not co-operate with us—not just only hydro development. I give you an example of the treaty land settlement, which I initiated here in this province as a minister of this government. I passed an Order-in-Council, and what did the federal government do? Nothing—they sat on it.

What is happening today is because of our initiatives as aboriginal people in this country. We are talking about unity, working together as aboriginal people. That is why it is happening today, not just because of kindness and generosity of the government. It is the generosity and the kindness of the aboriginal people who shared the land and resources, why everybody else is living prosperously, the standard of living that exists in this country. In the meantime, our communities are suffering. It is about time—and credit should go to the people, our Indian people. It is about time they get something.

I would like to say with those few words—I know, as I said earlier this morning, that the elders would not want me to speak with anger but rather to be appreciative and thankful. On behalf of the aboriginal people, we would like to work with you and work on those projects so that we have an involvement in the decision-making process as part of our self-government and respect that. That is all

we ask for, nothing more and nothing less. Thank you.

Mr. Paul Edwards (St. James): Mr. Speaker, it is truly one of the great ironies of development in the North and hydro development in particular that while various governments have built dams to ship power across the continent, the communities themselves that have paid the price for that power have not been electrified and have not had the benefit of the same services which they export. That is an irony which is clearly not lost on the aboriginal community that populates most of the communities in the North. It is not an irony which is lost, I believe, on those fair-minded Manitobans who have seen development in the North, have seen the legacy of injustice, the legacy of hardship and of friction between northern communities and various governments and Manitoba Hydro, and through their obligation to the Native people, the federal government.

* (1400)

Mr. Speaker, I simply want to indicate that certainly we applaud this improvement which will come to these communities. We all join comments, and as the minister says himself, it is long overdue. Everyone acknowledges that. We look forward to the environmental review process which, this as well as all other projects, should and will go through. I know that the communities themselves rushed to have the services. They obviously will support, and I know they have in the past, a full environmental review.

Mr. Speaker, with respect to the job creation in the North, that is a promise which was made with Limestone. That is a promise which is being made with Conawapa. We see it again here in print. We look forward to the training initiatives, to the announcement of the training initiatives which will train the people in northern Manitoba to take the highly skilled jobs to come out of this type of project, this type of investment with skills for the future, because that was not the case with respect to Limestone. We fear that is not the intention of this government with respect to Conawapa, and we want to have the government of the day put some teeth into that commitment on behalf of northern Manitobans.

Finally, it is, I think, important to recognize that this government has already been committed for a year and a half to a \$5.8-billion project, and roughly the

same amount of money, about \$117 million, has already been spent in preparing for Conawapa. Just now, we are getting around to spending that money to electrify and provide services to these communities. It is far too late, but we look forward to the end result, in fact, the coming to fruition of the commitment to create jobs and economic benefit to northern Manitobans. Thank you, Mr. Speaker.

ORAL QUESTION PERIOD

Department of Government Services RCMP Investigation - Leasing Branch

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, one of the most important issues dealing with the public is the public trust dealing with the Government Services Department and the leasing offices of Government Services.

Mr. Speaker, we were informed last week that members of the RCMP visited 1700 Portage Avenue to conduct investigations at that particular location. My question, therefore, is to the Premier.

Can the Premier inform Manitobans of what the RCMP is investigating at those offices? What is the nature and scope of their investigation at 1700 Portage Avenue in the Government Services leasing department?

Hon. Gerald Ducharme (Minister of Government Services): Mr. Speaker, I am glad to get on the record. First of all, I will give a brief summary. We had an indication that there might be some irregularities in the administration of the consulting contract connected with the government lease from Manitoba Housing on Broadway. The irregularities appear to have occurred within the department and have no relation to the landlord.

Once this came to our attention, we began looking into the matter and ordered an internal audit investigation. After reviewing the results of the audit, the advice of the legal counsel, we turned the information over to the RCMP. Now, with the RCMP involved, the matter is under criminal investigation.

I cannot provide further details to the member; however, I can confirm that the employee involved with this contract has been reassigned to another area of the department until this matter has cleared up.

Also, the internal audit report has been turned over to the Civil Service Commission for their review

and their recommended action. I can assure you that we acted immediately upon hearing and learning of this alleged problem, and my department will continue to pursue this matter rigorously until it is resolved, Mr. Speaker.

Internal Audit - Leasing Branch

Mr. Gary Doer (Leader of the Opposition): As the minister has indicated, an internal audit has led to the RCMP being called in by the government. Given the fact that the leasing department of government has such great contact with the public, and because of the issue of leasing, tendering and the whole issue of its interaction with the public of Manitoba, I would ask the minister whether he will be releasing the internal audit that led to the RCMP investigation in that this is a very important public office. It is very important that the public knows the nature and scope of the investigation so that we may address ourselves accordingly.

Hon. Gerald Ducharme (Minister of Government Services): For the sake of the individual involved and the department—I have already expressed that there is criminal investigation, RCMP, and also the Civil Service Commission is looking at it—it would be unwise at this time to release that particular audit. There will be many times during the process and after the completion of the RCMP. They have asked us to co-operate with them fully. We have done that and will continue to do that.

RCMP Investigation - Leasing Branch

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, the RCMP, as well as interviewing a number of people, took blueprints from a number of different buildings in Government Services and leasing department.

Is the minister able to advise the public, through this Chamber, of what buildings are under investigation?

Hon. Gerald Ducharme (Minister of Government Services): We are investigating one particular individual. That is what the RCMP are doing. The individual is involved in several buildings, however, we are mainly looking at one individual. That is what the RCMP investigations are carrying out at this particular time.

Social Assistance Employment Creation Strategy

Mr. Doug Martindale (Burrows): Mr. Speaker, today the Social Planning Council issued a report with recommendations on child poverty in Manitoba. I think all of us as legislators should be, and are, concerned about the growing problem of child poverty in Winnipeg and Manitoba. Twenty-two percent of Manitoba children live below the poverty line, which is the highest rate out of 10 provinces in Canada. Twenty-eight percent, or more than one in four, in Winnipeg, live in poverty.

We know that this report and their research says that this results in higher health costs for children, and one of the future problems is decreased employment productivity of these children as adults. However, while this government has spent \$90 million this year on social assistance, this money is still maintaining children in poverty, not getting them out of it.

Can the Minister of Family Services tell us what his government is doing to increase job creation programs to help people get off social assistance instead of cutting back on income supplement programs as they have done?

Hon. Harold Gillieshammer (Minister of Family Services): Mr. Speaker, I would advise the member that we have not cut back on social allowance payments, but we announced an increase in that in November, an increase which I think is nearly twice the rate of inflation and compares quite favourably with at least one other province that has made a rate adjustment.

As far as job creation programs, we did announce in the budget, a Partners with Youth Program, which we will be giving further clarification to in the near future. I did meet with the Social Planning Council within the last few weeks to look at the report. They have now formally made it public, and the report is before the department for comment. I would also mention the federal government, in a recent announcement, has announced that they will be coming forward with a program for children which looks very similar to our CRISP program. It is a program that we have encouraged the federal government to work on and bring forward, and we are looking forward to the details of that plan.

CRISP Benefits

Mr. Doug Martindale (Burrows): Mr. Speaker, will the Minister of Family Services now join with the Social Planning Council and many other groups in our society in striving to eliminate child poverty and reconsider what is effectively a cutback in the CRISP benefits which they have cut back every year in office since 1988?

Hon. Harold Gilleshammer (Minister of Family Services): Mr. Speaker, of course, we will have an opportunity to look at the budget line by line and discuss the details of that, but I have just indicated to the member that the federal government has announced a new program for child poverty and for low-income families, and the details, which have not been completely enunciated at this time, appear to be that they are bringing forward a program quite similar to CRISP. As well, they are going to have a program which deals with nutrition for low-income families, and again, they are working on the details of that.

We have had an opportunity to meet with federal officials within the last few weeks, and I expect there will be more information forthcoming in the next few months.

Mr. Martindale: We welcome any federal initiatives which provide improvements, but what we see from the provincial government instead is cutbacks in their programs.

Benefit Cap

Mr. Doug Martindale (Burrows): I would like to ask the Minister of Family Services why his government is planning on putting a cap on social assistance levels and punishing people on social assistance, giving them less income instead of more, especially people on social assistance in the city of Winnipeg.

* (1410)

Hon. Harold Gilleshammer (Minister of Family Services): Mr. Speaker, I just indicated that rather than put a cap on social assistance funding, we gave a substantial increase to social assistance recipients with a 3.6 percent increase in the general assistance funding. Again, I would point out, it compares quite favourably to the 2 percent that Ontario gave to their social service recipients.

As well, in these difficult economic times, we created a new program, a program for the disabled,

which is going to have a cost to government of some \$8 million. We also are bringing forward legislation that I believe the member is going to support whereby we make the availability of social assistance common throughout the province. No matter where you live in Manitoba, you are going to be able to access social assistance by the same rules and at the same level.

Seven Oaks Youth Centre Closure

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, on Friday my critic released parts of the Suche report, which the minister has had for a number of weeks, on the Seven Oaks Centre. He released that report because consistently every year, with a variety of ministers, my party has raised concerns about the Seven Oaks Centre. I raised them with the then Minister of Social Services Muriel Smith in 1987, and at that point said Seven Oaks is a closed custody setting, and it is an entirely inappropriate setting for a child who has been molested sexually or physically. Nothing was done. We now have had several reports, most recently the Suche report, with more incidents this weekend being reported about the Seven Oaks Centre.

Will the minister tell us today what is going to be done about the Seven Oaks Centre? Is he going to close it as it should have been some years ago? Is he going to put those children finally in appropriate placements?

Hon. Harold Gilleshammer (Minister of Family Services): Mr. Speaker, yes, we did talk about this last Friday when your critic for Finance, and whatever else, brought this issue up. The Suche report was a report commissioned by this government, and I have had it now for three weeks. It is before the government for study. I believe the member would like us to deal with that report in a responsible way. What the member is doing is picking certain recommendations in there and saying: Would you do this now and consider this later? We are going to take a little bit more time to study this report in detail and come forward with a formal response to that report.

The member raises issues about the Seven Oaks Centre, and of course, her critic was the director of that centre during the early part of the '80s. There were a number of issues that we could get into about the management and the manner in which the

centre was run at that time, but I think we will not do that, because I do not think these things should be personalized. I can tell you that changes have taken place. At the time he was director, there were 65 to 70 children there. We have downsized it considerably, and today there are only 24 children there. This is a centre that is there for use by the agencies when they take children into care. It is used by the police, and I would like to go into some more detail on this, and perhaps I can with a subsequent answer.

Mrs. Carstairs: Mr. Speaker, since 1974 such facilities as Seven Oaks in the United States have been declared illegal to operate.

Child Advocate Reporting Process

Mrs. Sharon Carstairs (Leader of the Second Opposition): One of the recommendations in the Suche report is the need for a children's advocate reporting to the Legislative Assembly. It was recommended in 1983 by Judge Edward Kimelman. It was recommended again in the AJI. We are now told by this minister that, no, it is going to report to him, and I would like to know from the minister why.

Hon. Harold Gilleshammer (Minister of Family Services): Mr. Speaker, I will respond on the Child Advocate in a moment.

There is also an Ombudsman's report to do with Seven Oaks, where he has identified certain practices in the medical unit, certain reporting procedures and other recommendations that he acknowledges in his report which we are moving on. I do not want the member or her colleague to feel we have not done anything. There has been considerable work done as far as Seven Oaks is concerned.

On the Child Advocate, yes, this is one of the reforms which we announced last June, and I would remind her again that this government has announced a number of reforms in child welfare.

We are going to bring forward legislation to create a Child Advocate. We have looked at the legislation that exists in two other jurisdictions in Canada, namely, Ontario and Alberta where a Child Advocate exists. In both cases, the Child Advocate reports to the minister. We have asked in those jurisdictions whether the system is working, whether the advocate is there to look after the interests of

children and whether it is working appropriately and the answer is yes.

We will get a chance to look at this legislation in the near future, but we have looked particularly at the Alberta model. Again, I would respond in saying, in both cases, they do report to the minister and that the system does work.

Mrs. Carstairs: Mr. Speaker, Ms. Suche in her report says, and I will quote: Many children indicated that if their rights were violated by a residential care facility, they would be reluctant to raise concerns with the same worker who arranged the placement.

That is exactly why the children who need the protection the most are telling this minister that they do not want to deal with ministerial channels. They want to have an advocate to protect them.

Can the minister please give us one reason why he is rejecting the Suche report and is asking for the Child Advocate to report to him when it should report to the Ombudsman?

Mr. Gilleshammer: Mr. Speaker, I would say clearly we are not rejecting the Suche report. We have the Suche report before a working group of government. The member is zeroing in on one component of that report. We will be giving a formal response to that report in the coming weeks. A major recommendation is the creation of a Child Advocate. We are proceeding with that.

As the member has pointed out, previous governments were advised to do that. Previous governments were asked to create a Child Advocate. It is this government that is acting on it. It is this government that is bringing these reforms in. I have indicated that we have looked at that process in other provinces, and are modeling some of our legislation after what works in those jurisdictions.

The member is reading selectively when she says that the child who has been abused or misused by a social worker or somebody in the system—that is not who the Child Advocate is going to be. The Child Advocate is somebody who is detached from that. The Child Advocate is somebody who is going to look after the interests of that child.

I would urge her to read that report—

Mr. Speaker: Order, please.

Seniors Programs Funding

Mr. Conrad Santos (Broadway): Mr. Speaker, more likely than not, the members of this House are familiar with the saying that to those who have more, more will be given, and to those who have less, even the little they got will be taken away from them.

Out of a total provincial operating budget of \$5.25 billion, one-tenth of 1 percent—not 1 percent, one-tenth of 1 percent—is allocated to the Seniors Directorate. This is the least of all governmental allocations. Despite that, this provincial budget has cut almost 13 percent out of the least of the least of all the allocations.

Can the honourable Minister responsible for Seniors explain to this House and to the seniors of this province why he allowed his colleague to do this cut to the distress of the senior citizens?

Hon. Gerald Ducharme (Minister responsible for Seniors): Mr. Speaker, first of all, I sort of agree with the saying by the honourable member. However, in this particular case, the minister approached myself in consultation, and in this particular sense, the group that he is referring to had a surplus in 1989 of \$28,000. At that time, they got a grant from the Province of Manitoba. Now, they have a surplus of \$248,000, and now we have given them \$75,000 a year plus the \$30,000 that comes out of the Seniors Directorate.

55 Plus Program Funding Restoration

Mr. Conrad Santos (Broadway): Mr. Speaker, this is not the first time that there has been this subtle assault on the base funding of senior citizens.

Mr. Speaker, my supplementary question to the honourable Minister responsible for Seniors is, has the honourable minister taken any step to mitigate this cut by restoring the 55 Plus to its original status as an indexed social program?

* (1420)

Hon. Gerald Ducharme (Minister responsible for Seniors): Mr. Speaker, there is no indication of 55 Plus being cut at this time in this budget.

Mr. Speaker, he wants to get into funding. Continuing Care programs increased \$7 million over '92-93. Is that hurting the seniors?

Also, Mr. Speaker, Pharmacare, mentioned by the member from Flin Flon (Mr. Storie) across the

room, personal care homes, increased in the budget this year by \$75 million in the Health budget.

Seniors Programs Government Commitment

Mr. Conrad Santos (Broadway): Given all these cuts which, to my mind, is financial abuse of senior citizens' welfare, how does the minister reconcile this with his so-called government's commitment to the welfare of seniors in this province?

Hon. Gerald Ducharme (Minister responsible for Seniors): I just explained, in the Pharmacare budget which contains a vast amount of money for personal care and Pharmacare, in that particular part of the Health budget, he will see that the increase is \$75 million this year. I do not call that abuse—\$75 million, Mr. Speaker.

If he wants to go back to the original concept that we talked about in regard to surpluses, MSOS is getting an increase in funding from our department—the secretariat, up to \$30,000. That will not be lowered.

Handi-Transit Cost-Sharing Agreement

Ms. Jean Friesen (Wolseley): My question is for the Minister of Urban Affairs. The demand for Handi-Transit in Winnipeg continues to rise, due in part to the changing demographics of our society and also because of changing social attitudes to the kind of lives that are possible for people with disabilities. In the last four years, there has been a 190 percent increase in the demand for Handi-Transit, and the predictions are that this will rise between 10 percent and 15 percent per year. The city is now prepared to expand access to legally blind people, but the Province of Manitoba has refused to share any additional costs.

My question for the minister is: Could the minister indicate whether he disagrees with the city's position on expanding access to legally blind people or whether it is simply part of the larger Tory strategy to send the bills to the middle-income homeowners of Winnipeg?

Mr. Speaker: Order, please. The honourable member's first part of the question is out of order; the honourable minister, with the second part of the question.

Hon. Jim Ernst (Minister of Urban Affairs): Mr. Speaker, the question of Handi-Transit, the

question of all transit in the city of Winnipeg, is within the purview of the Winnipeg City Council. We will provide, during '92-93, approximately \$146 million of support out of the provincial government to the City of Winnipeg from a variety of different sources. It is the responsibility of City Council; if they wish to expand their Handi-Transit service, that is entirely up to them.

We provide a certain amount of money, fixed grants and some cost-shared grants over a wide variety of departments. If they wish to expand their services in any area that they have jurisdiction, they are more than welcome to do so.

Ms. Friesen: The supplemental question is: Has the minister sought advice on the implications of his refusal to continue to cost-share this program for challenges under the Canadian Charter of Rights and the Manitoba Human Rights Commission?

