



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

**DEBATES
and
PROCEEDINGS
(HANSARD)**

40 Elizabeth II

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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
CARR, James	Crescentwood	Liberal
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHEEMA, Gulzar	The Maples	Liberal
CHOMIAK, Dave	Kildonan	NDP
CONNERY, Edward, Hon.	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	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rossmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PENNER, Jack, Hon.	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	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 17, 1991

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

TABLING OF REPORTS

Hon. James McCrae (Minister of Justice and Attorney General): Mr. Speaker, it is my privilege to table the Third Annual Report for 1989-90 of the Victims Assistance Committee.

MINISTERIAL STATEMENTS

Hon. James McCrae (Minister of Justice and Attorney General): I have a statement for the House.

Mr. Speaker, members of this House are aware that the federal government has taken an intransigent attitude regarding the renewal of the contract between the federal government and the provinces and territories for the provision by the Royal Canadian Mounted Police of provincial policing services.

It was in September 1989 that the federal government first unveiled its demands for changes in the contract. The changes proposed by the federal government were dramatic. Not only did the federal government insist that the provincial share of costs be increased to 75 percent from 70 percent, but the federal government also insisted on changes for municipal contracts that in some cases would mean that the municipal share of RCMP costs would soar from 70 percent to 85 percent of the cost and from 90 percent to 95 percent for communities with populations over 15,000.

Mr. Speaker, that was just a part of the federal proposal. The federal government also tabled 20 demands for changes in the calculation of the cost base. While some of these are technical, many of them appear to be mere pretexts for the federal government to extract more money from the provinces, territories and municipalities.

Although the contracting jurisdictions responded to those demands in June 1990, I regret to inform the House that at a meeting last September the

federal deputy minister, on instructions from his minister, announced that if the provinces would not agree to the new cost-share demands of the federal government, he was not authorized to discuss the cost-base issues. After less than an hour, the federal delegation walked out of the meeting.

* (1335)

There have been recent indications from the federal Solicitor General that he may be reconsidering his position and there may be some flexibility in the federal position.

On Thursday and Friday of this week, I will be meeting with my provincial and territorial colleagues to discuss the federal offer and our response. We will consider the cost-base issues and the accountability of the RCMP to the provinces and territories. We will also be discussing the share of overall costs that should equitably be borne by the different levels of government.

It is sometimes forgotten that a significant percentage of the bill, which has been paid by the Province of Manitoba in the past under the RCMP contract, has been for services provided by the RCMP, a federal force, on federal lands, including military bases, national parks and Indian reserves. These services are properly the constitutional responsibility of the federal government, and I have informed the federal Solicitor General that Manitoba would no longer assume responsibility for any such costs. It is also my intention to raise this matter with my provincial and territorial colleagues.

The federal government has left the provinces, territories and municipalities in an uncertain position. We do not wish to establish a provincial police force like Ontario and Quebec. We cannot, however, afford the extra money for policing that the federal government is seeking. In Manitoba's case, federal offloading amounts to \$9 million. It is not just the province that is alarmed. To date, some 45 municipalities have expressed their support for our government's efforts to keep RCMP contract costs under control. Only time will tell whether the federal government indeed is finally prepared to get down to serious negotiations about police costs.

I wish, however, at this time to assure the people of Manitoba and the members of this House that the RCMP are, notwithstanding the expiration of the contract, fully authorized to enforce the laws of Manitoba and will continue to provide their usual high standard of service.

Mr. Speaker, the North-West Mounted Police was created more than a century ago to bring law and order to the West. For generations the RCMP, our national police force that grew out of the North-West Mounted Police, has served with great distinction as Manitoba's provincial police force.

The RCMP is an integral part of the fabric of the province and indeed of the country. At a time of great stress on our country, it would be a tragedy if shortsighted federal fiscal policies snapped another bond that unifies Canadians. The government of Manitoba will do everything it reasonably can, within our limited fiscal resources, to preserve the RCMP as a provincial police force.

Mr. John Plohman (Dauphin): Mr. Speaker, we are certainly pleased to see the announcement by this minister that he is now wishing to raise the profile of the issue of policing costs in agreement with the federal government as an important issue for Manitobans. We think that it is time long past that this government has indeed placed the kind of priority on this issue in a public way in this province and across western Canada that it deserves.

Certainly, the police force is one of the important national symbols, the Royal Canadian Mounted Police, in Canada. We want to see the services maintained throughout this country, but we reject the kind of position that is being taken by the Mulroney government and his Quebec minister, having no understanding of the impact of the cost transfers and offloading from the federal government onto provincial jurisdictions that has been taking place—offloading in so many different areas by this federal government and consistent, again, in its efforts here with police costs.

What we have had though is a quiet, doormat type of closed-door diplomacy by this minister along with all of his other colleagues in many other areas where we have seen offloading, rather than taking on the federal government in a public way, making this a western populous issue which it should be and—

An Honourable Member: Getting the Premiers involved.

Mr. Plohman:—getting the Premiers and this Premier (Mr. Filmon) here in Manitoba showing some leadership, getting together with the other western Premiers to lead a strong, high profile delegation to the federal government to ensure that they understand this issue.

At the same time that we see the government is complaining about federal offloading, Mr. Speaker, we see them doing precisely the same thing with municipalities in their own budget, offloading roads onto municipalities, offloading water and engineering services onto municipalities, offloading in terms of tax sharing. I say that they should practice what they preach with regard to the federal government's initiatives on this area, and we would ask them to put forward strong proposals with their western counterparts to make this a national profile issue, that they will not tolerate this offloading from the federal government.

Mr. Paul Edwards (St. James): Mr. Speaker, it gives me pleasure to rise today and respond to the minister's statement today about the RCMP contract and the ongoing state of the negotiations.

Mr. Speaker, it is important to note at the outset that this is not a new issue. This issue has been around for years, at least since this minister took office in his present capacity.

* (1340)

Mr. Speaker, let me start my comments by expressing my appreciation, and that of our party, to the RCMP spokespersons in this province who have indicated very clearly that they will continue to enforce the law just as they had in the past—business as usual—regardless of what is happening on the national scene with respect to these contract negotiations. We appreciate that. We could have expected no less from the RCMP, given their illustrious history in this province, which we have all benefitted from.

Mr. Speaker, I want to point out to the minister that the very sin he is complaining about from the federal government is in fact what this government has just done in this last budget. They have passed on repeatedly to the municipal levels the same burdens which they used to have but which they do not want to carry any further. That is what I see being written here by this minister, that he is setting us up for a contract which costs more money, and you can be certain, given the indications we have so far, that

they will not pick up the bag for that. They will pass it on to the municipal governments.

Let not this minister stand up and look in the mirror and see Brian Mulroney or the federal Solicitor General on the other side, because I believe that is what this minister may be attempting to do. Let me tell him at this point, it will be hotly contested.

Mr. Speaker, with respect to the overall negotiations themselves, we want to of course wish the provincial negotiators from all of the provinces affected well. We understand that British Columbia continues to lead those negotiations, as agreed to by the other provinces.

We hope that the federal government does recognize the very critical importance of the RCMP not just in terms of the actual enforcement of law, but in terms of the perception of law and order in western Canada. This is an integral part of our history that we are dealing with. The RCMP in the red serge is an important part of our historical commitment to law and order in this part of the country and indeed throughout this country.

Thank you, Mr. Speaker.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, may I direct the attention of honourable members to the gallery, where we have with us this afternoon from the Garden City Collegiate twenty-three Grade 9 students. They are under the direction of Caroline McCormack. This school is located in the constituency of the honourable member for Kildonan (Mr. Chomiak).

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

ORAL QUESTION PERIOD

Budget Community Colleges

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, my question is of course to the Premier.

In the last seven years in this country, we have heard the Tory ideology applied from community to community to community that in order for Canada to grow we have to cut.

Mr. Speaker, we heard the same ideology from this government yesterday. You could have closed your eyes and heard Michael Wilson speaking in this

Chamber—the same ideology that has existed for the last three years, that you have to cut in order to grow. The result of three years of that program has been a 47-percent decline in the engine in our economy called the private sector, with a 47-percent decline in this government's budget for next year, '91-92.

Mr. Speaker, on top of that we see cutbacks in education that have gone on and on and on in our province, with the government saying we have to stay the course. This government said that we would like our children to feel confident that they will acquire abilities and education right here in Manitoba. Moments later, the Minister of Education cut \$3.9 million out of the community colleges and hundreds of positions out of the community colleges.

* (1345)

I would ask the Premier, as I asked him two weeks ago: What were the criteria for those decisions? Were they the criteria that have been used for employing people in terms of Manitobans for our youth, or were the criteria what his few corporate friends wanted in terms of what cutbacks would take place in the community colleges?

Hon. Gary Filmon (Premier): Mr. Speaker, referring to the preamble that the Leader of the Opposition put forward, since it was indeed a lengthy one, I point out that he has his speech opportunity a little later in the day. Admittedly, there will not be any cameras here to cover it.