Mr. Ernst: Mr. Speaker, we provide 50 percent cost-sharing on the deficit of the transit system in the City of Winnipeg, subject to an upper limit. We have provided that for any number of years. If the City of Winnipeg wishes to expand its Handi-Transit service, wishes to increase its deficit in that area, that is entirely up to them. For audited expenditures, we provide 50 cents on the dollar.

Ms. Friesen: Mr. Speaker, will the minister then at least make a commitment to the House to examine the long-term projections for Handi-Transit use in Winnipeg and develop, in conjunction with the city, at least some long-range planning for the disabled people?

Mr. Ernst: Mr. Speaker, the Department of Urban Affairs and the provincial government does not run transit in the city of Winnipeg. The City of Winnipeg Council runs the transit system. If they make a choice, as is their responsibility to operate a transit system in the city of Winnipeg for whatever segment of society is in need, that is their choice, but it is also their responsibility.

Community-Based Health Care System Government Policy

Mr. Gulzar Cheema (The Maples): Mr. Speaker, my question is for the Premier. This government has recently announced its intention to move many health care services out of the hospital and into the community, and we support that community-based approach. In fact, we have been calling since 1988,

and the majority of Manitobans do support that approach.

Can the Premier tell this House how their policy on community-based health care is going to be implemented when they have only increased the health promotion area, which is a major component of the community-based care, only a modest amount that is only going to catch up with the last year's cut? Can the Premier tell us in simple language how the people are going to have some confidence in the community-based care?

Hon. Gary Filmon (Premier): Mr. Speaker, the member wants to ask detailed questions on the budget of me at this time, in the absence of the Minister of Health (Mr. Orchard); I suggest to him that he would be well to wait for the return of the Minister of Health so that he can go into detail.

What I can tell him is that this government has increased funding in health care this year over last year by more than \$100 million, which amounts to 5.7 percent, has put substantial increased resources in the area of home care, which is community-based health care, which is our lowest cost alternative for intervention, for support of people, seniors in particular, to keep them living in their homes. [interjection]

Mr. Speaker, I am sorry, if the Leader of the Opposition (Mr. Doer) wants to ask more questions, I am sure that he is entitled to do so under our rules, and he could get up and ask those questions rather than interject.

Having said that, we are putting substantially more money into health care and substantially more money into home care to ensure that there is community-based care. I would invite him to ask his detailed questions of the Minister of Health (Mr. Orchard) at a future time.

Mr. Cheema: Mr. Speaker, we are not questioning the 5.6 percent. We are simply asking the focus of the policy direction.

Public Health Organizations Funding

Mr. Gulzar Cheema (The Maples): Can the Premier tell this House how his government is going to create an effective partnership with health care organizations when they have cut the external agencies funding by 16 percent, 23 percent in the area of health child development, and 16 percent in the area of health promotion?

Mr. Speaker, we want a simple answer in terms of policy direction, not 5.6 percent funding, what the Premier is stating.

Hon. Gary Filmon (Premier): Mr. Speaker, I find it interesting that the tack that is being taken by the Liberal Party in this House is not to indicate what their priorities are in terms of the overall approach to government, because the fact of the matter is, if anybody in their own house, in their own household, on their farm, in their small business, in their professional practice, in government were to take the position like the Liberal Party which uses the Burger King slogan, "You can have everything you want," you cannot. What you have to do is choose priority—

* (1430)

An Honourable Member: We remember the old Wendy's slogan, "Where's the beef?"

Mr. Filmon: Mr. Speaker, all of the beefs around here are in the opposition benches. The people who practise negativism daily in this House—take now, when health care gets 5.7 percent increase, three times the rate of inflation, substantially more than is being given in Liberal and New Democratic provinces in this country, then they go to try to pick away and say, oh, but this one got a little less, and this one got a little less than this one.

The fact is, if you are going to keep the hospitals open, if you are going to build personal care beds, if you are going to improve home care in this province, you are going to have to choose priorities. You cannot fund everything. Every person who walks into the Liberal caucus is told, sure, we would give you more money. Then we would have to raise taxes. That is what they do not tell them; we would have to raise taxes. The Liberal Party is the party of higher taxes along with the New Democrats. We will not raise taxes in this province because people are taxed up to here—no more.

Mr. Cheema: Mr. Speaker, we were simply asking the focus of the policy direction, and the Premier should know that his Minister of Health (Mr. Orchard) is the only minister in this country who has the co-operation from the opposition—

Mr. Speaker: Question, please.

Community-Based Health Care System Government Priorities

Mr. Gulzar Cheema (The Maples): It is a very serious thing, and probably this Premier should listen. I have a question, a question about the honesty that—

Mr. Speaker: Order, please.

Point of Order

Hon. Clayton Manness (Government House Leader): Mr. Speaker, over the course of the last several days, members of the opposition parties, both parties, have been trying to leave a certain intention with respect to motives. I would point out to you specifically Beausheune 409(7) It says, and I quote: "A question must adhere to the proprieties of the House, in terms of inferences, imputing motives or casting aspersions upon persons within the House or out of it."

Mr. Speaker, too many of the questions over the last several days emanating from the benches opposite have called into question motives and have cast aspersions on members of the government. I think the members opposite should be called to attention when they phrase questions in that fashion.

Mr. Kevin Lamoureux (Second Opposition House Leader): On the same point of order, I am somewhat surprised at the government House leader when he talks in terms of consistency. If there is anyone who is casting motives, one would suggest that it could possibly be the Premier (Mr. Filmon). His own—

Mr. Speaker: Order, please. I had recognized the honourable member on the same point of order.

Mr. Lamoureux: Mr. Speaker, the member for The Maples was just calling for some honesty. He was not saying that the Premier was being dishonest. There was nothing intentional. I would refer to the government House leader when—in fact, the Minister of Health (Mr. Orchard) made reference to the critic saying, be a little bit honest—

Mr. Speaker: Order, please. The honourable member for Inkster has made his point. The honourable opposition House leader, on the same point of order.

Mr. Steve Ashton (Opposition House Leader): Yes, on the same point of order, Mr. Speaker, I would point out that our list of unparliamentary

language in Beuchesne lists references of both honest and dishonest as both being parliamentary and unparliamentary. A great deal depends on the context.

I think we have to recognize that perhaps in this House we have a different set of rules than members of the public. I would note that the chief of medical staff at Brandon General hospital recently called the government—said it was not being honest with the people, Mr. Speaker.

In the House, we have a different standard, and it may be that a warning should be issued. I am not sure in this case that the member for The Maples (Mr. Cheema) was intending to be unparliamentary, but indeed it could be read both ways.

Mr. Speaker: In regard to the point of order raised by the honourable government House leader in regard to the honourable member for The Maples, the honourable government House leader did not have a point of order.

The honourable member for The Maples, kindly put your question now, please.

* * *

Mr. Cheema: Mr. Speaker, will the Premier explain the conflict between the government's stated goal of community-based health care and the shift in this budget toward tighter control by the Minister of Health (Mr. Orchard) and officials brought down by the cut to external agencies, and that includes the agency's cut for seniors? From this \$10,000, they will have to pay rent and heat. It is a very serious matter. At least the Premier could have the courage to tell the truth.

Hon. Gary Filmon (Premier): I would just suggest to the member for The Maples that this government is increasing expenditures in health care by more than \$100 million, a 5.7 percent increase. In that increase, there is substantially more money for many critical areas of health care.

If the member for The Maples suggests that every time anybody asks for more money of the Liberal Party or the New Democratic Party, they are going to be told that they could have more, then he had better also tell those people that he would have to raise their taxes in order to do so.

The Liberal Party by its line of questioning in the House is demonstrating that it is the party of higher taxes in this province. The public knows and understands that you cannot have it both ways.

You cannot demand more spending without more taxes and, Mr. Speaker, that is exactly what the Liberals do, that is exactly what the New Democrats do, and the public is tired of it. They do not want to be told that they are going to have more things given to them and then have it all taken by way of higher taxes as the New Democrats did throughout the '80s in this province.

Child Guidance Clinic Service Replacement

Mr. Dave Chomlak (Kildonan): One of the concerns raised by members of this side of the House on many occasions is that as the government has starved local school divisions, they force local school divisions to cut teachers, eliminate programs and fragment the delivery of programs. Now that the new funding formula has taken away some of the administrative costs from Winnipeg School Division No. 1, it has forced suburban school divisions to pay for the child care clinic.

Can the minister indicate what plans, if any, the government has to assist these divisions in meeting these costs in order to prevent fragmentation of this valued service to children of Manitoba?

Hon. Rosemary Vodrey (Minister of Education and Training): I certainly agree that the service provided by the clinicians of the Child Guidance Clinic is an important one. However, any claims that this province has lowered its support for clinician services are totally false.

Mr. Chomlak: That is why I did not make that claim, Mr. Speaker.

Will the minister outline what her plans are to deal with the fragmentation of services that may result as a result of the change of this funding formula and which may force divisions to go it alone away from the Child Guidance Clinic?

Mrs. Vodrey: Mr. Speaker, any decisions are local decisions made by individual school boards. I would like to remind my honourable friend of the support that this government has had for clinician services in the next school year. In the first place, we have reduced the ratio required per eligible clinician, and secondly, we have increased the clinician grant.

Mr. Chomlak: My final supplementary to the same minister: Will the minister reconvene her Finance Committee in order to look at these problems like the Gimli intervention centre, the rural program for

vocational services and this clinic, in order to deal with these matters in a holistic sense and not a one-by-one crisis sense, that every time one of these programs has to be cut, the minister has to deal with it? Will she reconvene her Finance Committee to deal with it?

Mrs. Vodrey: Mr. Speaker, I want to correct what I believe the honourable member has put on the record. There has not been a cut by this government for clinician services. In fact, there has been an increase.

What has happened, Mr. Speaker, is there is simply being no longer a differentiation between the administrative grant and the salary grant. The grant is now put together and increased.

* (1440)

Manitoba Agricultural Credit Corp. Interest Rates

Mr. John Plohman (Dauphin): Mr. Speaker, a week ago the Minister of Agriculture talked in this House about how great things were getting for farmers. He predicted a rosy future, that there may even be a GATT deal. There may be higher prices. There may be a good crop even.

Meanwhile, the farm economy is still in shambles all around him. Last week, the budget saw cuts in agriculture at MACC; at the Mediation Board, some 20 percent; the agriculture research grant to the University of Manitoba, some 10 percent; and services for hard-pressed farmers throughout the province.

I would ask this minister whether he can indicate to this House why he did not ensure that farmers, at least with loans at MACC, could take full advantage of the lower interest rates which the minister said are going to help the farm economy, by allowing a recalculation or write-down of existing loans based on the existing lending rate at the present time.

An Honourable Member: Who is going to pay for it?

Mr. Plohman: You would pay for it for the—

Mr. Speaker: Order, please. The question has been put.

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, the member put quite a few comments on the record in his preamble. I would hope that he was not implying that because things look a little

brighter in the farm community, this is bad. I hope that he was not implying that.

Mr. Speaker, he did indicate that there were some reductions in different segments of the agriculture budget. I want to remind the member, the agriculture budget has gone up over \$20 million—[interjection] Oh, it is money going directly to farmers, and suddenly the member is not in support of that.

I would like to tell that member that over the course of the last six or seven years, the amount of money in the provincial agriculture budget that goes directly to farmers was about 36 percent in the days that he was in government. Today, it is 75 percent, 75 percent of the agriculture budget, and it has gone in total. That budget has gone from \$70 million to \$135 million. That is a substantive increase, almost a doubling in the budget and over a doubling in the amount of money that is going directly to farmers, so we have substantively helped farmers at a time when they need it, Mr. Speaker.

Mr. Plohman: Mr. Speaker, this minister does not care about the farmers who are in trouble, those—

Mr. Speaker: Question, please.

GRIP Program Premium Levels

Mr. John Plohman (Dauphin): Will this minister explain to this House why he cannot get his act together, why he is creating more confusion by not yet announcing the coverage levels and the premium levels for GRIP, which must be announced by the 15th and the contract be signed by March 15? Why is he not getting his act together and getting that announcement out for farmers?

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, with regard to the GRIP program, there are still a number of decisions in this ongoing development. We would have liked to have had that information out. I wanted to have that information out six weeks ago. I would like to remind that member, certain other provinces in this country decided to do some drastic changes which prevented us from getting those announcements out.

Mr. Speaker, this province has led the charge to keep the IMAP price up at a respectable level. Other provinces that are represented by his type of government want to bring the coverage down to the farmers. This province is pushing to have the best

level of support for the farmers of Manitoba, and those announcements will be made very soon.

Mr. Plohman: Can the Minister of Agriculture promise Manitoba farmers, as Saskatchewan has done and just announced this past week, that premium levels under GRIP will be reduced for this year over last year, that premium levels under GRIP will be reduced for this year over last year, and offset penalties that are currently in place in his program will be removed as they have been in Saskatchewan?

Mr. Findlay: Mr. Speaker, I am rather shocked at that member's question, trying to indicate Saskatchewan did something positive for its producers.

The total cost of the GRIP program to the Saskatchewan government this next year is going to go down by \$22 million. It is going to increase the premiums to its farmers by \$14 million. He is offloading the cost of the premiums onto the farmers of Saskatchewan.

There are two principles that the farmers of Manitoba definitely wanted in any revenue insurance program. One was individuality, the other was predictability. The province of Saskatchewan has taken away both of those principles, taken them away from the farmers so there is no predictability, no individuality. They have offloaded the cost of the premiums of that program from the government onto the producers of Saskatchewan.

Port of Churchill Government Strategy

Mr. Daryl Reid (Transcona): Mr. Speaker, last week a letter was sent to the Minister of Highways and Transportation from his Saskatchewan counterpart. This letter confirmed the Province of Saskatchewan's continuing interest in sitting down to work out strategies that will ensure the Port of Churchill's future. Also, the federal Minister of Transport has recently indicated the federal government's interest in working for a solution to resolve this long-standing impasse for our port.

Now that the Saskatchewan and federal governments are interested in working out a partnership arrangement, will the Minister of Highways and Transportation initiate formal meetings that will call together officials from the Canadian Wheat Board, CN Rail, the Port of

Churchill, the federal government, as well as the provinces of Saskatchewan and Manitoba to iron out details of an agreement?

Hon. Albert Driedger (Minister of Highways and Transportation): Mr. Speaker, I am glad that the member also has an inside track with the minister from Saskatchewan, because I have a copy of that letter that was sent to Corbeil, so obviously the lines of communication are quite open.

Mr. Speaker, I have to take some of the questions from the member for Transcona with some skepticism, because when I heard him in the House here the other day indicating that the Province of Manitoba should take and help CN and the federal government maintain the line to Churchill, I nearly flipped out of my chair. I cannot believe that he would be making recommendations that we should take and accept offloading from CN and the federal government in terms of maintaining the line to Churchill.

My position has always been very strong, that the federal government, CN have their own responsibilities. They should look after those responsibilities. I will continue to put that position forward when I deal with them.

Mr. Speaker: Time for Oral Questions has expired.

ORDERS OF THE DAY

BUDGET DEBATE

Mr. Speaker: On the proposed motion of the honourable Minister of Finance (Mr. Manness), and the proposed motion of the honourable Leader of the Opposition (Mr. Doer) and amendment thereto, and the proposed motion of the Leader of the Second Opposition (Mrs. Carstairs) in further amendment thereto, standing in the name of the honourable member for Sturgeon Creek.

Mr. Gerry McAlpine (Sturgeon Creek): Mr. Speaker, it gives me great pleasure to rise today to respond to the 1992-93 budget presented by the Minister of Finance.

Mr. Speaker, the recession that has rocked the world, Canada and Manitoba continues to plague the people of our province as they struggle to make ends meet in these trying times. However, the light can now be seen at the end of the tunnel as the economy of Manitoba and most of our trading partners have turned the corner and begun their climb to economic renewal.

At this point, I would like to thank and congratulate the Minister of Finance (Mr. Manness) on his diligent, masterful and caring ethics in preparing this government's fifth budget for Manitoba.

Mr. Speaker, as a small businessman, I can attest to the hardships that the people and businesses of Manitoba are going through in the past few years. The light at the end of the tunnel will continue to brighten and grow as our government continues its sound financial management, keeping spending under control, and our will to attract and encourage business to our province remains strong. These hardships that we have experienced, through no fault of our own, in many instances can be looked upon as positive in making us better people and better business people. These experiences can now be used for gain in the days and months ahead as our province pulls out of the recession.

Mr. Speaker, the budget presented by our government is designed with the interests of the people of Manitoba in mind. It is a budget that will help speed the recovery of Manitoba's economy by stimulating investment and leaving money in the pockets of the consumers of our province. This recovery has not been easy. Faced with static revenues, decreasing federal transfer payments, the need to maintain social programs at a level that meets the needs of a slowly growing economy, our government has been forced to make difficult decisions in the past years by prioritizing and controlling our spending.

* (1450)

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

However, these have been decisions that have benefitted our province and left us in a position to emerge from the recession with an economy that is in tune with the competitive world economy. In fact, Madam Deputy Speaker, projections by the Conference Board of Canada show Manitoba to be leading the country in terms of its growth rate in 1992, well above the national average. Our credit rating as a province is second only to one other province in Canada which, I might add, is another Conservative-run government.

Madam Deputy Speaker, Manitoba has many natural advantages that will benefit and aid our economic recovery and growth. These advantages, whether in the areas of natural resources, the health care industry or any other field

will provide for a strong base from which to create and take advantage of economic opportunities to create jobs for Manitobans.

The role of government in the economy is to create a positive environment for investment within, in order for the provincial economy to be able to grow. Prioritized government spending has meant that in our first budget, we were able to reduce taxes and set up the Fiscal Stabilization Fund to aid our province through the tough years.

Madam Deputy Speaker, since this first budget, we have continued the fight against high taxes, and we are very proud that in the next four years, we have been able to maintain a freeze on personal income taxes, corporate income taxes and the provincial sales tax.

It is often said that once a government is elected, they forget about the people whom they represent and were elected by, that they do not listen to the people whom they govern.

Madam Deputy Speaker, this government cannot be accused of not listening to the people of Manitoba. The people of our province have said over and over again, to all levels of government, no more taxes. This government has listened to the people whom we govern.

There is not a single province in the country, no matter what the political stripe of its government, that can state they have matched or even come close to this record—five consecutive budgets with no increase in personal income taxes.

This is not an accomplishment that should be taken lightly. What this has meant, Madam Deputy Speaker, is that instead of paying increasing amounts to the government in taxes, the money has stayed in the pockets of the consumers of the province to be invested or spent as they want it.

Madam Deputy Speaker, because of the commitment of our government to creating a positive climate for investment, the province of Manitoba has increased its reputation as being one of the best locations in Canada to invest. This reputation has also become known worldwide as companies from other countries, such as Medox from Britain, look at Manitoba as a place that not only is competitive in terms of its tax structure, but also is capable of providing a skilled and well-educated work force, a high quality of life and a central time zone.

Madam Deputy Speaker, another area where our government has listened to the people of the province is in the area of funding the vital human services. The departments of Health, Family Services and Education and Training are where the people of Manitoba want their tax dollars to go. We have made these departments the spending priorities of our province. A total of \$3.5 billion is to be spent this year on these three departments, including increases that are three or four times the level of inflation.

In the Department of Health, an additional \$101 million was injected. This represents an increase of 5.7 percent, three times the level of inflation, a level that is much greater than the 1 percent the NDP in Ontario have forecast. This funding increase will allow the Manitoba health care system to maintain service delivery despite the limited financial resources of the government.

As well as ensuring that services are delivered in a cost-effective manner, the reforms taking place in the system are designed to better reflect patient needs and preferences. By moving services to a more community-based system, costs will be contained and the provision of services maintained.

Madam Deputy Speaker, in the area of health care, I have particular concerns when it comes to the care of the elderly. I am proud to say that this budget addresses my concerns through increases to both the home care and personal care home budgets, as well as to gerontology.

Almost 37 percent of my constituency is of the age of 55 or older. This is representative of the aging of the population in general, as more people live longer and the average family remains small compared to two generations ago.

Madam Deputy Speaker, if the costs of our health care system are to be controlled, then one area that must be examined carefully for more efficient means of service delivery is the area of the care of our aging population. This segment of the population does not represent a group of people who have fulfilled their duties in life, but rather is a strong vibrant group that still has contributions to make in terms of teaching life experiences or gainful employment.

Madam Deputy Speaker, another area of interest to me personally is that of disease prevention, and health promotion and protection. The prevention of disease and promotion of health will have the effect of reducing the level of dependency of the elderly as

they age, resulting in lower health care costs and a healthier population.

This can be achieved through proper nutrition using pure whole foods as a form of therapy. Aging in society today is taken as a matter of course and acceptance without question. However, through whole food nutrition, regeneration of our body systems is not only possible but most probable. With the proper management, with nourishment of our body systems where regeneration is achieved, disease is no longer an issue or is at least considerably reduced. The body heals and overcomes disease, not anything else, but it needs the help of whole, unpolluted foods to achieve this.

It is unfortunate that very few medical practitioners use nutrition as a form of therapy. Why is that, we ask? That is because they do not understand nutrition. It is not what they are taught in medical colleges today. As a matter of fact, I am told they are taught very little about nutrition, but they are attempting to get an increase of nutritional studies to 15 hours in their seven or more years that it takes to graduate from medical school. That to me is a disgrace if we are going to overcome illness and disease in our society.

Madam Deputy Speaker, medical doctors can only prescribe drugs in their practice, not foods, foods that support without side effects, unlike prescribed drugs. If we are working with nourished and less toxified bodies, our bodies can put more into overcoming disease and make regeneration possible. That is what is important in health care, and that is what is important in reducing health care costs. Let us create health in our society instead of treating disease.

I was pleased to see that our government increased its commitment to this section of the health care field, especially in the area of prevention, as I feel that this is an important area if Manitoba is to decrease its overall cost in the health care field in the future, especially in terms of the elderly. After all, a healthy person does not need the services of a doctor as often or the expensive treatments.

Madam Deputy Speaker, as I mentioned earlier, the care of our aging population will be an important portion of controlling future costs. The admittance of the elderly to personal care homes and hospitals must be carefully examined to ensure that people who are admitted are actually in need of the

additional level of care. The admittance of the elderly to personal care homes or other institutions could be examined through the use of a risk indicator or profile in order to estimate future needs in the system and provide care to those who need it.

Madam Deputy Speaker, to support and encourage the development of cost-effective and efficient services, our government has established the Health Services Improvement Fund and increased the funding to the Health Services Development Fund to provide incentives to health care institutions that demonstrate improved quality and efficient services.

While we are talking about services, I would like to congratulate the minister and the Working Group on Breast Cancer Screening on their findings and recommendations with respect to breast cancer screening. These recommendations and expressed concerns with this very serious issue affecting so many Manitoba women is music to my ears.

* (1500)

It is no surprise to me that from the working group's findings not only does breast cancer screening not reflect positive practices, there is the suggestion that additional exposure to X-rays increase the incidence of breast cancer.

When we consider our health care funding, we must look at the different therapies which are carried out without question and insist on the accountability by the medical practitioners for the well-being of all Manitobans.

Next to the afflicted, the people—like the people of Manitoba—have the biggest stake in this matter, after drug companies, various charities, as well as governments. However, governments are only using tax dollars to fund their part; therefore, the people are picking up the entire cost.

To take steps of this nature as a means of improving the quality of health care in Manitoba, it will be a positive direction in controlling our health care future budgets.

I heard that a few years ago that the average cost per cancer patient ranges from \$50,000 to \$75,000 and rising in the U.S. What it is today in Canada or Manitoba, I do not know, and I wonder how many people do not want us to know either.

We cannot continue on this path of funding expensive, ineffective health care. We must look for other effective ways to rely on for a great part on conscientious and caring people in that field. Those people have a big responsibility. They must help us look for other effective ways which will create health, not to try and fund a system that is like trying to stop a racing locomotive going down the track to total destruction, but one that is motivated to improve quality of life instead of being motivated by money.

I will give you an example, Madam Deputy Speaker. We all know the expense today of finding a cure for cancer. It is a multibillion-dollar industry, we are told. Those closest to this issue are the likes of the Canadian cancer association, the American cancer association and the National Cancer Institute.

How much would they say the costs are? Madam Deputy Speaker, we know there are three accepted forms of therapy for treating cancer today accepted by these institutions, surgery, radiation and chemotherapy. We have all heard about them, yet it is documented that a person who chooses any one or more of these three therapies lives an average of three years. A person who chooses not to use any of the three therapies lives on average of 12.5 years. Expensive, I ask? You bet. Effective, I ask? It does not sound too effective to me. So why are we doing it? I do not know.

Let me give you more. In 1975, the respected British medical journal, *Lancet*, reported on a study which compared the effect on cancer patients of (1) a single chemotherapy, (2) multiple chemotherapy, and (3) no treatment at all. No treatment at all proved significantly, and I repeat significantly, a better policy for patients' survival and for quality of life.

In 1988, a Swedish study found that mammograms and early detection of breast cancer did not reduce death. Dr. Lars Janzon of Sweden's Malmo General Hospital studied 42,000 women before concluding in October of 1988, *British Medical Journal*, that mammograms should be restricted, just like the report of our own Manitoba working group on the breast cancer screening said in March 1992, four years later.

Now that I have your attention, I want to address other areas of the budget, so I will move off health care for the moment in spite of its importance to me.

Madam Deputy Speaker, society today is in a real struggle for survival. People are put in these various unfortunate situations, in many cases through no fault of their own. Maybe they could have avoided their problems if they had taken greater responsibility themselves, rather than just accepting what they were dealt. Therefore, for such people, our government also increased the level of funding to the Department of Family Services by an additional \$51 million, an increase of 8.7 percent. That is four times the rate of inflation. These additional funds will be directed toward several new initiatives and the expansion of several others. That, to me, suggests a caring government with which I am proud to be associated.

An office of the children's advocate will be established to ensure that children in care are protected and well treated. Madam Deputy Speaker, the wife abuse shelter system and related services will be enhanced under this budget to provide for better care and counselling. Daycare operating grants are to be increased. As well, an additional \$40 million will be put into the social assistance budget to meet the additional demand that is being put on the system as a result of the recession. Our government has continued its support for Manitobans with disabilities by increasing the supplementary benefits by \$8 million.

It is often inferred that companies, when looking to set up shop in a province, look at the education institutions available to supply the work force. In Manitoba, our government has maintained that education and training are a priority if we are to attract business and remain competitive. This budget increases the funding to the Department of Education and Training by \$52 million. This represents an increase of 5.5 percent or three times the level of inflation.

Madam Deputy Speaker, an increase of \$2.5 million has been put into new training programs at the province's community colleges, and additional resources have been provided for training through the Workforce 2000 program. This additional funding reflects a renewed focus on equipping students with skills that are more relevant to the work force.

Our government has also increased funding to the university system by 3 percent and to schools by 6.8 percent. These increases to education and training represent a continued effort to equip our youth for

the future by providing them with employable skills that are needed in the marketplace.

As well as maintaining funding for education and training to assist our youth in attaining skills, our government has broadened the opportunities for employment for our youth. Our government has maintained the CareerStart program and Student Temporary Employment Program, or STEP. In addition to this, our government has also established, through the budget, the Partners with Youth program. This program will assist young people between the ages of 16 and 24 years to establish and create their own opportunities for work and will be co-sponsored by business, local governments and nonprofit organizations.

Clearly, Madam Deputy Speaker, our government has remained committed to the programs and services that Manitobans value as priorities. Our government believes that this total increase of \$204 million was necessary at this time to maintain these services and put support where it was most needed.

Since 1988, this government has made competitive taxation one of its primary tools for promoting economic growth. Measures to improve Manitoba's tax competitiveness have focused on holding tax rates and providing targeted tax relief. This is in contrast to most other provinces where tax burdens have generally increased. Initiatives include increases to the payroll tax exemption from \$100,000 to \$600,000, eliminating the tax for many small firms, a payroll tax credit for employer-sponsored generic training, reducing the effect of the tax rate from 2.5 percent to 1.95 percent.

Let us look at some of the programs contained in a budget that I am particularly proud of. The temporary Manufacturing Investment Tax Credit will encourage expansion and upgrading of Manitoba's manufacturing and processing industries. Investments will be eligible for the new 10 percent nonrefundable credit, including new manufacturing plants and equipment purchased for first-time manufacturing or processing in Manitoba.

* (1510)

Keep in mind that money must be spent on new equipment in order to trigger this tax credit. New equipment means new economic activity, new economic activity that will no doubt result in more jobs.

Here is an excellent initiative to create new manufacturing and encourage existing manufacturing to expand, in an area, I might add, that employs 11 percent of all Manitoba workers and had a total value of shipments last year of over \$6 billion.

Now, because of Manitoba's competitiveness within the manufacturing sector, I see this as a particularly good and wise initiative. In fact, manufacturing is an important indicator of the vitality of Manitoba's economy, contributing 10 percent of gross domestic product and accounting for 11 percent of employment.

This industry is the largest goods-producing sector in Manitoba and is exposed to more international competition than most sectors, and analyzing, comparing small and larger typical manufacturing operations in Winnipeg, Brandon and several Canadian and American cities in terms of their operating costs and taxes in the budget document, tells the story quite well.

For small manufacturing, Manitoba fared very well with operating costs in Winnipeg, running lower than Regina, Calgary, Vancouver, Montreal, Halifax, Toronto, Chicago and Minneapolis. Brandon did even better with operating costs lower than Winnipeg's. When taxes and operating costs are deducted from identical gross sales figures, Winnipeg and Brandon demonstrated their competitiveness. Winnipeg's net income exceeded Vancouver, Calgary, Regina, Toronto, Montreal, Halifax, Chicago and Minneapolis. Brandon's net income was higher than Winnipeg's and Fargo's net income.

Larger manufacturing firms presented a similar picture. A common measure used to assess tax burdens is the effective rate, defined as total taxes as a portion of pre-tax net income. Winnipeg and Brandon were both below average when it came to effective tax rates for both large and small manufacturing firms. Lower market costs and moderate overall effective tax rates are positive factors for Manitoba firms.

Manitoba manufacturing firms can compete with firms in other jurisdictions both in Canada and the U.S. Over the past few years, while other provinces have increased a number of taxes, Manitoba, I am proud to note, has held the line and even reduced some taxes as indicated in the budget. If these

trends continue, the competitive advantages for manufacturing firms in Manitoba will continue.

I would also like to talk about the new Manitoba Research and Development Tax Credit. Again, money must be spent to trigger this tax credit. This 15 percent nonrefundable tax credit has been introduced to encourage research and development in Manitoba. Qualifying expenditures are for scientific research and experimental development carried out in Manitoba.

Other important initiatives contained in our budget include the Payroll Tax Credit for Training Costs, a payroll tax credit to encourage the private sector's investment in training. This initiative provides Manitoba firms with a credit to offset qualifying employer-sponsored training and development costs. The credit, previously restricted to goods-producing firms, will be extended to centralized operations and service-oriented firms.

Another excellent initiative involves the tax cut for 1-800 toll lines. To help improve the competitiveness of business telecommunication services in Manitoba, the PST on 1-800 toll line charges will be eliminated effective May 1, 1992. Our government has also acted to assist the transportation sector of our economy.

We realize the importance of the railroad transportation industry and have moved to increase the competitiveness of railway companies operating in Manitoba by reducing the locomotive railway diesel fuel tax from 13.6 cents to 12.6 cents per litre effective July 1 of this year. Additionally, the tax of aviation fuel will be reduced from 5.8 cents to 5 cents per litre effective July 1 of this year. I might point out that this new rate is a full 2 cents per litre less than Saskatchewan and has the same rate as Alberta.

Mining taxation is another area I would like to address; here a comprehensive package of three initiatives that will assist mining exploration and establishment of new mines. The temporary 1.5 percent refundable tax on mining profits established in the 1989 Manitoba budget has been extended. Under The Manitoba Corporation Capital Tax Act, companies that capitalize exploration and development costs have those amounts included in their capital tax base. The corporate capital tax will be amended to allow a deduction of these items. This aligns Manitoba's treatment with that of other provinces.

A mining tax holiday will be implemented for companies mining new mines in Manitoba after January 1 of next year. Qualifying mine operators will not be required to pay the mining tax until their profits for mining tax purposes equal their capital outlays in opening the new mine. Mining companies which significantly increase their exploration activities in search of new mines in Manitoba will be entitled to a deduction equal to 150 percent of exploration expenditures in a given year that exceed the average of those expenditures in the previous three years. This incentive is in effect from July 1, 1991.

These mining tax changes will encourage exploration and development of the mineral reserves in Manitoba and should have a particular benefit in Manitoba's north. I expect northern members opposite to be responsible and welcome these initiatives within their constituencies. However, from the demonstration we saw last Friday from the member for Flin Flon (Mr. Storie) in the House, I have some concern. Their constituents should also have the same concern about them.

While I am on the topic of being responsible, I would like to talk about the deficit. I am very proud of the accomplishments of this government in holding the line on the deficit. As members know, we did this by transferring monies from the Fiscal Stabilization Fund. A move, as I mentioned earlier, was criticized by the Leader of the Opposition (Mr. Doer) who, after repeatedly calling on this government to spend funds from the rainy day fund we had the wisdom to establish in 1989, has turned to the duke of duplicity by criticizing us for investing the money to hold down our deficit. Well, Madam Deputy Speaker, I would encourage him to mail a copy of our budget to his friend Bob Rae, the \$13-billion man, and mark it a lesson in fiscal responsibility. Not only did we manage to keep the deficit down, but we did so by increasing spending in Health, Education and Family Services.

* (1520)

The member for Concordia (Mr. Doer) also suggested that this government spend more money on highways and hospitals. For some reason the member has chosen to have selective amnesia. He has forgotten that this government presented its fifth budget in a row last Wednesday where highways construction spending will exceed \$100 million. I say exceed \$100 million.

When it comes to hospitals, I would like to remind my honourable friend of our record. Let us look at the approvals for health facility construction plans for 1991-92 fiscal year. Here is our record: \$182.5 million for 21 major hospitals and personal care home replacement, expansion or renovation projects; several smaller projects will be accommodated through the contingency fund; \$329 million has already been invested in Manitoba hospitals and personal care homes since this government came into office; and \$487 million worth of projects is in the architectural drawing stage.

I am proud of our government's track record considering these difficult times. I might add, Madam Deputy Speaker, we too listen to our constituents. They say reduce the debt and no more taxes. We are listening, unlike the NDP governments in the provinces to our east and west.

In Saskatchewan the NDP government came to power on a tremendous high. Throughout the election campaign Roy Romanow and his candidates consistently told their audiences that the cupboard is bare, and in the midst of the campaign Romanow himself charged that the deficit of the province was dramatically larger than the incumbent government was estimating. In other words, the NDP campaign exhibited firm committed knowledge about the serious lack of resources of the government. In spite of this knowledge, they campaigned on the basis that the expanded sales tax could be eliminated, no increases would be necessary and a series of funding increases could be had. In particular, the Premier promised increased funding to municipalities. This was followed by a major cut after winning government.