The fact of the matter is, that preamble is totally in error. Over the past three years, private nonresidential investment rose 22 percent in Manitoba. That is well above the 16 percent increase during that same three years in Ontario. We continue to have the third lowest unemployment rate in Canada. Our rate of job growth in 1990 was twice the national average. During the first quarter of 1991, our employment, although it was down 2.2 percent due to the national recession, the declines were 3 percent in Quebec, 4.6 percent in NDP Ontario. That is the reality of what happens when people try and spend their way out of a recession. The fact of the matter is that we had to make some very, very difficult choices, choices that we did not relish.

In looking at the community colleges, one of the things is that they must be dynamic and changing to meet the needs of the current time. We have, for

instance, in the aerospace industry continuous demands for employees in one of the fastest growing areas of our economy for which we do not do training, by and large, in Manitoba. Most of the employees who are going into places like Bristol, Boeing and Standard Aero, and so on, do not have training that they can obtain in Manitoba for the skills that are required in that dynamic, growing industry.

The community college is going to have to reorient in order to meet the needs and the tests in those new areas. Among the criteria, and certainly he can ask for greater detail from the Minister of Education (Mr. Derkach), but among the criteria are that programs for which the enrollment is dropping and/or programs for which there are not strong job opportunities and/or programs for which there are other sources of training—obviously areas in which the community college can reorient its resources and put them into areas for which there is strong demand and opportunities for employment that are not being met because of lack of training opportunities in Manitoba.

Those are some of the criteria, but he may want to hear in greater detail during the Estimates process from the Minister of Education about those matters.

Mr. Doer: Mr. Speaker, this government's abandonment of our community college system, we suggest, is much more based on the bias of this Premier than it is on sound economic modelling in terms of what is successful. That is why we asked the question to the Premier two weeks ago, and of course he accused us of rumour mongering—right?—when we asked the criteria, when we were right on target again because of this government's bias.

My question to the Premier is: Given the fact that courses like secretarial training have very high enrollments, and it is more cost effective for students to go to those programs in our publicly owned community colleges, why would you be forcing those students to go to places like Success/Angus and other private sector places?

You are not saving any money, Mr. Speaker. You are just moving those programs over to your friends in the corporate sector.

Mr. Filmon: Mr. Speaker, I knew that the Leader of the Opposition could not resist that kind of shot, that kind of dishonest approach to the programs that are listed—

Mr. Speaker: Order, please.

Point of Order

Mr. Steve Ashton (Opposition House Leader): Mr. Speaker, the Premier used the term "dishonest," which I would suggest to you is not in keeping with parliamentary language. Also, the question was quite a legitimate question, based on the very real privatization policies of this government in terms of education. I would ask you to have the Premier withdraw that comment.

Mr. Speaker: Order, please. On the point of order raised, I would ask the honourable First Minister to remove the word "dishonest," to withdraw.

Mr. Filmon: Mr. Speaker, I will be happy to withdraw any comments that you would like me to.

* (1350)

Mr. Speaker: I would like to thank the honourable First Minister. The honourable First Minister, to finish his response.

* * *

Mr. Filmon: Mr. Speaker, to put the facts on the record, he may want to look at the list of programs that are cut—clerical, bookkeeping, graphic arts, meat cutting, hair styling, employment orientation for women, painting and decorating, pre-employment, bioengineering and chemical technology, domestic electronics, constructional engineering technology and biological technology. He will not find the programs that are referred to there taught in the institutions to which he refers.

Mr. Speaker, if he wants to take an honest, forthright approach to this, I refer him to the news release of April 12, 1983, under the NDP administration which we replaced. It says and I quote, Education Minister Maureen Hemphill has announced that as many as nine full-time community college courses will be discontinued next fall as part of an ongoing effort to put training resources where the highest needs exist for skilled workers.

She refers to courses such as clerk typist, Mr. Speaker, the same type of training program that he is now referring to in his question, as being one of the programs that is being cut in three different community colleges. Now I do not think that Maureen Hemphill was doing that to help the business interests of the various colleges that he referred to. She was doing it for the same reason

referred to. She was doing it for the same reason that this government is doing it, and that is that you do not commit major resources to programs for which there are cost-effective alternatives available. You do not do it for programs for which there are very few job opportunities or for which there is very little demand, when you have the need to put resources into areas like aerospace training and many other areas for which there is plenty of demand but no courses being provided in this province.

Mr. Doer: Mr. Speaker, the former minister did not put \$7 million into privatization training. The former minister did not cut 125 positions from community colleges. The former minister redeployed people and made those programs relevant as years changed by, not a full-scale assault on the community-based colleges of this province like this government, based on their own ideology to bring those programs and those monies out of the public sector and over to the private sector.

Education Programs

Mr. Gary Doer (Leader of the Opposition): A final question, Mr. Speaker, to this Premier. This Premier has led a frontal assault on our youth in this budget. Northern Youth Job Corps programs cut, CareerStart programs cut, job creating programs cut, BUNTEP and ACCESS programs cut by \$1.4 million and cuts of Native education.

I want to ask the Premier: How does he expect the young people to stay in our province when this government, all they do is cut both the job opportunities and the training opportunities for people in this province?

Hon. Gary Filmon (Premier): Mr. Speaker, I repeat, the former minister did exactly the same kind of cutting of programs in all of these areas of the community colleges and the former minister got involved in external job contracting training, because the Canadian Jobs Strategy program directed them into that.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please.

An Honourable Member: Who built them?

Mr. Filmon: Mr. Speaker, those community colleges were built under Conservative administration and those community colleges—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please. We are going to get through this one way or another.

The honourable First Minister, to finish his response.

Mr. Filmon: Mr. Speaker, in terms of the northern youth employment programs, in terms of the ACCESS and all of those other programs that he mentioned, those are federal reductions in funding to the program. This provincial government has maintained its support, its level of support and its financial support for all of those.

He knows what the problem is and he knows full well. He is trying, as usual, to fudge it and to try and make it look as though it is something that it is not. The fact of the matter is, those federal cuts were in addition to \$32 million in cuts in cash transfers to EPF payments. Despite all of that, we gave \$90 million more to health care. Despite that, we gave considerably more to post-secondary education and the universities, 3.3 percent. Despite \$32 million of cash transfer cuts for health and post-secondary education, we have added substantially to it.

He can crow all he wants, but he is on the wrong track.

* (1355)

Budget Municipal Consultations

Mr. Leonard Evans (Brandon East): Mr. Speaker, I have a question for the Minister of Finance.

This budget should be called operation offload, because this government has decided to offload costs for programs and services onto the backs of the municipalities of this province by transferring the responsibility for 2,000 kilometres of provincial roads by reducing all kinds of municipal grants, including those for streets and bridges, by cutting Dutch elm disease programs and by underfunding the school divisions.

I ask this Minister of Finance: Did this minister consult with the municipalities on this matter, and how does the minister expect municipal governments in this province to hold the line on municipal taxes when it is offloading these very costs onto the municipalities?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I was in Brandon this morning. I just returned from Brandon about three-quarters of an

hour ago, and I had an opportunity to talk to the mayor and several community representatives. I guess the general tenor of that conversation was that Brandon and district felt they came out of this budget totally unscathed.

Let me say to the member for Brandon East, he should probably get better communication or better contact and better information and maybe spend a little more time in his constituency.

Myself and other members of Executive Council will be meeting with representatives of the Union of Manitoba Municipalities and MAUM tomorrow, and we will be in greater dialogue with respect to some of the decisions that the provincial government has made.

I must admit, I had met with those same officials about a month before yesterday, at which time we did talk in a general nature about some of the difficulties that we had and how it is that we sensed that there may be a greater call on municipalities to share in the cost in the financial situation of the province at this time.

Mr. Leonard Evans: Well, it is clear that the minister did not consult ahead of time with the municipal officials in an effective way.

Impact Rural Manitoba

Mr. Leonard Evans (Brandon East): Will the minister now admit that his government has failed rural Manitoba because it is cutting jobs and programs in rural-oriented departments, such as Agriculture, Highways, Natural Resources, and Education, including ACC with their 20 job losses in the city of Brandon, as well as Keewatin College? Will he acknowledge that the plan to decentralize jobs into rural Manitoba has become an exercise in hypocrisy because of the rural cuts, both direct and indirect cuts, resulting from program reductions?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I was hoping that the member would stand in his place today—maybe he will in debate—and provide just one viable alternative to the path that we have taken over the last several budgets—that when we stayed on, the course in which we have stayed, this past budget.

Mr. Speaker, we committed some \$43 million of new money to rural Manitoba with respect to the GRIP premiums that we are investing. During these most difficult times we continue a commitment to

the highways construction budget of over \$100 million.

We fully understand the support that rural Manitoba requires in infrastructure. That has been maintained in this budget and will be maintained in any budget that this government brings down in the future.

Economic Recovery

Mr. Leonard Evans (Brandon East): Mr. Speaker, there are some communities that have fewer government jobs today than they had a year ago.