Throughout the campaign the NDP promised increased funding to both Health and Education. After winning government, the people have been told neither require more money. That is a government of broken promises and broken faiths and the well of goodwill is rapidly being depleted. That is what Manitobans could expect if the opposition sitting opposite were in government. Heaven forbid, Madam Deputy Speaker, for the sake of all Manitobans.

Madam Deputy Speaker, I feel that our budget supplies what Manitoba needs in order to pull us out of this recession and lead Canada into a prosperous future. This budget fulfills the needs of Manitobans by controlling spending yet maintaining and increasing funds to the priority services of Health,

Education and Family Services and also holds the line on the deficit.

Madam Deputy Speaker, of the record of this government and its commitment to working with Manitobans to build our province into a place where not only will businesses invest and create jobs but where people will enjoy a quality of life surpassed by none, the bottom line of this budget is not represented by just a dollar figure alone but rather by the effects it will have on the people of Manitoba. Quality of life is just as important, which cannot be achieved by throwing money into a system alone either. They too though must accept the responsibility, as Manitobans working in partnership with government, to improve their own quality of life for the benefit of all Manitobans.

Thank you, Madam Deputy Speaker.

Mr. Paul Edwards (St. James): Madam Deputy Speaker, it gives me some pleasure to stand and speak today on the budget which has been presented by the Finance minister for the upcoming fiscal year.

Madam Deputy Speaker, I will have some general comments overall with respect to the budget, and then I intend to make some specific comments with respect to the areas that I have the privilege of being the critic for the second opposition party for, most notably in the areas of Justice, Natural Resources, Urban Affairs and Environment.

Madam Deputy Speaker, generally speaking, let me say that the budget in my view is premised on a set of assumptions and a philosophy which is fundamentally wrong but which is understandable coming from this minister and this government, because they have been following that line since coming into government. Indeed, I think they promised openly in the 1988 election when they first came to power that they would follow that line. To me, it defies common sense to understand why they continue to toe that line, and that is the economic philosophy that says that if you put money in the hands of the corporate elite and the investors, that money will trickle down to the voter, the common or the average person. That is the theory. It is called, by reputation, the trickle-down theory.

Madam Deputy Speaker, the only trickling down which Manitobans have seen under this government is the trickling down of jobs to Mexico and the southern United States. That is this government's form of the trickle-down theory. The

theory is worked out by this Minister of Finance (Mr. Manness) in his idea of promoting investment in this province by, in fact, putting those dollars in the hands of corporations, many of whom do not even have head offices here in Manitoba, have done business in Manitoba, but there is no guarantee that the dollars that he purports putting into their hands will end up in this province.

Madam Deputy Speaker, we have suggested in our party a philosophy of using government dollars, using the power of expenditure and of revenue raising by the provincial government to target Manitobans into putting money in the hands of Manitobans. That is the point. That is what is going to bring us out of this recession is putting dollars in the hands of Manitobans to spend money in Manitoba.

An Honourable Member: We decreased taxes and you voted against it. Every year we decreased personal taxes. You voted against it.

Mr. Edwards: Madam Deputy Speaker, this minister—I see him, he is getting a little exercise in his chair. I am so pleased, because I certainly want his attention.

Let me just go over one of these suggestions. It is just one of many suggestions made by our Finance critic, but I think it makes sense. I hope the Minister of Finance (Mr. Manness) would be humble enough, would be open enough. He is always calling for suggestions. Well, here is one. I hate to give credit to former Conservative governments, but I am going to have to because I recall Sterling Lyon. You know, it is a rare day that I look to Sterling Lyon for guidance.

* (1530)

In 1979, he reduced the sales tax and he did it for a short-term period, and he did it for a reason. He did it to give the economy a spurt. I recall his argument at the time, because I was working in retail sales at that time. I recall what he said. He said, we will not lose revenues by reducing the tax for a short period of time because that reduction in tax will be more than made up by the increase in sales.

I see across the way today many members who were in the House at that time, and who certainly would have known that policy and presumably supported that policy. Can there be a better time, a more important time to take that lesson of giving the economy a kick-start in terms of retail sales, something the Minister of Finance (Mr. Manness) is

always crying about, as he should be, the lack of retail sales, the lack of retail sales tax revenues which are generated by that, a key component in determining the state of the economy? It is a good time to take that lesson.

The beauty of it is that the revenue ramification is only triggered by a purchase in the province of Manitoba. It can only be triggered by that. Dollar for dollar, it is an investment which you will see the return of only by a purchase in this province, an increase in the revenue sales of this province. That is the only way it can be triggered. There is no loss in terms of the efficiency of that tool in getting the economy going.

I do not profess to have the academic training that the Minister of Finance (Mr. Manness) does in economics, but it was good enough for Sterling Lyon. I would assume that part of the current Minister of Finance's studies would have included studying the economic plans of the former Premier of this province.

I would assume that he is aware of that tool, that he has studied it and that he has turned it down, and I would like to know why. I cannot believe that he would not have assessed it completely and looked at it as a tool to give this province the spurt we need, because he keeps saying and others keep saying: Well, we are almost coming out of this recession, so we are almost at the door. Something is going to happen. We are almost coming out.

Well, this is the time for the kick-start. This is the time we need it. We need it right now. What is a better time than now to have that kick-start and get the economy fully out of the recessionary mode?

I acknowledge that he has some problems in the sense that we are not in control of the Bank of Canada nor are the western Premiers or other Premiers. The Bank of Canada sort of does what it wants and that is a problem. I do not blame this Minister of Finance (Mr. Manness) for that. It is tough to deal—

An Honourable Member: It is awfully big of you.

Mr. Edwards: It is big of me. I know the minister says it is big of me to acknowledge that.

I note that the recent philosophy of the Bank of Canada is, do not let the dollar drop. We have to increase interest rates to make it more attractive on the currency market, so our dollar will stay up.

I personally, Madam Deputy Speaker, think that is wrong-headed. I think the former policies of the Bank of Canada have been wrong-headed with respect to getting the dollar up in the first place. I personally think that we should be a nation concentrating on exports. Our exports will increase, we will become a more attractive place for purchases, if our dollar goes down. I do not say that it should go way down, but I do not see that we should be increasing interest rates at this point with inflation virtually nil. We should be increasing interest rates to keep the dollar propped up—it is not my view of it, and I acknowledge that the Bank of Canada has that view. So it becomes a little difficult for this Minister of Finance to work around that.

However, here is one suggestion that he has control over, and I look forward to his response to that suggestion first initiated by former Premier Lyon, and I recall his speeches at the time. He was indicating—I notice I have caught the ear of the Minister for Energy and Mines (Mr. Downey). I am glad to hear that because I know he was in the House back then. I know he will remember the financial tragedies of the Lyon era, taking the debt offshore at a particularly inopportune time, costing us many, many millions of dollars as Manitoba taxpayers. But there was an idea that worked.

People responded to that short-term reduction in retail sales tax in 1979 in droves, the minister will recall. I believe he took 3 percent off for three months. In any event, people said: Listen, I will make the best deal I can on a purchase, a major purchase now, save that 3 percent; better I have it than the government have it. They responded in droves.

I recall it. I was working retail sales, and it skyrocketed for that period of time. [interjection] Skyrocketed—the minister thinks I am talking about Starbuck. Now Starbuck is a very fine community, but I was not talking about Starbuck. Mind you it is a very nice community. I have been there a number of times.

An Honourable Member: Have you?

Mr. Edwards: I certainly have. Starbuck is just west of our fair city, a lovely community. I am sure that the people of Starbuck would be thrilled if a similar agenda was undertaken by this Minister of Finance (Mr. Manness), as had been by the former Premier Lyon in the regard I have just spoken about.

Madam Deputy Speaker, so the trickle-down theory is wrong-headed. It has been proven that way around the world, most clearly in the United States and under the Mulroney administration here. It just does not work. So really from there you have to judge this budget as fundamentally wrong-headed.

The rest of my comments are directed to the details, but that principle is at the root of what is wrong about this budget. From that, all of the theories which are worked out in various departments, we can pick holes and talk about problems which I will do and go through it department by department, but the basis upon which this government is proceeding at root is wrong. It is bound to cause the difficulties and further difficulties for Manitobans when we are blindly adherent to that type of philosophy which favours the rich, favours the corporations.

I am not one who says that business should not make a profit. I know, as I do not think many union leaders know, but I know that no profit, no jobs. If business is not able to make an honest decent profit, they will not stay in business. Those are the rules of the game. Everybody understands that except the NDP, Madam Deputy Speaker, who never have understood that, who say, no, we are going to tax you to death, because you do not need a profit. You can just keep paying and paying and paying.

Well, they leave or they go out of business, and then the government says, cries the blues. Where are you going? How come you are going? You are deserting us. Well, they will desert you. If they cannot make a profit, they will desert you. You are right, they will desert you, because there are all kinds of other places where they can make a profit. So I am not one to say that business should not make a profit. Business has to make a profit. That is the fundamental economic lesson which the NDP has never come to grips with.

I think it is because ultimately they do not mind seeing business leave, because they think they can run it better than business. They think, well, you know, so they leave. Okay, ICG, we will take over. If you want to make a profit and you do not like our tax, I mean, that is okay, because we are just waiting to take over anyway. That is the wrong-headed approach of the New Democratic Party and, at root, it is out of sync I believe not only with economic reality, but with what the people of this province

understand and want, Madam Deputy Speaker, from a government.

The people of this province want a government that both understands the advantages of private enterprise and the limitations. That is a balance which needs to be struck on a daily basis in decision making by any responsible provincial government. Madam Deputy Speaker, we see in this House, and we are appropriately situated right in the centre, we see the two extremes. We see the Conservative government that certainly sees the advantage of profit and of private enterprise. No doubt about that. They certainly see that, but that is all they see. They do not see the limitations, the need.

Ultimately, the purpose of business, the purpose of government in controlling and regulating business is to serve the public. Now, the people in business are certainly part of the public, but we are here to serve all Manitobans of all economic means from corner to corner to corner in this province. That is our job. The Conservatives fail to see the people in this province who do not make profits. The only people they see are the people who are in business and hoping to make profits. Well, most of us are just trying to earn a living, making a wage, trying to do our best to live a decent life, meet our obligations, our financial obligations and our family obligations. That is what most of us are trying to do in this province.

Madam Deputy Speaker, we need a government that is prepared and willing to work with business but also to understand that business has its limitations and ultimately is not able to serve the public good and the public need without the input and assistance and regulation of government.

* (1540)

Now, Madam Deputy Speaker, I want to touch specifically on some of the glaring mistakes which I believe have been made in this budget. I do not pretend to be, in my comments, addressing all of them. It would be far too lengthy a speech for me to be able to do that. My Leader has gone into much greater detail than I will, but let me key in particularly on the area of training and lifelong learning, which our Leader has so eloquently spoken about on many, many occasions for many years. I had the privilege of speaking on it many times, asking many questions of the Minister of Labour (Mr. Praznik), the Minister of Finance (Mr. Manness). Now the Labour

portfolio, critic portfolio, has gone to my colleague the member for Inkster (Mr. Lamoureux).

Madam Deputy Speaker, look at what this government is doing with respect to the young people in this province and the people who are unemployed in this province. They need a job, and you know what, if they do not have a job, they will do one of two things. They will stay here and end up on unemployment insurance, ultimately perhaps welfare, social assistance, with all of the social evils and ills that that brings. They will do that, or they will leave. They will go somewhere else where they think they have a chance to get a job.

We have to recognize that the average Canadian worker, in a life of working, is now going to make four or five significant changes in what he or she is going to do in any given career. The days of doing one thing, for one employer, for a lifetime are gone, and the average Manitoba worker knows that full well. The job of government, in co-operation with business, is to bridge the changes for people, so that people can become trained in new technologies and in new duties and go on to new challenges and not have the disruptive effect of layoff, of unemployment insurance, of welfare, of having to move to look for better horizons.

We want Manitobans to stay in Manitoba, and our job is to bridge those difficult periods in their lives. If we have any challenge before us as legislators in the current age, it is that. It is to allow people that transitional period, that transitional time between jobs, between careers, because nothing is secure in the current marketplace.

It is a highly competitive, highly transitional marketplace today. Currency floats constantly between jurisdictions, does not respect any boundaries, Madam Deputy Speaker, and the marketplace has shrunk and shrunk and shrunk.

Madam Deputy Speaker, we are going to be left out in the cold, not only in this country but in this province, unless we can hold our skilled workers and hold our population, indeed increase it by providing that kind of sane, civilized, progressive system whereby people are allowed to maintain income security while moving from task to task, job to job, perhaps employer to employer.

Yet, education and training assistance in this province is cut 30 percent; yet, community college funding is \$500,000 below the 1991 level; yet, we see the inner-city employment initiatives, the Core

Area Initiative, abandoned in this budget. The inner-city initiative, a specific program which provided learning opportunities for young people, is eliminated altogether.

Where are these people going to go? As I have said, they are going to go one of two places. They are going to go onto the unemployment rolls, or they are going to leave the province. I think this government would prefer that they left, and that seems to be what the government is saying.

They are not saying, hey, stay in Manitoba, raise your children in Manitoba. We will do everything we can to help you bridge this difficult time, because it is a difficult time. Things are changing, we know that. We know you need some help. Stick with us in Manitoba, and we will see you through the transitional periods. That is not what they are saying. They are saying, well, you cannot cut it, sorry. We are giving some money; we hope it trickles down to you, but hey, if you have to leave, you have to leave—too bad.

(Mr. Speaker in the Chair)

That is the message in this budget, and it is more than tragic. In my assessment it is incredibly short-sighted for the long term in this province. Look at the people we are losing. We are losing the young people. We are losing people, many of whom have come and gone to our universities, and then they leave because they see better opportunities elsewhere. Often they do not want to leave, most often they do not want to leave, but they do. They leave for better opportunities in other provinces.

Mr. Speaker, turning to one of the specific areas that I have the privilege of being the Liberal critic on, and that is the area of Justice, I note that the Justice budget has increased over a number of years. Since I have been monitoring it as a critic, it has increased quite dramatically in terms of the dollars. However, what are the themes that one can draw from the way that the dollars are spent?

It is not all bad. There have been many improvements in the justice system. Mr. Speaker, it would be hard not to improve on the justice system after the legacy of the NDP. I mean it would be hard to have a justice system in worse shape than it was left by the New Democratic Party in 1988. It was chaos in the Justice department.

I am not noted as a fan of the current Minister of Justice (Mr. McCrae), but the former administration

did everything that was possible. It is like they had a specific desire, a goal to alienate the participants in the justice system, and secondly, to make sure that it administratively was an absolute chaotic situation. Whether it was the Land Titles Office or the delays in the courts, whether it was RCMP funding, wherever you went, whatever area of the justice system, it was in tatters by the time this minister took over.

I always try to be fair in my criticism of the Minister of Justice (Mr. McCrae)—

An Honourable Member: You are.

Mr. Edwards:—and I appreciate the comments from my colleagues that I am. Mr. Speaker, the fact is it would have been hard to not be an improvement, so I have to acknowledge he has been an improvement, but there is much left undone.

I am pleased to report that over the last three and a half years a lot of my suggestions have come to fore, a lot of them have been put into place. We have our spats over who gets credit for what, but the truth is the Minister of Justice (Mr. McCrae) knows full well that generally if I put a resolution or a bill on the Order Paper, in time it comes to fruition.

That has been the course of events, and I am pleased about that because I think he is listening to my comments in many cases. He rarely admits that and usually likes to put his own imprint on it and make sure that he does that, whether it makes sense or not, but that is okay, because I am here to effect change, and you know I stood up and said and harassed—I do not think he knew what happened in the Land Titles Office. Within six months it was changed because he responded to pressure.

An Honourable Member: Likely the recession helped.

Mr. Edwards: And the recession helped; there were a lot less house sales.

In any event, things like that happen. He has dealt with the delays in the court system, not the way I would have done it. We still have criticisms, but it is a lot better than it was. I acknowledge that, Mr. Speaker.

I want to indicate to the minister that he has disappointed me most recently on his response to the Pedlar report. That report—[interjection] The member for Wellington (Ms. Barrett) says, what reply?

Well, he did reply. He said, I accept all of it; it is a wonderful report; I am going to do it. That is what he said when it came down. Yes, everybody knew that what he was really saying was, well, if it does not cost anything. But he did not say that; no, he was going to save the day, follow the report—every word.

Well, Mr. Speaker, I believe it was a few weeks ago that the committee he announced some months ago finally met and sat down to discuss implementation of those recommendations. Meanwhile, what do we see on the front pages of our papers today but yet another tragic death as a result of family violence. There surely are no Manitobans who are not revolted and disgusted and ashamed that our society has these occurrences in it. We learned today of another senseless slaying of a woman at the hands of a male partner, and how tragic that is.

* (1550)

I do not suggest that any of us in this House have anything but revulsion and disgust ourselves for that incident, but it is time to act and not just at the level of dealing with it after the incident has occurred. I note the family violence court has been dedicated for domestic violence cases. That is something the minister has done, but that is after the fact. With respect, that is after the fact. What we need to do is attack the causes of domestic violence. The Pedlar report spoke to the things that can be done. The minister has to start putting some action where his mouth is and actually doing some of the things he says he is going to do and he wants to do.

We see no evidence in this budget that he is intending to deal with the causes of domestic violence; rather, he is dealing with the symptoms. His actions have been primarily stopgap, and his responses to the immediate dangers faced by women in our society are just that. They have dealt with how the justice system responds to offenders, as I have indicated, and they are measures that are necessary and, in many respects, urgently needed but, surely, we have to go beyond even the day-to-day outrage that we all feel and move towards the root causes of violence in our society, because our society yearns for permanent solutions to these problems.

It is not just the victim, it is the offender that we have deal with. It is not a gender issue. I do not see this as a women's issue. This is a societal issue,

and I do not think there is one amongst us in this House who does not recognize that this is a problem for all of us. It turns out that in most cases, the vast majority of cases, it is the female victim and the male aggressor, but violence has to be dealt with in our society, and we must also recognize the link between violence and economic difficulty in our society.

The poorer people are, the more desperate they are, the more unhappy they are, the more that works out in their family situations. That is the legacy, and we have to be aware of that, and so the guaranteed annual income which our Leader has suggested for many years now makes eminent sense.

We should give people that safety net of a guaranteed annual income, and there are all kinds of arguments which our Leader has made that suggest that that is not only the most humane, but also the most cost efficient way to provide a safety net in this country. [interjection] I appreciate the congratulations on that and support for that principle from the Minister of Natural Resources (Mr. Enns).

I know, and I assume he is arguing vehemently with his cabinet colleagues to immediately put that into place and work for it at a federal level.

Now, with respect to mines and energy, and I failed to mention that as one of my critic areas at the outset, but that is an area that I have recently taken on.

Hon. Glen Cummings (Minister of Environment): Pretty busy bunch over there in that Liberal six.

Mr. Edwards: The Minister of Environment says there are a number of portfolios we all must carry, and that is true. We are certainly cognizant of that, and I want to key in on Energy and Mines as an important part of—and I see the minister here, I am glad about—as an important part of what we do as a provincial government.

Now, it was interesting to me to hear the Minister of Energy and Mines (Mr. Downey) rationalization for cutting back on energy conservation by 31 percent. His suggestion was, well, Manitoba Hydro is going to do it, what do we need to do it for? They are going to take over energy conservation. They, that is Manitoba Hydro, are the proponents of the \$5.8-billion new project which is to go into northern Manitoba. And they are in charge of energy conservation, Mr. Speaker?

He says he has no role to play? He can strip his budget and give it to Manitoba Hydro; let them do it, he says. They are the proponents of the very project which is going to be going before the environmental review. Can he not see the conflict in agendas which he is giving to Manitoba Hydro?

He is saying, yes, I entirely support your project. Go build it because we need the power. If we do not, you better hope we do because we have told the PUB we need it, so we better hope we need it, but at the same time conserve.

He has given them two diametrically opposed agendas. He stands up in this House and says, well, we need the power in 2001. We need it. That is what we told the PUB. We better need it—wink to Manitoba Hydro—we better need it because, boy, we built our whole case on it.

But, hey, you take over energy conservation too and try and knock it back a few years. It is already back at 2012, and with adequate energy conservation, with progressive energy conservation measures, it would probably go further back than that.

But that is not what he wants. That is not what Manitoba Hydro is going to want. They want to go ahead with Conawapa. Conawapa is based on the fact that we need the power earlier, not later.

Mr. Speaker, he obviously does not recognize, or is willing to accept—and indeed it is part of the larger agenda perhaps of this minister—that energy conservation just does not count. Let us use it and use more, he is in effect saying, because we want to build Conawapa.

Mr. Speaker, more proof, more evidence that that is the case. Look at the Conawapa development line in the minister's budget. The co-ordination of the Conawapa project went up. Well, I thought Conawapa was Manitoba Hydro's project too. How come he did not leave that to them? No, his line in his budget for Conawapa goes up, and the one for energy conservation goes down.

He has chosen, of the two, Conawapa versus energy conservation. He has chosen to send energy conservation to Hydro, not Conawapa. No, sir, he is going to keep Conawapa. The project co-ordination budget in his department goes up. He is going to spend more on that and less on energy conservation.

Of the two, the job he gives to the proponent of Conawapa is not the project co-ordination, no, sir,

he wants to keep that. What he gives to Manitoba Hydro is the conservation. It is a total contradiction, Mr. Speaker, in messages he is giving to Manitoba Hydro, unless the message is, we are on side with you, let us build Conawapa, let us keep the budget line energy conservation in the budget because it looks good, but let us not really do it. That has to be the message this minister is sending. It has to be. There is no other rationale.

You know he is the best minister. Let us face it. He is not called Foghorn Leghorn for nothing, Mr. Speaker. This is the best, the most experienced baffle-gabber in this House. The Minister of Energy and Mines (Mr. Downey) has got more skills at saying something, saying words but really saying nothing, than anyone in the House. That is why I have to look for what he is saying in the budget lines.

Frankly, I never have a clear view at the end, after he has spoken, of what he is saying because I do not think he knows, or else he does not want us to know. So you have to look at the line in the budget. You have to look at what he is actually doing in the budget, and what he is doing is making it abundantly clear that everything else is just in the way, the environmental process, the PUB process. We are building and we are going to build sooner rather than later, and we want to build in time, presumably, for the next election. Exactly what the NDP did with Limestone. Exactly.

* (1600)

When I was on a radio debate in the 1988 election with Clayton Manness and he slaughtered the NDP in that debate on that issue, he said, you guys built Limestone ahead of time. You bumped it ahead for the 1986 election. You played politics with the billions of dollars of Manitobans on Limestone. That is what he said. I was there. I was sitting there. I said, you know he has got a point. The NDP did do that. [interjection] Well, the Finance minister—am I done?

Mr. Speaker: No, you are not done. Order, please. The honourable member for St. James has the floor.

Mr. Edwards: The member for Wellington (Ms. Barrett) jumped up, and I certainly want to hear her comments, but I am sure she would not want me to limit mine. I want to have the opportunity to put all the comments I have on the record.

Mr. Speaker, as I recall that debate which was on the radio, I agreed with the Minister of Finance (Mr.

Manness) at the time that, yes—and I still do—yes, the New Democratic Party had pushed Limestone ahead for the specific purpose of an election which was coming up, and that they had done that at the expense of northerners who were not adequately trained to take the highly skilled jobs so that the full benefits of the Limestone investment could be received in northern Manitoba. Yes, I remember agreeing with him, and, yes, the result of that election was that the NDP ended in third place. Perhaps that is some comment on that particular issue.

Today we see the exact same agenda coming from the Conservative government. This agenda is that all of these other things are in the way. We want to get to construction because we want to pump this money into the economy, so things look better. It is going to be timed with what they hope will be some semblance of a recovery from the recession otherwise. So that will give a nice boost and head into the next election. That is convenient thinking for the politicians of the day, but is it responsible? No. Is it prudent? No. Is it even being up-front and open with the people of this province about what they can expect? No, patently, no, Mr. Speaker, but it is in keeping with the Conservative philosophy generally on issues of the environment.

Hon. Harry Enns (Minister of Natural Resources): Not true, Paul.

Mr. Edwards: I have appreciated the support of the Minister of Natural Resources (Mr. Enns) on a number of things I have spoken about, but today I see he is taking issue with me on this one.

Mr. Speaker, the legacy of this government on environmental issues is not good. I do not particularly lay that entirely at the feet of the minister. I think the minister probably tries to get a lot of things through cabinet. I do not know, maybe his colleagues can tell me, but they shoot them down. I think that probably happens. So I do not particularly lay it at his feet, but I think they see all of this environmental stuff, the sustainable development stuff, these environmental assessments, hearings, years and months of hearings, I think they see them as just a bit of a bother that is not really that necessary, that has worked out on the everyday scene by a letter to the participation advisory committee that, well, you know, we want you to participate, we want you to criticize our project, but boy, you better not spend more than a million bucks.

The proponent is going to spend \$6 billion on the project, but, hey, we do not want any more than a million to criticize it. You know, let us get realistic, they say. How much are they spending on the project? How much are we going to spend, and what legacy is going to be left to our grandchildren to pay for this project if it is environmentally wrong?

They better know whether or not it is environmentally wrong. That is the point. You think now, bill later, not the reverse, and that is what this government has done. They got into bed with Grant Devine on Rafferty Alameda. They are going down the same road with respect to Conawapa. Surely they should take a lesson from Mr. Devine, and the price he paid for the back-room deals leading to Rafferty Alameda. The former Minister of the Environment, the member for Portage la Prairie (Mr. Connery), stood up in this House two months after being elected and said, Rafferty Alameda is going to be great for southwestern Manitoba.

That is what he said. He had no idea what the environmental cost was going to be for Rafferty Alameda. He had no idea about the intricacies of the arrangement.

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

Mr. Cummings: Mr. Speaker, I will attempt not to bore the members opposite. I apologize if they feel that they are being put upon.

In taking the opportunity to speak on this budget, I have to indicate that I believe that in the period of time that I have been in this Legislature, probably this was one of the more difficult periods in the last decade in this province to be able to put together a budget that would provide the balance that is needed at this time in our financial history.

I have to tell you that I believe this budget accomplishes that goal because there does have to be a restraint in the growth of expenditures in this province. At the same time we are making a deliberate, calculated effort to bring government support behind economic forces that will encourage development and investment in this province. That is the key to what we intend to do throughout the upcoming fiscal year, is to make sure that the forces, that the opportunities that the investors see in this province are exploited, that they are encouraged to invest in this province, because this is an opportune time in our history for that to occur.

I think in the next few minutes I will attempt to show you that this budget accomplishes that, while at the same time making sure that we can be responsible towards those less fortunate in our society, and that we were able to deal with the rather rapidly growing health cost, social service cost, and of course the basic cost of education in this province.

Mr. Speaker, I think we need to be satisfied that we are pointed in the direction that will allow us to be positioned to take advantage of economic opportunities as they present themselves, so that we can point the direction for what lies ahead in the North American market, and not only what advantages we have in terms of that market, but how we can be positioned internationally for a competitive footing no matter where our companies wish to seek out markets.

I want to make very clear, Mr. Speaker, that no matter how you slice this budget, and the members of the opposition will certainly attempt to hack it up, I am sure, but the fact is that Health is receiving a 5.7 percent increase in funding, Family Services at 8.7 percent increase, and Education and Training 5.5 percent increase.

I have to ask you, Mr. Speaker, where were the members of the opposition when we challenged them prior to the budget? I and my colleague the Minister of Finance (Mr. Manness) said, I am sure when you see the budget that you will stand up and applaud, that you will support the initiatives that are in the budget. But where were they when that time came? Where was the former minister, the member from Flin Flon (Mr. Storie), when we saw all of the economic interests that this budget is likely to generate in the northern part of this province, the support that we have seen in the last while and the ongoing support for the mining industry, did he stand up and applaud? No, he did not. [interjection]

Well, we saw some lukewarm reception on his part, but certainly not the kind of warm embracing that I would have expected we would see of this budget. [interjection] Mr. Speaker, I realize now that the member for Flin Flon (Mr. Storie) recognizes his error in not warmly embracing this budget and we acknowledge his support. [interjection]

Well, I will be here to listen for his comments as well, Mr. Speaker, because in fact this is a budget that is meant to deal with the future of this province. Basically, if you look through the various elements

of this budget, you will find that the Minister of Finance (Mr. Manness) has attempted to make sure that we are not as a government increasing the cost of living in this province, or the cost of doing business in this province.

If we look to the future and want to decide what kind of a province do we want, what kind of a future do we want for our young people, we have to look to ourselves and say, the decisions that we make today will impact on those future generations. We do not want to go back to the history of what we saw in the previous administration, where we saw growth of taxes that was entirely out of line with the reality of the income and the potential income of this country and of this province.

I think we have to recognize, Mr. Speaker, that big government, oppressive government, all pervasive government, that some people in this House would advocate on behalf, has led us to a situation where we are overtaxed, we are overregulated. Part of the problem of the population of this province is that we now have not only a debt load that is hard to bear, but the fact that we have an infrastructure that is hard to support in terms of government costs. Government administration is one thing that I hope that when I leave this government that we will be able to say that we have reduced the cost to the future generations of this province so we can be positioned to take a competitive advantage of the natural advantages that we have in this province. We have an enormous number of natural advantages. Why are we not able to take better advantage of them, a number of systemic problems that have built in over the last number of years?

How do we arrive in this predicament? This unfortunate state of affairs really is a result of almost two decades of the history of this country where we have had, going back nationally to the Trudeau era, when we saw programs and expenditures that began to pile one on top of the other.

* (1610)

Mr. Speaker, let us not even refer to whatever political party was in power. Let us bring it right down to a simple explanation of how costs begin to rise for government and for the population of this country, because establishing a program in and of itself the first year is probably not the expensive part of doing business in terms of that particular program. The second year may not even be where the burden begins to show, but the fact is where there are

ongoing programs that are established and one after another, year-over-year, then we begin to see the growth in budgetary costs; then we begin to see the growth in the debt load, the demand on the day-over-day or year-over-year on the ability of the income of the jurisdiction to support those programs.

Mr. Speaker, the members opposite very often forgot that it is very easy to establish a program, but it is much more difficult to be able to continue to support it year-over-year.

Government alone will not drive economic recovery, but we need to be able to point the direction. Government needs to be able to reduce its costs, and make sure that we are able to attract those who are desirous of investing in our economy and in our resources to help drive the economy of this province.

As we become more efficient, it requires co-operation, not only between the business sector and the public and government, but certainly we as a government and as departments within the government need to be able to deliver efficiently. We need to make sure that we do not damage in anyway, or that we are able to enhance the basic requirements that the public is expecting of government at the same time as not becoming all-pervasive and all too often totally enveloping an area of responsibility.

Mr. Speaker, I want to add, as a rural member of this government, a word of compliment to the Minister of Agriculture (Mr. Findlay) and the Department of Agriculture in the way that they have been able to deliver the GRIP program, because I think it epitomizes very much what I have been talking about for the last couple of minutes. In fact, the Department of Agriculture has responded, not by dramatically increasing the amount of staff but by prioritizing, by making staff available to work in more than one area.

During the busy season last spring, we saw farm management specialists, we saw people I believe who were trained as engineers, we saw people who were ag reps all working together in the same office to make this GRIP administration work. It was able to be delivered to rural Manitoba, not without some complications but certainly with some efficiency. While I do not think there is a great deal of credit being given in that area having seen from the other side of the table, I think the Department of

Agriculture deserves a considerable amount of credit in that respect.

An Honourable Member: Well said. I will pass that on to Glen.

Mr. Cummlings: Well, I am sorry. Thank you.

I would like also to refer to my own area of responsibility in the Department of Environment, because frankly, as the interest and the demands on the Department of Environment grow, we have required people within staff and within the various program areas to become more multidimensional, to pick up other responsibilities that they may not otherwise have had and be prepared not to let the ball drop between them, but to make sure that they are all working together to serve the public so that when they approach the department they receive assistance, they receive direction, they are not simply faced with difficulty in terms of meeting regulation and dealing with regulators. That has been a goal that we have set. I believe the department needs to be publicly acknowledged for the work that the staff has done in trying to achieve that, at the same time not putting pressure on the government to dramatically increase the resources that we have made available, even though we have had additional resources in this area.

Mr. Speaker, it becomes increasingly obvious, as I refer to the Department of Environment and refer to the responsibilities that we have in that area, put in the context of a budget and the process that we are embarked upon over the next fiscal year, I think it has to be made abundantly clear that it is increasingly obvious to myself, and I believe should be to almost anyone who cares to sit down and seriously consider our ability to enhance and protect the environment at the same time as we are dealing with regulation and promotion, that a healthy economy does a much better job of taking care of its environmental responsibilities than one that is not.

It is a fundamental tenet of sustainable development and one which I believe is increasingly apparent across this country as we see over the last few years tremendous awareness by the public about environmental concerns, and at the same time, how are we able to fiscally respond, financially respond, to dealing with those concerns. That is why in the budget speech the Minister of Finance (Mr. Manness) referred to a couple of initiatives where we will hope to be able to use revenues that

will enhance the environment, at the same time making those who are responsible for either the waste or the consumption of the materials that are being taken out of the environment set up a system and a framework whereby they will be able to take responsibility for their product. It is a basic tenet of The WRAP Act and one which I believe is going to unfold to the benefit of this province, particularly over the coming year.

(Mr. Ben Sveinson, Acting Speaker, in the Chair)

Mr. Acting Speaker, I happened to notice an article over the weekend about some of the results of the Ontario ministry of Environment when they began to regulate the disposal of waste within the province. I have to indicate that it came as a bit of a surprise, and yet very much reinforces my concerns regarding how we regulate the elimination of waste not only here in Manitoba, but perhaps we can learn from what occurs in other jurisdictions.

The province of Ontario has been using increasing levels of tipping charges at their waste disposal grounds to support a number of recycling programs, but because their charges are not directly related to the producers of the product, we are now seeing where they in fact have some half a million tons of waste that is now exported into other jurisdictions, primarily into the United States, where they have tipping fees that now exceed \$150 a ton. It is becoming virtually impossible for those who wish to practically dispose of waste to find an alternative solution to it.

While there is frustration expressed on my part from time to time and certainly some concerns about how we better deal with waste in this province, we believe very firmly that the development of recycling capability, the development of capacity to remove materials from our waste stream for alternative use, recycling or reuse of any nature, that the producer of the product be required to take responsibility for it. Hopefully, we will be able to avoid that type of a situation developing in this province. Certainly, we do not have the volume of population to deal with, but I think there are some principles that are basic to the different approaches.

One of the problems is that with the many curb-siding programs that have been developed in Ontario, they have developed a tremendous overhead. How they will support that overhead will ultimately pass judgment on whether or not they have successfully dealt with the waste. If they

cannot deal with it in a manner that seems to be more successful than what is indicated in that particular article, then I would have to think that our long-range plans for waste reduction and prevention in this province will succeed to a greater degree.

* (1620)

Mr. Acting Speaker, how can government best stimulate a sensible recovery from what has been, I suggest, a recession that was of somewhat greater depth than what many people across the country would have predicted? How can we develop a response within the province? As I said earlier, governments alone cannot drive economic recovery within a province; they have to create the climate where the private dollars along with the public dollars can be put to the best use. Is it government's role to stimulate by putting in place short-term, make-work jobs of perhaps very limited value in the long-term? I suggest, Mr. Speaker, that is not the best approach.