How can this minister claim that this budget is good for our economy, when it is not only eliminating hundreds of Civil Service jobs but is also causing unemployment in the nonprofit sector by cutting their grants and virtually offloading again, offloading the costs and responsibility?

* (1400)

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I will not apologize for the budget that the government brought down yesterday. We are on the right path to economic renewal.

I will listen carefully to hear if there will be one viable alternative presented by the opposition today. It will be interesting to listen to all the questions that will continue further today and certainly over the ensuing Question Periods, extolling us I am sure, Mr. Speaker, to spend more on almost every program of government.

I say to you and I say to the people of this province, the opposition does a tremendous disservice to this province trying to downplay the fiscal reality and the fiscal circumstances of our province. We will stay the course, the course to economic renewal built on a solid foundation, not built on one of crumbling debt like the members want us to go into.

Budget Impact Rural Manitoba

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, yesterday we heard the Finance minister say: "We reject the dishonesty"—an unparliamentary word, but this is what he said—"inherent in the federal approach to health and higher education financing—repeated, unilateral reductions to transfers, with federal cash payments virtually eliminated by the end of the decade, accompanied by loud proclamations of a

federal commitment to post-secondary education and to national standards of medicare."

Well, Mr. Speaker, we would agree with the minister in rejecting the actions taken by the federal government, but we wonder how he can sit here having made the cuts that he has made, unilaterally, offloading to the municipalities in the way that he has done and not see Michael Wilson's face looking back at him when he looks in the mirror.

Mr. Speaker, my question is to the Premier. Can the Premier tell us the cost to the municipalities of this province of their being expected to pick up highway costs, additional education costs, water management services, engineering services? Can he put a figure on what the municipalities are going to have to charge the citizens in taxes?

Hon. Gary Filmon (Premier): Mr. Speaker, from our discussions in this House, and with the people in the various municipalities, they wanted us to preserve, maintain health care, social services and education. That is why, despite the fact that we got a cash transfer reduction on EPF payments for health and post-secondary education this year from Ottawa, a reduction of \$32 million, we put \$90 million more into health care.

Unlike Liberal Newfoundland that closed down 360 beds, that cut off 300 nurses, that cut every area of its budget, including health care, we took what we believed was the responsible approach and put \$90 million more into health care. That helps every rural municipality, that helps every small town, village, area of this province because people want that as their No. 1 priority. Those are the kinds of things that we did in order to preserve those services to rural Manitoba.

As well, of course, our transfers to social services increased by almost 7 percent in difficult, difficult times. In order to do that we had to choose some priorities and make some difficult choices. We talked, of course, to rural municipalities and they, too, would not like to have any additional costs, but for the most part, when we are dealing with some of these provincial roads, Mr. Speaker, we are dealing, by and large, with roads in which the traffic count is fewer than 100 vehicles per day.

We are asking them, in this difficult time, to co-operate with us; we are asking them to try and share some of the load in areas where they perhaps have equipment available to maintain and to do this at lesser cost than it would cost us. Under those

circumstances, in order to preserve those health care services, in order to preserve those social services, in order to preserve many of the things we are doing, the GRIP program, almost \$50 million of commitment to the rural community, we are asking them to understand that to make those major commitments we are asking them to take over a little bit of the things that we have been doing in order to try and make it work.

Budget Community Colleges

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, this government has preserved nothing, and where they have not preserved in a most dramatic way is in the field of education.

Can the Premier tell this House how many students will not have courses this fall because of the cuts that he has made to the community college system in this province? He has not asked them to change their priorities; he has cut their funding and therefore their course offerings. How many students will not be able to go to school because of him?

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, I would like to indicate that no one takes pleasure in having to notify individuals that courses will not be available in the next year. However, from time to time there is a need for us to examine the relevancy of programs that are being offered at our community colleges and to indeed make sure that the programs that are being offered are going to be ones where students can expect to have a job once their graduation date arrives.

Mr. Speaker, in some of the programs that are being eliminated, indeed, that was not the case. In some of those programs there was very low enrollment, graduation rates were not there. In some cases, some of the programs are being offered at our regional secondary schools and, indeed, in other institutions.

All of the decisions that have been made have been made with the intent to ensure that students who enter programs are entering programs for which there is a demand for at the end of their graduation. Indeed, Mr. Speaker, for that reason we have added a significant number of programs in the various community colleges, which are designed to

meet the market demands in such areas as the aerospace industry and, indeed, in the business administration area—to name just two.

Budget Opportunities for Youth

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, what this government did yesterday was to put more people on the unemployment line. What they have done is to drive more people out of this province, particularly our young people.

I would ask the Premier how he can stand and say to a young person in this province, stay in this province, when there is no job creation, when there is no educational opportunity for them, when there is an attack on the quality of life that we are offering to them, which has been, to date, the major factor why many of them have remained?

Hon. Gary Filmon (Premier): The greatest threat to the education and the opportunities of young people in this province would be to raise taxes, as the Liberals would have us do. That has been their consistent policy in this House as they ask spend more, spend more. That is their only theme, and they would do what they did in Ontario, which was to bring the once most powerful province economically in this country to its knees, crawling on the ground, suffering from a huge load of debt and taxation, unprecedented in this country. That was Liberal policy. That, Mr. Speaker, we will not saddle our young people with.

We will keep the taxes down. We will offer them increased opportunities in the growing areas of our economy, in aerospace, in business administration, in places where there are greater jobs that require higher technology and greater training, and that is the reorientation, not training them for the jobs of yesterday like the Liberals would have us do.

Budget Civil Service Layoffs

Mr. Steve Ashton (Thompson): Mr. Speaker, my question is to the Minister of Finance.

Yesterday, the Minister of Finance said that his budget, and I quote, would not hurt ordinary Manitobans. That is not the case. Many Manitobans were hit hard by the budget but no more hard than the more than 450 Manitobans laid off yesterday. They were hauled in unceremoniously,

some given minutes to pack with five, 10, 20, 30 years service, men and women of all ages. In some cases, husband and wife in the same family laid off by this government.

My question to the Minister of Finance is very straightforward. How can this government justify spending up to \$20 million to send more Manitobans out on the unemployment rolls at a time when we already have record unemployment in this province?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, the member does a disservice to all who listen to him with respect to the way he portrays the announcement to individual employees of the Civil Service as to how the decisions had been reached and the impact upon them by government. The Minister of Labour (Mr. Praznik), in due course, will have an opportunity to give greater clarity to the severance packages that were developed.

* (1410)

I want to assure the member for Thompson, and all members of this House, an awful lot of thought and an awful lot of consideration went into the building of the adjustment packages, into the severance package. Yes, there is a component that has been set aside for retraining, a component that has been set aside in monetary terms for enhanced severance for those people who feel it may be in their best interest to leave the public service at this time to make room for a younger man or woman within a certain department.

Mr. Speaker, these were the real judgments that were brought to bear within the packages. They are supported by millions of dollars, and the ultimate uptake will determine how much is spent within that area.

Impact Labour Force

Mr. Steve Ashton (Thompson): The minister talks about making room for young men and women. I thought we had equality of employment in this province in terms of all ages, Mr. Speaker.

My supplementary question—and perhaps, to the Minister of Finance, he should talk to some of the people who were laid off yesterday. I have, and they felt they were very shabbily treated by this government.

I want to ask him, Mr. Speaker, how many more Manitobans will lose their jobs as a result of

yesterday's budget, whether they be other employees of government or whether they be employees of government-funded organizations that had their funding slashed by this government yesterday?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, that question cannot be answered in a definitive form. The very nature of an outside recipient group is their autonomy to be able to raise funds in any fashion they so wish and to the extent that they make a broader appeal to the community to offset some of the reduction in grants by the province. Indeed, there may be absolutely no impact in many of the recipient agencies of which the member speaks.

Mr. Ashton: I find it amazing the minister has not even an answer in terms of how many Manitobans will be laid off.

Government Priorities

Mr. Steve Ashton (Thompson): My final question, Mr. Speaker, is: Will this government now be forthright with Manitobans, put aside the rhetoric about these being tough decisions and admit that what we are really seeing is the same old right-wing Conservative ideology that puts cuts and layoffs ahead of services to people in this province?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I categorically reject the member's remark with respect to forthrightness.

This government was forthright on January 21 when it assembled members of the Legislature and asked members opposite for their input, indicated at that time that there would be structural reform within government, provided to them this fiscal standing of the province, asked them for their input as to what their alternatives would be, given that we did not accept as an hypothesis that the deficit should be hitting \$500 million, \$600 million, \$700 million or \$800 million.

Mr. Speaker, the members opposite have offered absolutely no other alternative, and I say to them, they are more to blame than anybody.

Budget Northern Youth Programs

Mr. Oscar Lathlin (The Pas): Mr. Speaker, my question is directed to the First Minister.