When we look at the infrastructure, this government and this budget has taken a responsible view that we need to continue to invest in capital programs in this province. We will not cut back, we will not withdraw from that area of traditional government expenditure, but, to stimulate that very much beyond normal levels of expenditure, or to stimulate that with something that perhaps would not be of lasting productive value within the province, would lend us to be in a situation where we were borrowing more money to pay more interest, which would again damage our opportunity to have a reasonable budget in the coming fiscal year.

So, Mr. Acting Speaker, as I said earlier, this was not the easiest of tasks in bringing this budget forward, but I think that the approach that we have taken is the balanced one because we are making sure that the public has a little more value left in their pay cheques at the end of the day by containing personal taxes. I notice there has been some, not a lot of criticism, but certainly not as much support as I would have liked to have seen, as I said earlier, where we have talked about some incentives to allow us some tax relief for investment, particularly in mining.

Mr. Acting Speaker, again, I say it is a very simple question. When there has not been any investment in that area, when there is not—at this short-term, under the present regime—likely to be investment

in that area, then I suggest that any revenue that we are foregoing, is revenue that we would not have otherwise had when viewed in that light. If some of the initiatives that we believe may come to pass in the next short year or two, some of the interest that is obviously there in the very valuable resources that we have in this province, if those entrepreneurs, those corporations come to invest, the spin-offs will be beneficial in the long run to the whole province, but in the short run they will be beneficial to the northern part of this province where most of those minerals and resources that I am thinking of are lodged.

Mr. Acting Speaker, if that investment comes to pass, as we hope and believe it will, then I think we will see not only a recovery in the southern part of the province as a result of changing values, particularly in agriculture and demands growing there, but as we become positioned to be more competitive on the national and international market, that those resources, if they are developed, will begin to flow much more readily than they might otherwise have.

Mr. Acting Speaker, you are giving me hand signals—I have about 15 minutes left?—25, thank you. Well, I am just getting warmed up.

Nevertheless, I think that one of the concerns that is so often raised is, where is the support in terms of Education? I am going to talk just about the capital side for a few minutes. In Education there is a growth in the projected capital expenditures. There is a growth in projected capital expenditures in Health. There is a growth in projected capital expenditures for Highways and Transportation.

Particularly in Highways and Transportation, I am one who believes very strongly that it has been an embarrassment to this province that Highway 75 was never twinned to the south of the city of Winnipeg. When we are talking about tourism, we are talking about the first impressions when people come into this province, and that is where the majority of our north-south traffic does come into this province, there and through the Peace Gardens area. That has been an area of Highways expenditure that the members opposite chose to put their money in a bridge north of Selkirk when it could have been better spent in twinning that highway.

Mr. Acting Speaker, we look at the capital investment in Urban Affairs; it is showing a reasonable increase as well. None of these are

enormous increases in expenditures but they, I believe, recognize what is traditionally the government's area of responsibility. Couple that with the fact that we believe that we can attract other investments by making this a better place to do business, by maintaining that increased taxation is not the only route that we can take in order to sustain government. Government can be sustained and should only be sustained through the natural growth that is occurring in our economy. I do not think there is anyone in this Chamber of any political stripe who would say that we have not reached the saturation point in the amount of taxes that we are imposing on the population of this province.

An Honourable Member: There are still some doubting Thomases there.

Mr. Cummings: There may be a few across the way as a matter of fact who have not just quite accepted the fact that they have contributed to the problems of this province. I will only ask you to look, Mr. Acting Speaker, at the last decade, and I quote from the budget documents that the general purpose debt in 1980-81 was \$79 million. Today interest costs alone are \$521 million annually. The public debt at one time consumed one and a quarter points of our sales tax and today it is taking six. That in itself tells the story, Mr. Acting Speaker, because our sales tax revenues come directly out of the pockets of our consumers. By and large, and I am no different from anyone else, if my disposable income is there, I would like to put it into family expenses or perhaps into some business expenses, but where I am suddenly faced with perhaps the purchase of a new automobile, I would make a significant contribution to the revenues of the province.

What does the province do with those revenues? If it exceeds its revenue by continuing to borrow as has traditionally been the case—and, of course, we were forced to borrow some this year as well, because we still are carrying the massive interest costs that have been associated with the long-term debt that has been built up—that combination will ultimately sink the finances of this province as it is sinking and as has virtually sunk the finances of the federal government. No matter how we cut it, short of devaluing our dollar, which has very much of a mixed reaction across the country and, of course, in terms of interest rates abroad—other than devaluing the dollar, we will be decades getting out from under the debt that has been acquired.

I benefited—I am of the generation, as most of us are in this room, who benefited from the expenditures that were incurred during that spending frenzy, if you will, that occurred. Very few people sit back and realize that the income levels of that time in the government were 10 times, 12 times what we are receiving today, and yet they continue to, in terms of a percentage, spend far more than what they were taking in as revenues.

* (1630)

Our children, those who are about to go into university, those who are still in high school, those who are still in elementary school, will suffer the burden of paying the interest on that. They will suffer in terms of higher tuition at the universities. They will suffer the burden at the gas pumps. They will suffer the burden as they go to the store every day to buy the normal expenditure that they would accrue in living their lives and supporting households.

Mr. Acting Speaker, we have certain advantages in this province that we need to exploit. One of them is that if you were to establish what would be considered an average starter house and buy a home in this city, it would probably be \$10,000 cheaper here than in Calgary and probably \$20,000 cheaper than it would be in Vancouver and \$30,000 cheaper than what it would be in Toronto. Our reasons for people to want to live here—the need to make sure that we as a government establish also reasons for them to want to live here and do business here, to live here because of a better tax regime, to live here because of all the other fundamental advantages that we have.

Mr. Acting Speaker, I talked about house costs. The same thing is also very much true, only even more dramatic, in terms of renting office space in this our capital city. It is very much in line with Regina and Calgary and Edmonton, but certainly virtually half of what it would cost to rent space in Toronto. Those are the kinds of things that we need to be promoting to the public in terms of why Manitoba is a place to do business in, and why a budget such as we have just struck will encourage that type of an advantage to continue on our behalf, so that we can bring some of those disenchanting investors from B.C. and Toronto into this province to spend their money here and take the economic advantage that we have in this province to compete nationally and internationally with their products.

Mr. Acting Speaker, I have a point that I want to make before it slips my memory, because we talk about competing internationally. The Minister of Finance (Mr. Manness) referred to the fact that you could probably buy Manitoba French fries in Tokyo. Well, you can probably before too long, or perhaps even today you could end up buying Manitoba carrots in California as well. Mr. Acting Speaker, it is not unlikely—that sounds a little bit like taking coals to Newcastle.

One of the natural advantages of this province is our climate. We have tremendous potential in terms of developing our vegetable industry, our special crops industry. We do have natural advantages in terms of our watersheds, advantages which California has exploited and I believe, to a large extent, is now starting to pay the price for some, perhaps, overdemand, less-than-well-thought-through plans that they put in place regarding the future of their long-term water supplies.

The Minister of Finance (Mr. Manness) said that you could ride in a Manitoba bus in San Francisco. I have to tell you that I would not be surprised you could also eat Manitoba pork chops in Tokyo within the next short period of time, if you are not already.

Interestingly enough, one of the places in the world where we may be selling Manitoba-built tractors is into the Sudan, Manitoba combines into Australia, Manitoba combines into Saudi. Those are possibilities where we can competitively—
[interjection]

The members opposite would like to say that the Manitoba agricultural economy is not supporting the purchase of equipment. The members opposite, you can tell, do not come from a rural agricultural community, because some of the agricultural dealerships out there are telling me they have done more business since the 1st of January this year than they did in the last year total.

They are prepared to take advantage of our economic opportunities as some of the world grain and product prices begin to turn around. The farmers of Manitoba are looking at the stability that is brought to their operation through the GRIP and NISA programs, and they are preparing to make sure that they are efficiently tooled to be able to produce to meet that market. That is competitiveness, Mr. Acting Speaker. That is the kind of entrepreneurial spirit we have in rural Manitoba. I believe that we will come out of this with

great opportunity to meet the challenge not only locally but internationally.

Mr. Acting Speaker, one of the things that I referred to earlier was about government acting responsibly and making sure that it was able to support the normal expenditure pattern in terms of capital investment. I think there is one other point, especially considering some of the comments that we have heard from members opposite, something that I would like to point out in respect to how we have treated the municipalities in this province, in terms of the provincial-municipal tax sharing program.

One of the things we committed ourselves to when we came into government was that there would be a flow-through of the provincial-municipal tax sharing program. We have maintained that commitment, Mr. Acting Speaker. In fact, now we are able to present the municipalities of this province with a statement that they will be seeing a 10 percent growth in their PMTS program. That means that they are fully sharing.

Last year they had to share in a shortfall that was involved in that program. We followed through on a commitment. This year they are seeing again a restoration of the program to a level that it was previously, as a result of the shares of the tax revenues that they now are involved in.

That is a commitment that this government made. That is a commitment the Minister of Finance (Mr. Manness) has lived up to. I think it demonstrates to the municipalities that we are not going to leave them in the lurch in good times or bad times and that we will stay the course in terms of working with them to keep this economy and this society moving effectively.

Mr. Acting Speaker, there is one common measure of demonstrating relationships between different jurisdictions and whether or not there are competitive advantages to being lodged there. One of those is to look at effective tax rates. If we look at Brandon and Winnipeg as compared to other cities such as Montreal, Halifax, Chicago; Winnipeg falls well within the competitive average for cities in which your effective tax rate is measured as a portion of pretax net income.

It shows that the City of Brandon even has a small tax advantage over the City of Fargo. One of the things that we continually hear is that companies are

looking to disappear across the border rather than to continue to do business here.

I take great comfort from looking at this particular chart and realizing that we are competitive on the level of pretax net income and the amount of tax payable. The effective rate, Mr. Acting Speaker, gives us a competitive advantage in our smaller centres and at the same time makes us pretty close to being on a par with most of the other jurisdictions of similar size. That is on small firms.

On larger firms we are still, in the general sense, right on the average or, in the case of our smaller communities, below average. That is the kind of interest that will help attract further investment to our communities, because they can come here with some comfort knowing that we are not going to turn around and whack them with a dramatic increase in the cost of their taxes shortly after they go into business.

Mr. Acting Speaker, I think the real message that we are sending out to the public through this budget is that they can take some confidence in the systematic approach that we are taking to dealing with government responsibilities in the responsible approach to maintaining or lowering personal income tax, the responsibility of saying to our municipalities, to our school divisions, to our hospitals, to all of our operators of our infrastructure that we have to deliver the services as efficiently as we can without increasing the tax burden beyond the level that has already been attained in this province, that we will have an opportunity for growth if we attract people here on the basis that this is a stable economy, this is a stable province with a stable government.

It becomes increasingly obvious as I have had occasion to travel over the last number of months to a number of meetings, as a matter of fact, across the country. One of the most common comments that I hear from my peers, and not all of them from the same political stripe, but people who are genuinely concerned about the future of this country and about the future of the economies of their own provinces that Manitoba has, in many ways, done the best job of positioning itself in terms of dealing with the tight economic structures that we have found ourselves in and positioning ourselves so that we can take advantage of any opportunities that are out there.

One of the things that we need to be aware of in this House is that not only when we see some turnaround in the economy, that that will benefit not only everyone in the economy, but will there be a revenue return to the Province of Manitoba so that we can deal with the other day-to-day costs of operation that we have to deal with? Yes, there will be.

* (1640)

Mr. Acting Speaker, one of the things that needs to happen is for government to be well aware it is not going to have those increased revenues until we do bring those people here, as we have every reason to believe we are going to have that increased growth.

We have seen a demonstration through forecasts of the willingness of private individuals to invest in this province. This province is well positioned to have one of the strongest percentages in growth in private investment. We are also well positioned in terms of housing starts. If I could talk about something so germane as the agricultural community, and where it is positioned today, it is well positioned to firm up its productive capacity. We are in fact blessed with the moisture conditions that we simply did not have three years ago.

All in all, one of the interesting comments that has continually been made about this budget is that it is a good-news budget which has virtually so much good news in it that it verges on being an election budget.

Mr. Acting Speaker, every budget should be an election budget, every budget should meet the approval of the public in showing direction and showing where this province is going to be going in the next short while, and in the longer term.

I believe this budget answers those tests, and I believe that the members opposite will be ill-advised to vote against it.

Ms. Becky Barrett (Wellington): Mr. Acting Speaker, I am rising on the Budget Debate as it relates to the budget brought down last week by the Minister of Finance (Mr. Manness).

What I thought I would do this afternoon in responding to the budget is to use the Minister of Finance's own words in his Budget Address, and respond to some of the items he has placed on the record from the perspective of a social democrat in opposition.

The Minister of Finance (Mr. Manness) states, and I quote: "Slowly but surely, a renewed sense of optimism is building in Manitoba and across Canada."

Mr. Jerry Storie (Flin Flon): At least he has a sense of humour.

Ms. Barrett: Yes, Mr. Acting Speaker, the member for Flin Flon (Mr. Storie) says, at least the Minister of Finance has a sense of humour—a very tragic sense of humour.

An Honourable Member: Black humour.

Ms. Barrett: Black humour, but he definitely says that Manitobans are having an increased sense of optimism.

I would like to ask the Minister of Finance upon what he bases that renewed sense of optimism, particularly in light of the unemployment statistics which in the province of Manitoba remain unacceptably high. Unemployment statistics in the city of Winnipeg are at 11 percent; unemployment statistics among the youth of the province of Manitoba are over 16 percent; unemployment statistics for the northern regions of this province are the highest in the country. Those 52,000 Manitobans who are currently unemployed and the thousands of Manitobans who have actually given up looking for work and the tens of thousands of Manitobans who are on social assistance and the thousands of Manitobans who are working at jobs for less money, less hours and at a lower level of satisfaction than they have been trained for are not, Mr. Acting Speaker, sharing in the renewed sense of optimism building in Manitoba.

Farm families are also not sharing in the renewed sense optimism that the Minister of Finance (Mr. Manness) is speaking about. The farm crisis deepens daily. The number of foreclosures increases daily. The Minister of Environment (Mr. Cummings) spoke earlier about the soon-to-be ability of people in the Sudan to buy tractors produced in Manitoba. As one of my colleagues so aptly put it, that is because there is nobody in Manitoba who can afford to buy tractors manufactured in Manitoba.

Our small towns in rural Manitoba are dying, largely due to the fact that there is no infrastructure remaining in those towns. The government's decentralization program has been a dismal failure. The farm crisis has meant that the family farm is a distant memory for many people and an

endangered species for others. The farm crisis has meant that families have had to go off-farm to earn income in order to make even their basic monthly payments.

However, Mr. Acting Speaker, there are very few jobs available in the small towns in rural Manitoba that used to provide a major portion of the economy of this province.

(Mr. Speaker in the Chair)

In the city of Winnipeg, the inner city is dying. The Core Area Initiative, a 10-year program designed to help the inner city revitalize itself through programs to provide social services, to provide infrastructure, to provide capital costs, to provide programs for people and businesses in the inner city, is shutting down.

Mr. Speaker, we on this side have asked the Minister of Urban Affairs (Mr. Ernst), have asked the Minister of Industry, Trade and Tourism (Mr. Stefanson), have asked the Premier (Mr. Filmon) when we can expect an additional program to take over some of the programs of the Core Area I and II. The federal government is ready to put in money. The municipal government is ready to put in money. The province does not yet appear to be ready to put in money, so the inner city is suffering. The people who found job creation programs, the people who found available, accessible housing, the people who found a sense of identity through the programs of Core Area I and II are not sharing in the sense of renewed optimism building in Manitoba that the Minister of Finance (Mr. Manness) refers to.

Families in Manitoba are largely not sharing in the renewed sense of optimism building in Manitoba that the Minister of Finance (Mr. Manness) refers to.

The child care system in our province is in crisis. Hundreds of families are unable to continue to put their children in child care facilities because of the inordinate, unconscionable increases last year in the fees for families to send their children to child care.

Other services to families in this province are also under siege from this government. Child and Family Service Agencies, not only in the city of Winnipeg, but throughout the province are having to make do with less resources. The government is slowly strangling the ability of those dedicated workers to provide even the most basic forms of service to the families and children that they are responsible for.

The programs for counselling, the programs for respite and surcease for families are also being slowly starved by this government.

There is generally throughout the province a decrease in support to those in need. There is a decrease in support, in effective support, under the social services. There is a decrease in the effective support and income maintenance. There is a decrease in the effective support to seniors. There is a decrease in the effective support in the health care system. There is a decrease in the effective level of support for the education system. There is a decrease in the effective support for rural municipalities. There is a decrease in the effective level of support for northern communities. Nowhere, Mr. Speaker, in this province, can we say there is a renewed sense of optimism building in Manitoba.

* (1650)

Mr. Speaker, the Minister of Finance (Mr. Manness) goes on to say, and I quote, we must continue to find new and better ways of delivering important human services within the limits of the taxpayers' ability to pay.

New and better ways of delivering important human services. Reading the government's budget and the Estimates that are attached to that budget, with particular emphasis on the Department of Family Services, I am in awe of the Finance minister's ability to make that statement. The only solution this government has to the crises that are facing Manitobans, particularly working Manitobans, Manitobans with family problems, Manitobans with financial difficulties, is to increase the social assistance budget by \$40 million.