This budget has devastated programs for the North with KCC staff cuts, unfair gas pricing, the \$50

user fee charge is being imposed on northern patient transportation, the Highways and Transportation cuts, the Natural Resources cuts, including the Northern Youth Corps which provided summer jobs for northern communities through grants to potential employers within the boundaries of the Department of Northern Affairs.

My question to the First Minister is: Will he tell this House why this program has been cut making the current unemployment problem in the North much worse? Is it because the government has no commitment to the North, no commitment to youth or is it because—

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

Hon. James Downey (Minister of Northern Affairs, responsible for Native Affairs): Mr. Speaker, let me make it very clear that decisions that were made in the budget were very essential and necessary and very difficult. We made it very clear, as it related to those northern programs, particularly the Northern Youth Corps, that it was in fact the federal government's cutting of their support to that program that virtually decimated that program.

Let me say, however, as well that this government did in fact start a Northern Recreation Program with some 27 directors to assist those northern youth, Mr. Speaker, to help them get on in a more productive way with meaningful long-term jobs for those young northern and Native people. This government put \$10 million into the Northern Flood in order to help those communities that were devastated by Hydro under the former administration. We are committed to the northern people and will in fact give them long-term, meaningful jobs with the measures that are being taken.

Mr. Lathlin: Or is it because the North did not know how to vote?

Northern Assoc. of Community Councils

Mr. Oscar Lathlin (The Pas): Mr. Speaker, the Northern Association of Community Councils has been devastated by a drastic reduction in their budget. Will the Premier tell this House why his government has chosen to ignore their commitment to local control by cutting back on organizations which provide the means toward self-government?

Hon. James Downey (Minister of Northern Affairs, responsible for Native Affairs): Mr.

Speaker, first of all, let me make it very clear that the Northern Association of Community Councils was not cut in any massive way. I believe there was something like a \$10,000 reduction. However, there has been discussion with the Northern Association of Community Councils of other work activity that they may carry out on behalf of the Province of Manitoba and those northern communities. We are working very closely with them to get them long-term, meaningful jobs in their communities, not the kind of jobs that the members opposite would have for a short-term purpose.

We want long-term employment for those individuals in northern Manitoba. I believe, working with those individuals, we will accomplish that.

Native Media Network

Mr. Oscar Lathlin (The Pas): It seems that this government is lacking in its commitment to aboriginal peoples.

Will the Premier tell this House why grant monies have been totally withdrawn from the Native Media Network? Is it because he wants to follow the example of his federal counterparts?

Hon. James Downey (Minister of Northern Affairs, responsible for Native Affairs): Mr. Speaker, let me again make it very clear that the decisions that were made are very necessary and essential. We prioritize. We have maintained some of the educational programs. We have maintained the Northern Nursing Program that he could not get out of the NDP government, but got in place by this government. This government had to prioritize. Education is a high priority, and we as a province have maintained a lot of the educational programs that we felt were essential. As far as the Native Communications program, my colleague may have more to offer, but again it was a matter of prioritizing, and education, health and family services were the top priorities.

Budget Fishermen's Loan Program

Mr. Edward Helwer (Gimli): Mr. Speaker, I would like to direct my question to the Minister of Northern and Native Affairs, the Minister responsible for the Communities Economic Development Fund.

In light of the fact that the Fishermen's Loan fund will be somewhat changed this year by the Manitoba Agricultural Credit Corporation, also the fact that this

has been a very good program for fishermen because the fishermen have trouble getting normal loans from banks and also because of the low fish prices—and there have been very few or very negligible write-offs—I would like to ask the minister, will there be any new money made available for the Fishermen's Loan Program this year?

Hon. James Downey (Minister responsible for and charged with the administration of the Communities Economic Development Fund Act): Mr. Speaker, again I thank the member for Gimli for that important question, one which I am sure he wants an answer to. We take very seriously the jobs and the input of the fishing community in this province.

Let me make it very clear that there have been some administrative changes made within that program. I can assure this House and members that it is the intention of the government to carry out the loan activity programs under the Communities Economic Development Fund. There may have to be some changes made, legislatively, but it is the intent of the government to service those communities through the Communities Economic Development Fund, Mr. Speaker.

* (1420)

Budget Fishermen's Loan Program

Mr. Edward Helwer (Gimli): Mr. Speaker, I would like to ask this question, my supplementary question, to the Minister of Agriculture.

Will the Manitoba Agricultural Credit Corp. be continuing the Fishermen's Loan Program during the transition period while this program is being changed?

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, a very important question that the member asked for constituents in his area. Yes, the Manitoba Agricultural Credit Corp. will continue to administer the existing loans that are in place.

Budget Economic Recovery

Mr. Reg Alcock (Osborne): Mr. Speaker, I want to begin by expressing my profound disappointment in the Minister of Finance and in his budget.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please; order, please. The honourable member for Osborne has the floor, not the honourable Minister of Health (Mr. Orchard).

Mr. Alcock: Mr. Speaker, on the 21st of January, I took the Minister of Finance seriously. I asked him specific questions at that time and asked him to produce some information so I could assist him in this. I have spoken publicly on the need for restraint in this province.

When he tells me that he does not want to follow the example of the former government, I can accept that. What I cannot accept is a budget that is becoming increasingly a stranger to the truth, a budget that is so full of errors and inaccuracies and presents no plan for any kind of economic recovery in this province. If he does not want short-term job creation, the question for him is: What does he want?

He says the recovery is going to start in two and a half months—based on what?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I hesitate to do this, but I quote from a letter dated March 28 to a Ms. A. I. Smith, 122A Wellington Crescent, over top of the signature of one, Mr. Alcock, MLA for Osborne. I will just quote one sentence. It says: It will be—referring to the budget coming down—and it should be the toughest budget this province has had in the last few decades.

Mr. Speaker, I say to the member opposite, and no doubt he will want to give greater clarity to his statement that the budget is full of inaccuracies, I will look forward to greater discussion on those points, but as we said yesterday and as we have been saying for some period of time, the province can no longer entertain higher deficits, which lead to higher debt, which leads to higher interest costs, which ultimately lead to reduction in services, services that I know are very important to the member for Osborne (Mr. Alcock).

That is the whole thrust behind this budget. We make no apology for it. We are trying to hold down the cost of government.

Mr. Alcock: Mr. Speaker, in that letter and in others that I have sent out, I spoke of two things. I spoke of the need to restrain the growth of government and also the need to find ways to stimulate the economic development in this province and stimulate the

private sector. I have yet to see anything in this budget that does that.

The minister talks about growth in manufacturing. His own statistics say that it is not going to grow. The agricultural income is down. Forestry is down. There is nothing in this budget that suggests a recovery is going to begin in two and a half months, and yet the minister says it will begin.

Will the minister tell us what evidence he can present that says we are going to see growth in this province starting in July of this year?

Mr. Manness: Mr. Speaker, the evidence, in part, is occurring right now when we look at the number of homes that are being bought today. I am talking about existing homes that are being bought. There is a new confidence right today -(interjection)- sorry? The assertion that I put on the record is accurate. It is true.

So, Mr. Speaker, the point I am trying to make is that confidence in this province is building. I am amazed, quite frankly, at the reaction to this budget by people who have had a chance to see it in a balanced fashion. They understand that finally finances in this province are under control. They understand that the tax regime finally is being brought into a competitive state vis-a-vis other provinces in the country. They understand that government finally has control of its expenditure side.

That is what the economic plan for renewal is all about, and that is what sets us apart from Liberals and NDP.

Mr. Speaker: Time for Oral Questions has expired.

ORDERS OF THE DAY

BUDGET DEBATE

Mr. Speaker: On the adjourned debate, second day of debate, on the proposed motion of the honourable Minister of Finance (Mr. Manness), that this House approve in general the budgetary policy of the government, the honourable Leader of the Opposition.

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, it is indeed an honour to rise today. Well, maybe I would recommend the Premier, who has cut half of the good reasons to stay in Winnipeg in some of his grants later on. He may want to bring his sweatshirt back that he wore in his address later,

on all the places he has cut, 100 reasons to love Winnipeg. The Premier wore the sweatshirt in here two weeks ago, and then he started cutting half of those programs later on. We will wait for him to come back to go over some of those items.

Well, Mr. Speaker, we had two choices in terms of this budget before the Chamber today. We had choices that other governments have had before us, other parliamentarians have had before us in terms of North America. We could choose to ignore the plight of people in our province, ignore the unemployed, ignore the recession, ignore the depression, ignore the situation that is going on in our province and do nothing about it and hope that it goes away, hope that it is a nightmare, hope that when you wake up in the morning something will happen that is different.

That is one option that we had in this budget, or we had a second option. We had an option, Mr. Speaker, to say that we must have a vision to get our province growing again, that we must have a vision and a strategy to get people working again. We must do something about the depression that has set upon our people. We must do something for the people of this province that are being most hardest hit. That was the other way of going within the province of Manitoba.

Mr. Speaker, politicians and public figures before us have had to make those choices. They have had to make the choice of whether they are in fact going to have a proactive strategy in dealing with the recession, whether they believe in fact in people, whether they are going to invest in people so that people can invest back in our province; or are we going to see a situation where we allow just a few captains of industry to continue on as they may be, and a few people to continue to benefit from the recession while the rest of the economy continues to deteriorate?

Look, Mr. Speaker, at the history of this phenomenon. We have a situation where during the Dirty Thirties in the United States, a famous President of the United States named Roosevelt decided to develop what he called the New Deal. He believed, and his government believed, that to get people working again, to get people off welfare, to build the needed infrastructure would not only be more dignified for people than the kind of riding-the-rails philosophy that we see from Conservative governments, but also in the long run

by building a new infrastructure you increase private sector investment, and by increasing private sector investment you increase, again, your infrastructure. Over time, you build a more competitive environment, you build a more dignified environment, and you build an environment in which people work, where people go to school, and where people have cause or opportunities in their life.

Mr. Speaker, we saw the Conservative philosophy in this country during the same period of time. It was articulated by a person called R. B. Bennett, a Conservative Prime Minister of this country, which rejected that philosophy. He believed that a few of his friends, the captains of industry, would develop the jobs, would develop the opportunities, and that we would, in fact, come out of our situation in this province and this country by the private sector continually creating the only jobs in our country and creating the opportunities for all Canadians. That is the difference between a Conservative approach in the Dirty Thirties and a more progressive approach, the Democrats in the United States, in terms of those two fundamental options.

* (1430)

Look what option worked better. We had Canadians riding around on things called Bennett buggies because they could not get petrol for their cars. They could not get money to survive in western Canada, eastern Canada, Atlantic Canada. People rode the rails. There were riots in the streets because people were starving. As opposed to that, the United States was able to turn around much quicker because of a proactive approach. In fact, over a period of time where there was increased growth and increased spending, there was in fact increased private investment and ultimately decreased debt and greater opportunity.

An Honourable Member: Then the war came along.

Mr. Doer: Mr. Speaker, I hope the Minister of Finance (Mr. Manness) is not waiting for a war. I hope that is not the Minister of Finance's economic strategy, because certainly yesterday we did not see anything that the Minister of Finance was presenting to Manitobans that would give us any faith that he had an economic plan and an economic vision.

Mr. Speaker, we see the same situation in our country. We have a government that has steadfastly stayed the course federally with a

strategy that says, we will cut and therefore we will grow. It is a strategy that the members opposite supported. They campaigned with those same people in 1988, the same people now they try to politically bash. You know, they will bash them in the morning and go to dinner with them in the evening and talk about winning the next election the next morning.

Mr. Speaker, we have heard the Minister of Finance (Mr. Manness) on the record before the Premier's (Mr. Filmon) damage control people got to him saying that Michael Wilson was the best Minister of Finance this country ever had. He is on the record, because he does believe in what Michael Wilson is doing. We know that from the Minister of Finance. I know the Premier's strategists get to him from time to time and say, oh, do not say that, you will be unpopular like Mulroney. We know deep down the Minister of Finance has said publicly, and he believes privately—

An Honourable Member: I will be back. I do not want to miss anything.

Mr. Doer: Well, I know you will be back. The media specialists and the Premier want you to go—a 20 percent increase in media specialists to the Premier, and they cut Native communication.

That is the government's priority—tough choices, increase the Premier's communication staff 20 percent and cut Native communication. Those are the tough decisions we see opposite. You know, we had more senior officer reclassifications, we had four of them today in our box.

Oh, it is tough out there. Should we increase this person's salary from \$60,000 to \$65,000 or \$65,000 to \$68,000? Oh, it is real tough out there, real tough for the friends of the Conservative Party. Should we give them \$7 million in tax breaks or maybe make it \$10 million, while we cut community colleges? Oh, it is real tough decisions, real tough decisions.

Coming back to the philosophical issues, and that is why we disagree with our friends in the Liberal Party, because there should be some principles that start this debate off. We had a debate on principles a couple of years ago in the election, and now we are seeing the chickens come home to roost, Mr. Speaker.

It was almost three years ago today where we had two parties promising that if you gave tax breaks to corporations you would in fact create jobs. Those

were the promises, \$200 million. The only difference was, the Premier said he would do it over four budgets, the Liberals said they would do it over three. Fair enough, that is fair ball, that is politics, that is why people should make decisions.

We argued that if you used that money, that \$200 million, in your public sector infrastructure in your province, that in turn kept people working in the public sector, and they in turn would purchase goods and services, and that in turn would help the private sector, and the private sector in turn would invest. While they invested, they would therefore pay revenues into the province, and those revenues would go into the provincial coffers and continue to lower our deficit and maintain a quality of standard in this province.

You have to go back to the two engines of our economy, if you believe in two engines of the economy. If you look at Pierre Berton's book, Mr. Speaker, a very good book about why Canada is different from the United States, there is a beautiful chapter in there about why, from the 1930s on through the '50s, through the '60s, through the '70s and through the '80s, that Canada has developed differently than the United States. We have developed differently primarily because we have believed that there are two engines in our economy. We have believed that there is the private sector engine—yes, in a North American or world competitive environment there is indeed a private sector economy—and at the same time there is a public sector role and a public sector economy.

That is why we have been different. We have developed public sector agricultural programs in this country, now under great attack from the Americanization of our trade. We have developed public transportation policies that have met our country with very, very vast distances—have been able to meet the needs of a very, very small—in relative terms—population.

Whether it was Conservatives or Liberals or New Democrats over the years, quite frankly, we have built up a public sector infrastructure. We have nationalized the telephone systems, because private companies would not come to the farms. Wacky Bennett built a B.C. ferry system, because he believed that transportation was important in his province.

We built up public corporations like Hydro in this province. We built up public corporations like the

CBC for our communications needs so that we would have a cultural identity in this country, a cultural identity that was not going to be swamped—it was even predicted in the 1930s, so we would not be swamped by Americanized TV; so that we would have a Canadian culture.

We had other public enterprises, Mr. Speaker, that we have proceeded with over the years. We have proceeded with refinements on those public enterprises, whether it was—dare I say it—Manitoba Data Services started by Duff Roblin, many of the agricultural credit organizations started by the Conservatives, community colleges -(interjection)- well, you know, that is the old Conservatives not the New Right Conservatives. We have a different breed of Conservatives.

Now I know why Duff Roblin was making his phone calls out of the NDP caucus room the other day, because he could not identify with the group opposite. I can understand that. Sorry, Duff, I take that back. He was phoning from our room, but I am sure that is not the reason.

Mr. Speaker, we built up a different economy. We built up two engines in our economy. That is why we had a finer quality of life from coast to coast to coast: medicare, post-secondary education -(interjection)- well, the member opposite says, can you afford it? How can you afford to lose \$84 million of private sector investment? How can you afford that? That is the good question. -(interjection)-

Well, Mr. Speaker, we will get to that in a minute. If you continue to believe that, that is indeed a different problem, because I think the members opposite are the ones who do not understand the problem we are in. They have had the same philosophy as the federal Conservative government: they will withdraw from the public sector; they will move away from the private sector; they will sell off Data Services; they will remove the kind of investment in our public infrastructure system. The assertion on that basis, like Michael Wilson, like Brian Mulroney, was that we will cut back in the public service and that the private sector will grow, it will flourish, and we will live happily ever after in our province.

Well, Mr. Speaker, the chickens indeed are coming home to roost because in this budget, at one of the most crucial periods of time in our history, we have some bottom line numbers. We know now the corporate income tax, which rose from \$54

million in '82 and '83 when they left office, went up to \$201 million when we left office. This is not the payroll tax, health and post-secondary tax that you have changed and lowered. This is the corporate income tax. This is one of the indicators of how well the private sector is doing, how healthy is part of our economy, and the corporate income tax peaked under the NDP at \$201 million.

An Honourable Member: Those were the good years, were they not?

*(1440)

Mr. Doer: They certainly were, Mr. Speaker. -(interjection)- Well, I think these members are spending a little too much time in this building sitting in their own bathwater reading their own briefing books with all the things they have been told to say coming out of the polls, instead of really listening to what is going on in this province, because they are starting to fool themselves, quite frankly, with their own rhetoric.

Well, let us look at the bottom line numbers; let us not talk rhetoric, let us look at bottom line numbers. It went down the next year, the first year they were in office, to \$152 million. It went up again in 1990-91 to \$173 million, and now it went down some 47 percent. It declined by \$84 million since last year in this Minister of Finance's (Mr. Manness) own budget. That is a 47-percent decline in our economy.

Now who is to blame for this? Who is responsible? Does nobody take any responsibility for what is really going on in this province? Well, Mr. Speaker, I will take responsibility for our increases. We will take responsibility, because we understand that when the public sector is working together with the private sector, it goes up. The same revenue went up from \$54 million to \$110 million from '82 to '83. That is private sector investment. That is not the short-term jobs that you people put in all your press releases, and you are starting to believe yourselves, I believe. That is private investment up \$50 million in tax revenue, not up \$50 million, much, much more than that in revenue. It then went up to \$125 million, and then it went up again, then it went down in '86 and '87, and then it went up again in '86-87-88, and it went up again in '88 and '89, and it has gone down since the Tories have taken office.