That, Mr. Speaker, is the single largest increase in any single program in this budget. It is a clear admission of failure on the part of this government in five budgets and four years to provide any kind of basic support for a vibrant and growing economy in this province. It is a critical response to a crisis that people in Manitoba are facing. It is the same response this government has given to the people of Manitoba for five budgets, and it is again showing itself to the people of Manitoba to be a response which is not only not meeting the demands and the needs of the people of Manitoba, but is in effect causing the people of Manitoba to fall further and further behind.

Mr. Speaker, there are absolutely no increases in job creation programs. The employability enhancement programs, the programs for youth have a maximum of a 1 percent increase—1 percent increase—when by the government's own estimates the inflation rate will be at over 2 percent, an inflation rate that, I might add, is one that is most likely not to be as low as that, but it is also an increase that is 3 percent less than the overall budget increase of 4 percent.

The government has clearly shown that it has not found new and better ways of delivering important human services.

Thirdly, Mr. Speaker, the Minister of Finance (Mr. Manness) says, and I quote: "The determination and commitment of Manitobans to share the burden of the recession has put our province in a strong position as recovery begins."

Mr. Speaker, this statement would also be laughable if it were not so tragic. Manitobans have not shared equally in the burdens of the recession. Let no one on the government side of the House think for one moment that the people of Manitoba believe that statement.

They know Manitobans have not shared equally in the burdens of the recession, nor have the people of Canada, Mr. Speaker. The people who are on social assistance know that is not true, seniors know that is not true, the working poor know that is not true, residents of the inner city know that is not true, northerners certainly know that is not true, people who rely on home care know that is not true, single-parent families know that is not true. People who have relied on the justice system through legal aid are going to find out that is not true.

The Minister of Finance (Mr. Manness) is more than happy to talk, as are all members of the government, about the fact that they have not increased personal income taxes in their time of government. No question about that. But, Mr. Speaker, are the people of Manitoba taxed less than they were when this government came into power in 1988? No, they are not taxed less. They are certainly getting fewer services from the provincial government than they were in 1988, but they are not taxed less.

This government has succeeded in offloading as much as its federal counterparts have offloaded onto the province. The taxes of residents in Winnipeg, residents in the North, residents in the

rural areas of Manitoba, have gone up because this provincial government has not honoured its commitments to provide services and support for cities and rural municipalities.

The next statement that the Minister of Finance (Mr. Manness) made in his budget is that, "by continuing to work together, we can succeed." Well, again, Mr. Speaker, "continuing to work together." Has this government worked together with the nurses of Manitoba? Has this government worked together with the civil servants of Manitoba? Has this government worked together with the rural communities in Manitoba through its vaunted decentralization program? Has the Province of Manitoba and the government of Manitoba worked together with the school system? Has it worked together with the cities in this province? Has it worked together with the municipalities in this province?

Some Honourable Members: Yes.

Ms. Barrett: No, Mr. Speaker, despite the protestations of the member for St. Norbert (Mr. Laurendeau), this government has not worked together.

This government has, for all of those groups and the groups I have named earlier, unilaterally made cuts to the programs that they need, have made cuts to the programs that they provide, the services that they provide, have offloaded the responsibilities in virtually every department to a lower level of government.

Some Honourable Members: Name one.

Ms. Barrett: The municipalities in the province, to name only one, have been asked to take on the maintenance of 2,000 kilometres of roads in this province, maintenance that was previously undertaken by the Department of Highways.

The offloading takes place in the Civil Service. Mr. Speaker, the government in its budget again states, again with a great deal of pride, that "Overall, there are more than 1,100 fewer positions in government today than two years ago. Manitoba's government is no larger than it was in 1986."

Mr. Speaker, this government continues to talk about how it is being efficient and effective in its cutting back on its civil servants. The actual impact of those cuts is twofold. Number 1, there are 1,100 fewer individuals in Manitoba than there were in 1986. Those positions are positions that are no

longer eligible to be filled by Manitobans looking to work and looking to provide services to the people of Manitoba.

It is not only cutting the positions, Mr. Speaker, but it is narrowing the opportunities for jobs in this province. It is narrowing the services that this government can provide to Manitobans. In every department, as we have talked in the past and will continue to talk about, those cutbacks in positions have had a devastating effect on the people for whom those services were to be provided. Those Manitobans who must take advantage or rely on the provincial government to provide them with the basics of food, shelter and clothing; those Manitobans who must rely on the provincial government for at least a portion of their legal costs so that they can access fairly the judicial system; those Manitobans who rely on the provincial government to enable them to live with dignity in their homes—those Manitobans are affected by the cutbacks that this government has undertaken in the last four years.

* (1700)

The Minister of Finance (Mr. Manness) goes on to say, and this one really hits home: "It has long been recognized that the best social program is having a meaningful job." In light of the increasing unemployment rates, in light of the increasing disparities between the wages paid to men and women in this province, in light of the fact that the social assistance in Manitoba provides less than one-half of the poverty line, and that the social assistance rate was less than that of six of the 10 provinces, how can this minister say that they are committed to providing a meaningful job?

They cannot even provide the basics for their own people, and, as I stated earlier, this government has done virtually nothing to provide programs that would help individuals and families break the cycle of poverty and participate in the job market, because they have cut back on the job creation programs. There are no job creation programs. They have cut back on the programs that help people learn job skills, learn education skills, get job retraining, to enable them to participate in the new leaner and meaner economy.

They have refused to do anything effective on closing the wage gap between men and women, to do anything effective on implementing pay equity legislation. As a matter of fact, the minister

responsible for the Civil Service Commission, the Minister of Labour (Mr. Praznik), has even stated that it will be impossible to implement pay equity in this province.

Mr. Speaker, in light of those statistics, in light of those comments, how can Manitobans truly believe that this government actually believes that the best social program is having a meaningful job? When they not only have done nothing to make that a reality, but even more damning, they have done nothing to assist people off social assistance and to get a meaningful job. The Minister of Finance (Mr. Manness) goes on to state, our increasing reputation as one of the best places in Canada to invest is proof that this strategy is beginning to work.

Mr. Speaker, the strategy that the Minister of Finance (Mr. Manness) is referring to is the trickle-down strategy that has been proven to be ineffective and unworkable in every country that has attempted to implement it in the last 15 years. Those countries include Britain and the United States. Nowhere have the trickle-down, dead-hand, laissez-faire, less-government-is-best economics of Ronald Reagan, George Bush and Margaret Thatcher and John Major been shown to be effective. As a matter of fact, they have on all indicators been shown to be totally ineffective. No, I take that back. They are effective for one group in our society and that is the people who currently have money, who have resources to invest. Those people, many of them, are doing much better than they were under Democrat governments in the States, Labour governments in Britain and New Democrat governments in Manitoba.

Mr. Speaker, I would like to read what the federal Conservative government in its budget has done for those people who already have. The new RRSP benefits will allow for the maximum contributions to rise by \$4,000 in 1991. This is a new tax reduction of more than \$2,000 for those with enough income and cash to take advantage of it. Extra deductions over 1990 are available only to those earning between \$41,666 and \$63,888.

The unemployment insurance changes also, Mr. Speaker, reflect very unevenly across the socioeconomic demographics. On July 1 of last year the unemployment insurance deduction rose from 2.25 percent to 2.8 percent of all wage income below \$34,560, which averaged about \$15 a month for an income of \$30,000. The maximum annual contribution went up by almost \$200. The

percentage contribution decreases, however, for people with incomes above \$34,560. At an income of \$60,000 the contribution rate is only 1.6 percent instead of 2.8 percent. This is fair; this is equitable; this is just. I say, there is no Manitoban that would say that it was fair, equitable or just, except perhaps those who are able to take advantage of those deductions.

What has happened, Mr. Speaker, at the other end is that the federal government is cutting back on programs or not instituting programs at all that would help the lowest end of the socioeconomic spectrum. I will leave it to the voters of Manitoba to figure out the reasons for those changes. I think the voters of Manitoba know why those changes have been made to support those with the most financial resources in this country.

Yet again, Mr. Speaker, the Minister of Finance (Mr. Manness) talks about the fact that the government is moving to tighten up tax enforcement rules to prevent the use of artificial business practices and working hard to achieve tax fairness and leave as many hard-earned dollars as possible in taxpayers' pocketbooks. Tax fairness—this is from the same minister who has closed, effective the end of this tax year, the Manitoba Tax Assistance Office programs that enabled over 15,000 Manitobans with gross incomes of \$14,000 or less to have their returns prepared for them. Over 15,000 low-income Manitobans will no longer have access to that program.

Mr. Speaker, one might say, well, I am sure that the cost to the government to service those 15,000 applications must have been fairly extensive for them to have taken away a program that has been instituted since 1972. Well, the actual cost of that program for three months was under \$50,000. For a cost saving of under \$50,000, low-income Manitobans, largely seniors, will be forced to pay anywhere from \$250,000 to \$500,000 to get their returns prepared by a private tax return company. This is another really important example of how this government cares for the people who have the least and supports those who are already making a very nice business doing tax returns.

Mr. Speaker, these individuals largely do not have the access to the available volunteer resources in the community. Revenue Canada has said that they will probably not be able to take over the servicing of these 15,000 tax returns. Age and Opportunity already is at its limit of being able to do

their own tax returns. Same thing with the Manitoba Society of Seniors who has a volunteer program, they are at their limit.

The Minister of Finance (Mr. Manness) stated that, well, they have families that can help them prepare their income taxes. I would like to know if the Minister of Finance (Mr. Manness) has actually done a survey of the people who have accessed this program over the last 20 years to see how many of them do in fact have family members who are able or willing to provide this service for them. I would suggest, Mr. Speaker, that they would find that that number is extremely low.

There will be thousands of low-income Manitobans, Mr. Speaker, at the end of the next tax year who will not be able to receive the benefits to which they are entitled under the legislation, which was the expected result of the Manitoba Tax Assistance Office; yet the Manitoba government is going to put more people to work to collect taxes owing to them, which is a legitimate job for the government to do but, at the same time, they are cutting this very effective, very important program to low income Manitobans.

*(1710)

Again, how are all Manitobans sharing in this economic recovery? They are not. Yes, Mr. Speaker, they are not sharing equitably in the recovery, but they are certainly sharing inequitably in the burden.

Mr. Speaker, I would like to speak more specifically about the Department of Family Services. The government stated very proudly that the Department of Family Services was going to have an 8.7 percent increase in its budget from last year. Well, 80 percent of that increase is in additional social assistance payments. The vast majority of those social assistance increases are not due to any additional funding given to families who are forced to go for social assistance, but it is for support to municipal entities. In other words, the majority—over half of the social assistance increase is to go to City of Winnipeg and other municipalities.

The importance of this cannot be overestimated, because the families and individuals who are on municipal social assistance are families and individuals who are deemed to be employable. They are people for whom social assistance should be a short-term process to enable them to re-enter the job market. Mr. Speaker, over half of the

increase in social assistance is going to short-term employable Manitobans. This says again that this government has absolutely no long-term strategy and there does not appear to be any short-term strategy to deal with the human effects of this recession.

The minister responsible for Family Services (Mr. Gillehammer) is also speaking very loudly about the \$8 million in the budget to assist with income assistance for the disabled. This program, Mr. Speaker, is one that we all have been asking for and which is long overdue; however, for approximately 2,000 Manitobans, this program is not what it would appear to be. Late last year, the federal government finally made one small step in recognizing the special needs of disabled Canadians and provided for an additional \$35 a month for disabled Canadians under the Canada Pension Plan program, disabled Manitobans who have children under the ages of 24. There are approximately 2,100 Manitobans who fall into that category. What this provincial government has done is they have clawed back the entire \$35 that the federal government has given to these 2,100 families.

So, while the federal government is making a small step forward in understanding and agreeing and acknowledging the additional financial resources required to deal with disabled individuals and families, the provincial government is saying, no, you do not get anymore; we are not going to allow you to have that additional \$35, which puts this \$60 a month additional resources into some disrepute.

The government has also closed down the regional employment offices, nine of them throughout the province. They have reduced the Human Resources Opportunity Program by \$250,000, the Employability Enhancement Program by almost half a million, this, again, Mr. Speaker, in the context of trying to say that a meaningful job is the best social program, when they are cutting back the resources to enable people on social assistance to be trained and to get job skills.

The daycare program, Mr. Speaker, as well, is a very interesting area which we will go into more detail in Estimates. There is a \$2.8-million increase in support for child daycare. Only \$600,000 of that \$2.8 million is actually going to operating grants for centres.

There have been a number of new licensed spaces in the province in the last year, and it would be very interesting to see what the actual impact of this \$600,000 will be for an individual centre. I would venture to say it will not begin to recoup the losses that the fee restructuring of this government last spring placed on daycares.

Two daycares that I would like to speak very briefly about, Mr. Speaker—one is the Bumper Day Care. A constituent of mine had her two children in this daycare but is now unable to have either of them in the daycare because of the massive increase in costs. She said to me the other day she pays more for each of her children in daycare than the tuition is for a full course of study at a post-secondary institution in this province.

That, to me, Mr. Speaker, says that this government is not committed to accessible, affordable daycare, that they are trying to cut back on child care, because they want, largely, women not to have the choice as to the type of child care that they are provided with, and do not want women to have the choice or the option to work either.

Finally, Mr. Speaker, Child and Family Services—my entire speech could have been devoted to this major area, but I will very briefly talk about the fact that, in effect, there is only a 2.4 percent increase to the agencies under this division. This in light of the overall budget's increase of 4 percent. This in light of the government's stated commitment to children, to programs to enable children to develop so that they will have a quality of life to which every Manitoban is entitled. This in light of the acknowledged major shortage of programming and resources for children in this province.

This increase is barely, even given the government's own very low estimate of the rate of inflation for the next fiscal year, barely more than enough to cover the rate of inflation and will not begin to deal with the problems that these agencies are facing.

This government's overall commitment to families in Manitoba has been in this budget, once again, shown to be hollow. Mr. Speaker, a hollow commitment is the most polite term I can give to this budget. The children, the families, the seniors, people who need to access the health, education and social services of this province, are being very ill served by this government's budget.

Perhaps the most frightening statement in this budget comes at the very end of the Minister of Finance's (Mr. Manness) comments where he states: "For 1993-94, current forecasts suggest revenue growth of under 2 percent. To hold the deficit at this year's level requires that overall growth in spending be limited to 1.5 percent."

* (1720)

Mr. Speaker, the Minister of Finance (Mr. Manness) has drawn down the vast majority of the Fiscal Stabilization Fund for this year's budget. He is saying that, even given the best and most optimistic forecasts, he will be forced to have less than two percent growth in the budget next year.

This government has to start paying attention to the needs of its residents. It has to start putting its resources where its verbiage is, and start realizing that the province of Manitoba will not be a good place to invest and will not be a good place to live until all of its people have access to the services and the programs that they have every right to expect a government to be able to provide to them. This government has to start taking its responsibilities to the people of Manitoba seriously, and through the last five budgets it has been shown to be totally unresponsive to those needs.

Thank you, Mr. Speaker.

Mr. Bob Rose (Turtle Mountain): Mr. Speaker, it is a pleasure for me today to make my contribution to the Budget Debate. One of the advantages of being a rural MLA is the riding back and forth, when you live some distance from Winnipeg, every weekend. Some might consider that a disadvantage, but that is another debate.

Particularly at this time of year when spring is coming, Lois and I can watch spring approaching across southern Manitoba; or, better still, we can listen for the sounds of spring. Last Saturday morning I was in the barber shop, local barber shop, and someone mentioned the sounds of spring. They said it must be spring because I heard a crow, I heard a robin, I heard water gurgling, and I heard the opposition whining about the budget.

The fanfare surrounding the budget is a little overdone, in my view. We already had a good indication of most of the expenditure side, and plans for the revenue side were not ever much in doubt, because Manitobans are coming to realize that we finally have a government that understands we cannot tax or borrow our way to prosperity.

It has taken some time for that understanding to occur. Our citizens and our businesses are a little like stray dogs who have been mistreated and show up at the door hungry and confused and expecting to be kicked again. It takes time to restore that confidence to those poor stray dogs, just as it takes time to restore confidence to our citizens and our businesses that every March they are no longer going to be kicked with increased taxes and unnecessary borrowings.

The honourable Leader of the Second Opposition (Mrs. Carstairs) suggested that freezing taxes is not innovative. Quite frankly, the truth is exactly the opposite. Doing what other governments across our land have refused to do for many years is indeed innovative. To provide innovative solutions, one must first understand the problem, Mr. Speaker, and the major problem of widespread recessions cannot be solved in the Manitoba budget. The specific-to-Manitoba problem of years of increasing taxes and increasing borrowings can be and is being addressed in a series of budgets. Investors, like those stray dogs, are coming to the realization that they can come and stay without fear of having their tails chopped off with something like the payroll tax.

Our citizens generally applauded this budget because it provides leadership in two ways. Number 1, the budget continues to indicate that we have a government in Manitoba both willing and able to manage its own affairs. Number 2, this willingness provides a model for reversing, or at least challenging, the inevitable, disastrous direction of a credit-driven society.

When an individual or a business or a corporation or a government reaches the point where the debt is greater than the ability to earn, then the collapse of either the debtor or the creditor has to occur. Someone has estimated that our total credit, government, businesses and individual, exceeds \$1 trillion. That amount of money is hard to visualize. I know it is 1,000 billion, and I know a billion is 1,000 million, but like distances in the universe, it is hard to visualize.

Better perhaps to remember that money is simply a medium of exchange, a way of exchanging something an individual has to offer for something that individual wants or needs. The honourable member for Portage (Mr. Connery), for example, would find it very awkward to pay for all his wants and needs with carrots, but the money he uses has no value in itself unless it is backed by the carrots

he produces. So the trillion dollars we collectively owe represents our future production of goods and services, and \$1 trillion is a lot of carrots.