Now how do you square that? We are not talking post-secondary tax, where you people eliminated \$40 million to \$50 million a year, and you could

argue those were the revenues based on tax decreases.

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

This is an indicator of our economy. Now the Conference Board of Canada has said that this government, this province, this Conservative regime, is going to bring us out of the recession last. Does that mean anything to you people? Do you care? Do you care about that? We have never been last in our history in terms of economic performance and getting out of a recession. In fact—

An Honourable Member: What about Lyon?

Mr. Doer: Well, even Sterling was not last. I have to say that.

An Honourable Member: Ninth.

Mr. Doer: He was ninth. Well, he was not the tenth. Then we had the numbers that showed that private sector investment per capita would be lower than 1987. Now the member for Osborne (Mr. Alcock) said today—and I did not agree with him supporting Clayton Manness on Monday—that there is a lot of dishonesty in this budget. Well, you know, there is some truth to that.

How much time did we spend yesterday talking about the decline in private sector investment? If we could spend two or three pages bashing the federal government that decreased revenue to this province, why do we not honestly put on the table that we have a real problem here? We have a real serious problem. Our private sector investment is No. 10 in Canada, reinforcing what the Conference Board said that we will be last out of the recession.

One of the things about budgets is there is going to be lots of rhetoric in this Chamber. There will be lots of rhetoric in this Chamber. -(interjection)- Yes, and there will be some rhetoric from the Leader of the Opposition. I will try to keep it to a minimum, because I think it is a serious situation.

Mr. Acting Speaker, the revenue numbers in those books, I challenge every Conservative member of this Chamber to look through those revenue numbers, because it gives you an amazing story of what—it is a mirror on the economy. When we get to the spending side, we can start talking about priorities, and I will get to that.

When you look at the revenue side—I always look at the revenue side when I get a quarterly statement.

I always look at the revenue side first. -(interjection)- I look at the tax side there and the revenue side, and it has gone up and up and up as most Manitobans have -(interjection)- that is right, as I think most people found January 1 last year. But everybody looks at their deductions. I think that is human nature.

The revenue side is where the real story is in this budget. Mr. Acting Speaker, you spent a lot of time, and I do not know whether they went over this in your own caucus. I really do not know, because if they went over this stuff in your own caucus, I would be really worried if I was a Conservative member. I could not explain to my constituents. I know you can get your spin out in the media in a budget and you get your charts out and this and that and everything else. I know that, and every government does that, so let us not pretend that every government has not done that, whether it is Conservatives, Liberals or NDP. You try to get your own message out, et cetera. That is reality.

That mirror of our economy is something that I do not know whether you people have spent any time on in your caucus, because if you have not in your cabinet room and in your caucus room, you are whistling past the graveyard, my friends. It is our collective graveyard. There has never been a decline in corporate revenue. I do not know how much of that is year over year, because we only had the estimate over estimate. The Minister of Finance (Mr. Manness) did not spend any time in the budget explaining that, and I guess he did not want to. He did not spend one paragraph on that; he did not spend one sentence on it. He did not tell us how much is this year in terms of the Estimates being inaccurate, or not inaccurate, the projections being wrong, and how much is in the next '91-92 year.

You know, if you really believe what the Minister of Finance (Mr. Manness) said yesterday in this Chamber, that help is around the corner and the economy is going to grow, look at the other number. Personal income tax went up in revenue 7 percent. This may sound strange coming from the New Democrats. Private sector investment went down 47 percent in tax revenue.

Not one sentence in the budget. I am glad the Premier (Mr. Filmon) is now admitting that, but Mr. Acting Speaker—

An Honourable Member: Businesses do not pay taxes when they are losing money.

Mr. Doer: That is exactly right, Mr. Acting Speaker. You have been walking around telling everybody in this province and probably your own caucus that you are doing a wonderful job, happy days are here again.

Mr. Acting Speaker, you are not telling your caucus that you have the worst performance in Canada, so when you come—

An Honourable Member: Not true.

Mr. Doer: No, you are the worst in the country, 10 out of 10, No. 10, and I know that the government then hid that from the budget and the people of Manitoba. Then the opposition has to take all these complicated numbers and try to ferret that out at about 325 in time to get a little bit of the truth, or our opinion of the truth, in the public agenda.

Well, Mr. Acting Speaker, as I said before, we all try to get our message out. Now, let us be honest about that, but I do not care what your message is. No one in this Chamber can be proud of the 47 percent decline in private investment, and nobody could tell us that the three year, the private investment revenue—

An Honourable Member: No, it is corporate tax revenue.

Mr. Doer: That is right. Its 47 percent decline.

Well, the Premier keeps condemning Howard Pawley. Why does the Premier not read out Howard Pawley's increases in those same revenues in the private sector? The Premier comes in here and says, the NDP was in favour of make-work programs. Well, I suggest to you, Mr. Acting Speaker, that the private sector was growing and growing very strong every year the NDP was in power, and it is falling apart like a house of cards under this government.

Well, Mr. Acting Speaker, a lot of people are hearing these echoes of Michael Wilson and Brian Mulroney in this Chamber. Oh, wait, wait, wait our cuts will help things grow. Our cuts will reduce the deficit. Well, let us look at the deficit. According to the Auditor, the '88-89 deficit was, in fact, let us look at the independent source, a \$55-million surplus before it was put in the Fiscal Stabilization Fund.

An Honourable Member: Which you supported.

* (1450)

Mr. Doer: I support a Fiscal Stabilization Fund. I do not support misrepresenting what the operating deficit is.

Secondly, Mr. Acting Speaker, the government likes to talk about the previous government. Well, when Sterling Lyon left office, the deficit was \$280 million. Yes, the NDP increased the deficit, the public record is clear, to \$580 million, a \$300 million swing. Then it came down from \$580 to \$300 and from \$300 to a \$55-million surplus. That is what happens when the private sector and public sector start picking up. A couple of years later you start getting that revenue back. Then the government came in—a \$55-million surplus.

Now yesterday, and I will not even talk about the lottery money, this government had a deficit that they reported to be, what, 320, 330—

An Honourable Member: Three hundred and twenty-four.

Mr. Doer: Mr. Acting Speaker, 324--\$120 million out of the Fiscal Stabilization Fund, which makes a \$450 million deficit, notwithstanding the fact that that is based on a 7.8 percent unemployment rate, which you are not close to achieving right now in this province. So even those assumptions are under question. We will talk about that in a minute.

Mr. Acting Speaker, the bottom line is this Premier (Mr. Filmon) does owe the former Premier a bit of an apology. He increased it \$300 million, decreased it to a \$55 million surplus, according to the Auditor. This Premier has gone up a \$500 million swing—\$55 million surplus, \$450 million deficit.

Members opposite know that. They know that sitting around the cabinet table. They probably say to themselves privately: Oh, my God, we have swung around \$500 million. This is worse than those terrible NDPers across the way. What are we going to do? What we will do is delay it. We will just put it off another year.

Even the business community who are normally praising this government, their soul mates declined their revenue, declined \$84 million. Even their soul mates said that the deficit was not being accurately represented. It was really in the \$460 million range, which tells us that we have had a \$500 million swing in 24 months.

In other words—let us put it in terms that the public understands—you were getting \$4 million a month

more when you walked into the Premier's office than you were spending, all the debt costs included. Now you are spending quite a bit more per month than you are bringing in. You see, the problem with that is the Fiscal Stabilization Fund is useful in the short term, but the problem is you are spending \$450 million more than you are bringing in.

I would ask the Premier to be a little careful in his words when he tries to blame everybody but himself, because no one has inherited a surplus and turned it around that quickly in the province of Manitoba.

An Honourable Member: Grant Devine did.

Mr. Doer: Well, in this province. I am talking about this province. Grant Devine did it in Saskatchewan, and he will get his day of reckoning very shortly.

Mr. Acting Speaker, now we go back. We talked about the two engines in our economy, because we believe in two engines and that is where we are different. We believe in the public engine and a private engine. We believe that has been good for Canada, and we believe it has been very good for Manitoba. That is where we are different.

The Tories opposite say: There is a single engine in the economy, it is the private sector, and we will just shut down the public sector and that private sector engine will take this plane and will charge off into the sunset.

The private sector engine is stalling so bad, it is almost off. Then you shut off the public sector engine in our economy, thousands of jobs, thousands of people being laid off, thousands of programs being cut, and notwithstanding the fact that we believe over time you are not going to save any money because you are just moving a lot of that over to your private sector buddies, you are going to find that you cannot close down the private sector engine too. When both engines start to sputter and one engine stalls, the plane is close to crashing. Under the pilotship of this government and the Conservative Premier, that is exactly what is happening here.

Mr. Acting Speaker, we did have some choices. There are 54,000 people unemployed. That is a lot of people, that is a lot of families. There are going to be a lot more after this Conservative budget. Can you imagine how many families went home last night and had to say to their spouses and their kids, I am fired? I have been there 20 years, 30 years, I

am fired. -(interjection)- Still had a job, you were demoted, they are fired and it is serious.

Every one of those people will put off all their purchases. Every one of those people will evaluate whether they can stay in the province. Every one of those people will affect other people where they have purchased their goods: stores in Dauphin, stores in Churchill, stores in Flin Flon, stores in the inner city. You will find the private sector investment goes down again. You will find that it just works hand in hand.

It is a really funny thing, but you know, the economy really is an intertwined exercise and challenge. When you shut one thing down, the other thing falls with it. You know, we have argued this with members opposite for three years. I do not want to say I told you so, because we are saying I told you so with the 47 percent decline not stated in the budget or the press conferences or anything else—I do not know whether it was stated to the caucus—a 47 percent decline in corporate revenue.

Mr. Acting Speaker, we have a lot of people who are now losing their jobs. Where are they losing their jobs? A thousand public employees, well, sure, people will go to some private institutions.

Are you saving any money in community colleges? That is one of the biggest hits. You are not saving any money in community colleges, the government opposite knows that. They did not even argue that in Question Period today. You are not saving a nickel in community colleges. You are going to cut \$3.9 million out of the community colleges that you rightly said that the Tories established. I give Duff Roblin credit for that. It was a great idea and it was something that Schreyer and Pawley kept on, even Sterling Lyon I do not think -(interjection)- well, I think Sid Spivak, who was head of the task force, understood a bit about that. I know that Sid Spivak saved the New Careers Program temporarily—temporarily.

You are not saving any money on community colleges. You are going to cut \$3.9 million out of community colleges and you are going to put that into so-called corporate training grants. I have asked this question maybe 20 times in the Chamber, and you are sick of me asking this question. I am going to continue to ask it because you know what—you cannot justify it. You cannot justify taking \$7 million out of community colleges, which according to all independent reports has a 91

percent success rate in training people and educating people, and justify those corporate grants of \$7 million. You cannot do it. You are not saving any money, do not even argue that way. You are not saving a nickel.

Mr. Acting Speaker, I mentioned Success because that is one of the programs that was cut the most. The Premier (Mr. Filmon) does not have any ownership in that operation any more. It is a philosophical issue with us. It is not a comment on his personal situation because he divested it. It is a philosophical issue and that is fair ball in this Chamber because secretarial science is one of the hardest hit programs in this province. They are not saving a cent. They are moving the money that we cannot afford over to a program that is so badly planned, and so badly thought out, and so badly implemented, that they were going to put it in this year. The Minister of Finance (Mr. Manness) could not figure out what criteria to put in place. The documents are going back and forth in Treasury Board and all across the government, what criteria are we going to use to give away this \$7 million? They cannot even come up with criteria so they delayed it.

* (1500)

(Mr. Speaker in the Chair)

They are so busy giving the \$7 million away to their friends they cannot even figure out a criteria six months after the last budget, and you know that. You know it has been to cabinet, you know it has been to Finance, you know it has been to Treasury Board, you know that, we know that.

You are so busy giving that money away, you have a wheelbarrow full of \$7 million that you want to give away to your friends and you cannot even figure out the criteria why you are cutting the community colleges.

Mr. Speaker, the fact of the matter is that we needed a growth budget, a growth economy, not a recession economy and a recession government. The government likes to talk about education. Well, needless to say, we have had announcements after announcements dealing with education in this province and there are a few things that actually get out of this building into the coffee shops, into the plants, into the farms, into the workplaces, into the living rooms, into the rumpus rooms of Manitobans out of this building.

There is the odd thing that finally gets out of this building—and I know it may surprise members to find that not every word that we utter is in the consciousness of all Manitobans on a daily basis—but there is the odd thing that gets out there and certainly the economy, if you talk to anybody, it is out there. People know we are in a recession, people know we are going through a depression, and certainly the numbers shown yesterday show us a depression budget.

The other thing that is really out there in the public consciousness is this government's lines on the education system and its reality. Mr. Speaker, we saw with the community colleges just another illustration—remember we raised this in the House two weeks ago—the government said: Oh, you are fearmongering, you know, the MGEA and the opposition, everybody else is fearmongering. The government was right, we were wrong. We said it would be 100 positions, I said it would be 100 positions. It was 125, I apologize. I should have fearmongered a bit more.

An Honourable Member: They denied it.

Mr. Doer: They denied it, said we were fearmongering, rumour mongering, that we had a responsibility. The Premier: Oh, you have a responsibility to come to this Chamber with accurate information. We come with accurate information. He denies it and then does it, and then does more of it, and then he does even more of it.

Mr. Speaker, people now know what is going on in Education. They knew in January with the announcements of the provincial government. They know that the school taxes, as the member for Kildonan (Mr. Chomiak) has called them, the GFT, the Gary Filmon tax, is very much in the public consciousness out there. They know the government is giving them zero, 1 percent, if they are lucky, 2 percent. They know who is closing their schools, and they know who is closing their schools, and they know who is raising their taxes. They know that the rhetoric about the federal government offloading onto the provincial government is absolute balderdash in terms of what is happening with their own government and the education system.

Mr. Speaker, the university students who were out in front of here know what this government believes in terms of investing in our future. So you have the elementary and public school system, and then you

have the universities, and now you have the community colleges. Then let us look at the education programs that are most vulnerable—ACCESS programs, oh, sure, you bungled the federal negotiations again.

We asked you to get involved with it in 1988. We said you should negotiate a new agreement before the federal election in 1988. The Premier said, do not worry about our negotiations with the federal government. I just have to pick up the phone with the Prime Minister and everything will be okay. I do not need lectures from New Democrats about when to negotiate the federal-provincial agreements.

We said, will you please get the ACCESS and ERDA agreements in place? Will you please get BUNTEP preserved? We do not really trust you, but you know, if you are saying you have everything in place, okay. We do not really trust you to negotiate these agreements, because first of all we know you do not believe in them and, secondly, you have not negotiated anything with the federal government. Well, they lectured us then, rumour mongering, cutbacks, you know, they are untrue. We will do even better.

Now, today, we see the sad truth. Education programs for northern people, education programs for ACCESS and inner city people, the education programs in terms of northern job corps cut, cut, cut by this provincial government. Mr. Speaker, that is why people outside of this building—the public of Manitoba—whether they are Conservative, Liberal or New Democrat, now understand that this provincial government is not a government that has any belief that you invest in people in our education system, and they in turn have opportunities, and they in turn make Manitoba a better place to live.

Mr. Speaker, the government again likes to talk about their taxes. That is fair enough. That is a fair enough issue in any budget. I want to address myself to one tax, besides all the taxes that have been filtered down in the education system, the GFTs that we have talked about, and all the taxes that have been increased to municipalities because they funded municipalities at a 13 percent cut, and all the tax increases in municipalities for other infrastructure programs, and the continued tax increases in municipalities as they offload even the most basic services like highway maintenance to the municipalities. Have you ever got a fire storm coming back on you on that one.

What about the gasoline tax? You know, I do not like gasoline taxes. Now there are some people who do, but there are other people who do not. You really have to look at the gasoline tax, one and a half cent litre this budget, one cent per litre last budget, 7 cents a litre from Michael Wilson.

I thought Tories came from western Canada. I thought Tories represented rural Canada. I thought Tories had some sense that there is no public transportation system outside of the city of Winnipeg really, some in Brandon, and outside of the city of Winnipeg it takes a lot of money to travel from Portage to Neepawa, or from Carman to Dauphin, or from Beausejour to the Interlake region, maybe it is the Interlake region to Beausejour now the way they have changed the agricultural office. It costs a lot of money. Now I cannot understand the two peas of the Tory pod continuing to devastate rural and western Canada on gas taxes. I would have loved to have been a fly on the wall to hear that debate in the cabinet. I do not know whether the Minister of Finance (Mr. Manness) takes those debates to caucus, but I would have liked to have heard those.

Because we have now, every time you fill up your tank full of gas, you are paying close to 10 cents a Tory litre of gas, under Wilson, the Minister of Finance's buddy and idol and mentor. How do they justify that out there? Are they hoping that people do not notice it is the Tories that have raised the taxes 10 cents a litre outside of the City of Winnipeg? Do you think we are not going to mention it? I think that is a real devastation on our rural and northern residents, Mr. Speaker, and ironically we have been calling on this government to lower gasoline taxes, but in fact they are part of the same problem. They are right there with the corporate gas community, Brian Mulroney, and the same group that are raising gas taxes day after day after day in the province, 10 cents per Tory litre of gas has been raised by this government.