Future historians may find it difficult to pinpoint exactly when our Canadian society lost its thrifty ways. It happened quickly. Some of our current older senior citizens would not have dreamed of using credit for anything more than the barest of essentials. Historians will have difficulty deciding whether governments led the way or whether governments were just reflecting society's changing attitudes.

Regardless, what was lost in the progression was the ability to distinguish between three kinds of credit. The first is producer credit, money borrowed that will increase the value of goods and services produced, increase that value beyond the cost of the money borrowed. There is nothing inherently wrong with this kind of credit. In fact, it is a valuable tool for governments and individuals alike to improve the human condition.

But it is not without pitfalls, Mr. Speaker. The trick is to be mindful of possible future economic conditions when payback time arrives. Many beginning farmers 10 or 12 years ago learned that land does not always hold its value nor does the cost of borrowed money remain constant. The result in economic and human terms was sometimes devastating. Payments made did not always cover the interest much less the principal.

This is not a new phenomenon, however. When I was going through my father's effects a few years ago, I came across a letter dated November 21, 1945. It says: Dear Mr. Rose, we acknowledge receipt of the dividend cheque for \$82.11 which you wish to apply on your loan. We have applied this to pay the loan interest of \$81.64 which was due November 12, 1945, and 47 cents on account of the principal. The balance of the loan now standing against you, as of November 12, 1945, amounts to \$1,632.42.

It must have been very discouraging to have worked hard all year—and I know that in 1945, all through the early '40s that times were fairly good on the farm—it must have been discouraging to have worked hard all the time and to have your loan reduced from \$1,632.89 to \$1,632.42. Perhaps that is why that generation was so leery of credit.

The second kind of credit, Mr. Speaker, is money borrowed, again by both governments and

individuals, to tide us over during bad times. Again, there is nothing wrong with this kind of credit, and again it has its obvious pitfalls. I am not sure but what the loan I referred to a few moments ago, my father's loan, was not that kind of a loan because it was actually a loan against his life insurance. It was apparently routine during the '30s for people to borrow against their life insurance, having to make the choice of whether they would have a legacy to leave to their families in case it was needed or to have to borrow against that policy to put needed food on the table.

* (1730)

What this government is doing now is continuing to borrow money during periods of low revenue to tide us over to better times. The opposition is correct in pointing out that expenditures exceed revenues by over \$500 million. Fortunately, this government was prudent enough to set up a Fiscal Stabilization Fund to draw upon in these recessionary times, a fund that lessens the requirement to borrow even larger sums.

Historians will note, I am sure, the reluctance of many governments to use this second type of credit properly, and that is, to repay money borrowed when revenues substantially increase. It is a strategy that for all intents and purposes escaped the attention of Manitoba during the NDP administration. Unfortunate that they did not realize that you cannot fill a hole by digging it deeper.

The other strategy necessary for both governments and individuals, when this second kind of credit is required, is carefully to examine expenditures and to make difficult choices. To be sure, the return on our expenditures has the greatest possible return in both economic and human terms. We have to make these difficult choices.

The third kind of credit is consumer credit. Like all credit, it has a cost, and the cost of consumer credit is the price we pay for enjoying material things before we can afford to pay cash. Historians will puzzle over this one for a long time. Consumer credit is rarely good for the individual, in large doses at least, because it commits so much of the individual's future production of goods and services toward paying the price for enjoying material things before he or she can pay cash. On the surface, consumer credit appears good for society, though. The more we consume, the more our economy prospers. The more our economy prospers, the

more individuals and governments have to spend. The more they have to spend, the more likely they are to believe they can safely borrow more.

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

The flaw in this apparent good news for society is that growth based on consumer credit alone puts it in a Catch-22 situation. Most people understand, with the possible exception of a few members opposite, that governments have only one source of income and that one source is from tax on the goods and services produced by its citizens, both when they produce and when they consume. Hence, when a booming economy based on consumer credit suddenly falters, free-spending governments find that their citizens are already up to their eyeballs in debt as well.

We all know the way out of recession is to get consumers to spend. Number 1, it creates economic activity with jobs; and, secondly, it brings more revenue into the government through consumption taxes like sales tax. But the Catch 22 is that the citizens are already overloaded with consumer credit. Easy money encouraged by all institutions is a cause, not a cure.

The recent discussion on lowering the down-payment requirement for housing from 10 percent to 5 percent indicates how necessary consumer credit has become. Please, dear citizen, buy now and create 100 percent economic activity and 100 percent consumer tax return. Instant gratification for all concerned for only 5 percent. Where does the other 95 percent come from? From your future, of course, all those carrots that you are going to produce in the future. Consumer credit also has the drawback of being extremely inflationary; too much money after too few goods contributes mightily to the upward spiral.

Now, Mr. Acting Speaker, I hope that I am not giving the impression that consumer credit is all bad. Consumer credit, in moderation, both stimulates the economy and allows individuals to pay a small price in interest over a period of years to enjoy material things. Problems only arise with excessive consumer credit, and so many of our institutions have developed a habit of coaxing our consumers into excesses.

Banks have credit cards. One swish through the machine and the item is yours. No fumbling through your pockets to count your loonies. No

embarrassing calls from the store when the cheque bounces. So the decision to buy is not clouded by whether there is enough left from last month's pay cheque to cover the purchase. Credit cards themselves are useful and convenient tools. In most cases, payment within 30 days avoids any kind of a charge, but you can rest assured that financial institutions do not provide credit cards for convenience. They know that the temptation of buying will far exceed the ability to quickly pay, resulting in credit card balances earning legal and usurious interest rates.

Businesses also coax consumers into excesses. No down payment, pay nothing until next year—nothing wrong with these advertising techniques either because, again, like credit cards, if the buyer is in a position to pay cash when the time comes, he or she probably gets a good deal. I know these deals are OAC, on approved credit, but approved credit does not generally allow for rainy day funds or job losses or pay freezes. The first payment this winter on the boat you bought last summer takes on a new significance if the refrigerator has packed it in or your car needs a new set of tires.

Governments also coax consumers into excess consumer credit as well both directly, as I have pointed out before, by lowering down payment requirements. There are many, many examples in the farm community again of many, many pieces of machinery that were purchased, Mr. Acting Speaker, not so much with a need of that particular piece of equipment in mind, but whether or not it would qualify for an investment tax credit.

Governments also coax consumers indirectly into excessive consumer credit. As we often speak of in this Chamber, there is a need to provide leadership. When the leadership is spend, spend, spend, tax, tax, tax, borrow, borrow, borrow, is it any wonder that the attitude of Manitobans is the same? Why bother to be moderate when any thinking person knows the inevitable effect of current taxes and deferred taxes on today's credit will leave you penniless and uncompetitive?

The suggestions, Mr. Acting Speaker, made by the opposition that this budget shows no leadership and no innovation, those suggestions are wrong. This budget shows a government that can and will manage its own affairs. It provides a model to all our citizens of how to handle credit with prudence and moderation. It also provides an example of

society's need to carefully differentiate between three kinds of credit: producer credit, credit to tide us over during bad times, and consumer credit. None are inherently bad, but all three need moderation and finely defined lines.

Consumer credit is the most dangerous. There are fine lines between the three kinds of credit. A production loan becomes a consumer loan when the purchase exceeds the requirement. Using a farm example again, a farmer's combine purchase may provide a choice between a self-propelled model and a power takeoff model. Those farmers in the Chamber today will know the difference between that as one that goes up and down the field by itself and one that you tow with a tractor. Both will essentially do the same job. Both will essentially do the job required, but there is thousands of dollars difference.

Producer credit for necessary equipment may in many cases suddenly become consumer credit as the farmer chooses between spending three weeks every fall looking over his shoulder if he has a combine that he pulls with his tractor or a self-propelled combine where he can look straight ahead. The larger purchase, of course, between these two combines is good for the economy and good for the financial institution. The choice may be looking over your shoulder for three weeks at the cheaper pull-type combine or looking over your shoulder for the rest of the year to see if the sheriff is coming.

The line between bad-time credit and consumer credit can also be blurred. Neither governments nor individuals who borrow to maintain essentials can maintain a let-them-eat-cake philosophy. When bread will do, cake becomes a consumer credit. That hard but necessary truth is recognized in this budget, even though it is apparently not recognized yet on the other side of the House.

*(1740)

Capital spending, I believe, is supported by most people as a good way to help stimulate our lagging economy, but, again, we need to be careful that this rainy-day credit does not become consumer credit. Architectural edifices of steel and cement and glass may provide current stimulation, but borrowed capital costs beyond what is necessary to provide functional facilities, those extra capital costs become consumer credit.

Capital costs need careful examination to ensure minimum consumer credit losses. One can think of a new school, for example. Do we lose sight sometimes of what a school is all about and what it is for, when we are building a new school? Mr. Acting Speaker, credit of any kind has its pitfalls, but I want to emphasize that well-managed credit is beneficial to all segments of society. Governments and all segments of society, including the most disadvantaged, benefit from well-managed credit.

Historians will note that our earlier generation's fear of credit was a bit like Mark Twain's cat, the animal which, having once sat on a hot stove lid, would not do it again, the trouble being it would not sit on a cold one again either. Historians will note our rapid increase in the use of credit and the inevitable consequences of excessive credit with little regard to proper management. Good management dictates moderation and the will to pay back in better economic times. That is why I think the most important message to Manitobans in this budget was not totally in the budget itself, but rather in the words of the Finance minister in his presentation, and I quote, "For the medium- to longer-term, we must resume progress towards a balanced budget."

Later on the Finance minister said, "Over the longer term, revenue tends to grow with economic growth, likely in the 5.5 percent range. In these circumstances, spending growth must be held to approximately 2 percent annually in order to reduce the deficit."

It is an interesting comment and the differences in the philosophy because we just heard the honourable member for Wellington (Ms. Barrett) complain bitterly about that kind of a forecast and that kind of a suggestion, that spending should be limited to 2 percent in times of increased economic growth, but it is a hard lesson that has to be learned, and I think that most Manitobans understand it, that in order to be able to function in the future, we have to reduce our deficit and our debt.

Later on in his presentation, the Minister of Finance (Mr. Manness) said: This will demand a discipline which has not been widely practised in recent times. Again, expenditure growth must be held significantly below revenue growth; otherwise the deficit will rise inexorably. We must not allow this to happen.

Mr. Acting Speaker, future historians, tracking our society's progress from little debt to excessive debt, may well mark the budgets of Finance Minister Manness, part of the Manitoba Gary Filmon team, as the turning points toward well-managed, prosperous, caring and long-lasting societies.

Thank you very much.

Ms. Marianne Cerilli (Radisson): Mr. Acting Speaker, I wanted to start off my comments on this budget by talking a little bit about the international context that we are in, putting this into some kind of international context. I think it is important, because I find it quite horrifying what is going on internationally. I appreciate that a provincial budget cannot solve all the problems that we are facing, but I would say that this budget goes along with a lot of the trends that are happening internationally and is certainly doing more harm than it is good to oppose what is happening internationally.

Of course, I am speaking of the whole trend towards globalization, and what we are seeing happening in Europe with trading blocs and what we are seeing happening in North America with trade agreements. It is quite a concern both from an economic point of view, from an environmental point of view and from a social point of view, to see that we are getting more and more into a situation where nations are having to buy into this whole notion of being competitive. What that really means is that we give up our standard of living, and we give up our environmental standards of protection.

We get caught up into thinking that the only way that we possibly have to have a chance of maintaining any kind of jobs, particularly in the manufacturing sector, is by having the lowest possible environmental regulations, the lowest possible wage regulations, the lowest possible labour legislation. I never thought we would ever see in Canada where we are even having our medicare system and other social programs that we thought were part of our Canadian heritage threatened. We are even seeing that those are being considered to be an unfair advantage in this global competition to lure industry to stay in developed countries like Canada.

What we are seeing now is what a lot of people are starting to call the deindustrialization of Canada. It is quite frightening as I look more at the free trade agreements to try and get a better understanding of what this will mean for Canada as we become a

country where more and more of our processing and manufacturing is done outside of the country. That is what is contributing to the effects of the recession. I would suggest that we have been heading toward the situation that we are in now and it is not, as some would say, something, as the Minister of Finance (Mr. Manness) would have us believe, that we are going to rebound from that has happened in the past, but this is a situation that we are becoming more and more acclimatized to.

We have seen unemployment rates go in the last 25 years, where we have gotten used to having unemployment rates that are higher and higher and higher, and we have gotten used to seeing more and more of our wages being consumed so that people have less and less ability to save.

The Free Trade Agreement has to be one of the most appalling public policy decisions to face this country. It amazes me, as I read more about how the agreement was sold to Canadians and how initially it was supposed to solve all the problems. It was supposed to provide us with better jobs. It was supposed to make us a stronger, wealthier nation. It was supposed to give us the—claimed to give us access to American markets. We are seeing that none of that is happening. It was supposed to serve as the panacea to solve all our economic woes.

What we are seeing is that all it is doing is serving the corporate agenda and making it easier for corporations to merge and take over and that Canadians were betrayed and sold. The amount of money that was used to sell this policy to the Canadian public was subsidized, to a large extent, by international corporations. We are seeing that none of the guarantees that were supposed to come from the Free Trade Agreement are actually happening.

We were promised that in Canada there would be more and better jobs, but it was actually seen that over 315,000 jobs have gone in the last couple of years. They are going into areas, as I was saying earlier, where environment regulations are less, where the regulations requiring a decent wage are less. It has just bought into this whole notion that industry has the right to make a profit off the backs of your average citizens and working people.

We were also told that unemployment insurance was going to be safe, but what we have seen is unemployment insurance in Canada is in a crisis.

*(1750)

We were also going to be guaranteed that there would be retraining programs for any laid-off workers, but we have yet to see that. All we have for all those laid-off workers is increases in welfare, social allowance payments. We have actually seen millions of dollars being cut both at the national and the provincial levels, provincial budgets in Manitoba, for training and retraining programs.

The most negative thing about the agreement is that the promised access to American markets and investment that was supposed to come has not happened. There has been little or no investment from new jobs.

We were also assured during the initial negotiations that medicare and education were going to be safe. We have seen that the parallel decrease in the transfer payments has accompanied the trade agreement.

There were also promises made that there would be lower prices. This is often the promise for so much of the Conservative monetary policy and economic policy, that we are always going to see some magical change where we are going to see prices go down. That was another thing that was promised with the trade agreement. Not only have we seen no lowering of any of the prices, but we have had the GST tacked on top along with the Free Trade Agreement. The cost of living for people has gone up. There has been a result also in jobs being cut because of the compounded effect of both the GST and the Free Trade Agreement.

Part of the trend that we have seen continue with the GST, even though there was also the promise of no tax increase to go along with this, is that we have seen increasing taxes in Manitoba, mostly at the municipal level, granted, but nationally. It is amazing to me in the last budget that we had that there was not much talk about the GST in the last budget federally. That has been one of the worst taxes faced by the people in Canada. It amazes me that this government in Manitoba also gets away with not sharing more of the responsibility for supporting the government nationally which brought in this kind of a regressive tax which again has cost Manitoba retail and manufacturing jobs.

The other thing that was promised when we were awaiting the negotiations of the Free Trade Agreement was that there was going to be no effect on the environment. One of the things I was reading earlier, where some right Tory member of

Parliament was talking about how the trade agreement had nothing to do with environment and environmental considerations were not part of the agreement—it just completely seemed to not comprehend the impact that this kind of agreement would have. As we have moved through this recession it seems like environmental concerns have started to take a back seat and not been so prominent. As the economy worsens, people are again buying into the whole idea that maybe we cannot afford to have the kind of industrial controls that will again threaten the possibility of investment to come or will threaten the manufacturing that does remain, and, as I said, that they would go and move somewhere else, where there are a number of other regions where the environmental regulations are not as stringent. It is hard to believe, but there probably are places where they are enforced even less than in Manitoba.

The other thing that was promised is that Canadian radio, the radio and television industry, would be protected, that we would not see any impact on these areas, but we have. There have been cuts to CBC film boards. In the last budgets we have seen cuts to arts and culture kinds of organizations, and it just seems that they too are all part of the same economy in Canada which is being expected to compete with U.S. industries.

Part of the selling job that was done with this agreement was that being able to compete became something of a sense of national pride, and it was made to seem that, if you were against the Free Trade Agreement, you somehow thought that Canadians were not smart enough or were not good enough. It is ridiculous because it has nothing to do

with that. It has all to do with demographics and the size of the U.S. as compared to Canada. It has nothing to do with our ability to innovate or to market or those kinds of things as the government would have had us believe.

I think it is going to become important in this being a federal election year, possibly, that we will see that this issue is going to surface again, I hope; that, just as so many issues come and go, this one will remain and we will again have a chance to show how the corporate agenda and these kinds of agreements are doing nothing to either attract investment or improve the Canadian economy.

It is interesting that, out of all of the disputes that there have been with Canadians trying to gain access to U.S. markets, out of all of them, I think there have been 16 different disputes, Canada has come out winning in only one of them. There was supposed to have been this—one of the other selling points of the agreement, that there is going to be this new system for settling these disputes. It seems to be working much more in favour of the U.S. This is another concern that we would have.

We also have heard the promise that the Canadian dollar would be unchanged by this agreement, and some people have said that there is direct pressure on the Canadian government through the agreement to maintain the high Canadian dollar policy that we have seen—

The Acting Speaker (Mr. Laurendeau): Order, please. When this matter is again before the House, the honourable member for Radisson will have 25 minutes. This House will now recess until 8 p.m.

Legislative Assembly of Manitoba

Monday, March 16, 1992

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