I am not going to talk about the tobacco tax, and I applaud the position of taxing beer cans by an extra 5 cents. I want to be positive about that measure, I asked two years ago in Question Period to keep the nonrecyclable American beer cans on a fair basis for Manitoba and Canadian beer industry. I asked the government to in fact put on not only a recycling deposit, but I also asked this government to ban any beer cans that could not be recycled in this province. Not only would it be good for our jobs,

but it would also be good for our environment because, Mr. Speaker, bottles are recycled in the beer industry—and this is something I know a little bit about—by about 95 percent. Cans are recycled by about 54 percent, and part of the reason for that is that American beer cans and beer cans from out of province, without any recycling capacity, are not recyclable at all. They are put in the garbage can, the landfills, et cetera, et cetera.

So, Mr. Speaker, that is one of the problems with this budget—I applaud that part of the budget and I want to say another positive part about this budget. I also want to say that on first blush, I support the idea of the credits in the payments for welfare recipients. I have not talked it over with our former minister, the member for Brandon East (Mr. Leonard Evans), but it seems to me that is a good idea and I want to say to the Minister of Finance we applaud it.

Mr. Speaker, the whole issue of the GST harmonization is a curious one.

An Honourable Member: What do you think?

Mr. Doer: Well, Mr. Speaker, I think there is a little bit of a fight between the Minister of Finance and the Premier. I think there is a disagreement between the Minister of Finance, because I was in the debate with the Premier when he said: We do not tax children's clothing. We do not tax books. We do not tax that. We do not tax this. We are not going to harmonize. I took him at face value. I was sitting there across from him in I think it was the CJOB studio, and I think the Leader of the Liberal Party was there and we were there, and we believed him.

Then along comes Clayton, the Minister of Finance, and the Conservative, the member for Morris, long, tall Minister of Finance. -(interjection)- Well, I know his cousin, but that is irrelevant to the debate. Oh, he is worried about that.

An Honourable Member: I have cousins everywhere.

Mr. Doer: The one that wants to join our party now, but I do not want him to get in any trouble. You know which one I am talking about? I do not want to embarrass you in front of your colleagues.

Mr. Speaker, we have a commitment from the Premier. This skating in the budget that says, oh, we are going to look at how good this is going to be for the people of Manitoba. Oh, we really believe this is going to help us. Oh, this is going to help our

competitive position with the Province of Quebec, who by the way has the highest corporate taxes in Canada.

* (1510)

I know the Minister of Finance likes to say that we have the highest taxes in Canada. You know, he better stop whistling the wrong tune. He is hurting our investment situation in this province. -(interjection)-

Well, if the members from the Liberal Party want to take responsibility and ownership for Robert Bourassa, be my guest, because we welcome that debate even more than the member for Tuxedo welcomes the debate on Clyde Wells from Newfoundland.

I can see the Leader of the Liberal Party has a couple more members in the woodshed today, because I have heard her talk about the Premier of Quebec—

An Honourable Member: We heard you talk about Bob.

Mr. Doer: I like Bob Rae. Do not get me wrong. I think Bob Rae is doing a great job.

An Honourable Member: You like his policies too, I bet.

Mr. Doer: I like the fact that he gave 8 percent to education. I like the fact that he gave 7.8 percent for the universities. I like the fact that he is raising the spending of the province in the long-term solution to get people working again. I like the fact that private sector investment is going to grow in Ontario as opposed to decline in Manitoba. I like the fact that our per capita investment is going to be much lower in Manitoba than New Democratic Ontario. I like the fact that they are freezing nuclear energy development in Ontario. If you want to debate the province of Ontario, my friends, I will debate it and we will debate it with pride any time.

Mr. Speaker, we therefore will watch and see who wins in the Tory caucus and the Tory cabinet. Will it be the Premier and his promise or will it be the Minister of Finance and his great following in the right-wing ideology of the Tory ranks? Which one of the two titans of this debate will win? Which one of the two Tory sumo wrestlers will come out ahead, Mr. Speaker. We will watch the Conservatives prod this issue and twist with this issue and poke this issue and consult with this issue.

I would have ended the debate yesterday. I would have said no to the harmonization of the GST, no to this argument of his, and we will watch them—(interjection)—That may be one thing we disagree with him on.

While we are on taxes, Mr. Speaker, let us deal with something that is happening in this province which I think is working against investment. I believe that when a government continues for their own political purposes to try to spin and twist the facts, that after a period of time their own rhetoric and their own negative comments are now working against the quality of life for the people of Manitoba. They are so wrapped up into petty politics they have forgotten the fact that they have been government for four budgets.

They are now, I think, going so far that they are discouraging Manitobans from staying, and they are working contrary to not only their own self-interest, quite frankly, and the interests of all Manitobans. We just saw witness of that the other day. The Tories came out with a little pamphlet talking about how terrible it is—they say the NDP raised sales tax 2 percent. It did not say the Tories raised it 5 percent—talked about all kinds of things, how terrible things were in this province, how bad it is in this province—(interjection)—Sid Spivak said that the NDP brought in a good budget in '73. You should send that Hansard over to Reg. We have some numbers that may be of interest to the members opposite and, you know, maybe now—

An Honourable Member: Are they accurate?

Mr. Doer: Yes, they come out of the Saskatchewan Conservative budget. What they did is take a look at not only taxes, which is a legitimate issue to take a look at, but it took a look at benefits and cost of living in a province. That is why I thought it was so curious to look at the Conservative pamphlet that is going out lately because that is sort of their negative mind set.

Mr. Speaker, when you look at the Conservative pamphlet, they do not include medicare premiums in Manitoba would lower our taxes below British Columbia. They do not include the fact that the latest Alberta budget included a massive increase in health care premiums for families. They get us very close to the taxation level. They do not include the fact that we are lower than almost every province in Canada, second lowest, for a family at \$40,000 total income in terms of the real issues of provincial

income taxes, property tax credits, health premiums, retail sales and gasoline taxes. Why do they not include that? Why do we not start getting positive? They do not include the fact that a single parent at \$25,000—you know what they pay in Manitoba compared to other provinces? They are the lowest in Canada. That is before the gasoline taxes went up.

Then they go on to deficits and debt costs, and that is a legitimate issue to debate, notwithstanding the fact that their deficit has gone up more in three years in an operating basis than any other time in the history of the province including the so-called dire NDP years. —(interjection)— Well, I know the Minister of Finance (Mr. Manness) acknowledges that. It has been a \$500-million swing; it is worse than Howard Pawley's \$300-million swing, and he knows that. I am glad he is acknowledging that in the Chamber because 10 minutes ago the Premier (Mr. Filmon) denied it, but I am glad he has acknowledged it.

Mr. Speaker, the Toronto Dominion Bank has numbers to show that Manitoba's per capita debt is fourth best in Canada. He knows that. The other institutions have numbers showing us in about the middle. Now that does not mean to say we should not be concerned about the debt. I was part of a cabinet that politically took the deficit and wrestled it from 580 down to a \$55 million surplus—not only blew our political brains out, but had to watch the Tories take credit for it for the next three years. It is not an easy thing to do. I agree with the member opposite. These are tough decisions.

Mr. Speaker, I think we should also deal with our deficit in a very, very balanced way, something we do not see from the members opposite. We could go on. We have cuts in Highways; we have cuts in the North; we have cuts in Agriculture; we have cuts in Natural Resources. We are getting cuts in families.

What is the biggest priority for families—again, a Tory priority? Is it jobs? No. Is it Child and Family Services to prevent people from coming into care? No. Is it foster parents? No. Is it our seniors at 55-Plus that they have frozen? No.

* (1520)

The greatest increase in the budget—do the members opposite know this?—is for welfare payments, \$30 million going in extra welfare payments. I ask the member for Rossmere (Mr.

Neufeld): Is this his philosophy, welfare not work? Is this the member's philosophy in terms of this Chamber? Do you know what is going on? You are driving people out of work, and you are putting them into welfare. That is where you are spending the money.

You got \$20 million to fire people to save \$30 million a year, and then you got \$30 million more for welfare: \$50 million for pain, for indignity, for lack of purchasing power, for greater unemployment, for greater loss of private sector investment. That is your priorities for families. When you stand up and say, oh, we care about families—we already saw how they do not care about education—then we see what your priorities are. It is welfare.

It is welfare. -(interjection)- Yes, the numbers say it. I know you do not like it. -(interjection)- Look, what is it? It is a \$29 million increase, \$29 million, Mr. Speaker. So that is their family priority. They are going to offload the roads onto provincial families. I said before, this will be a municipal firestorm into this Legislature. This Deputy Premier (Mr. Downey) cannot deliver a thing, except rhetoric in this House and rhetoric, obviously, in his cabinet.

Mr. Speaker, we are going to see reduced water management. We are going to see increased costs in RCMP. We are going to see continued offloading of our health care system with the user fees. We are going to see offloading of our children's dental program. We are going to see a continued cutback in the services in agriculture and continued privatization of agriculture.

Mr. Speaker, we see, as the member for The Pas (Mr. Lathlin) pointed out, continued erosion in the programs and services for Native people. When we asked these people last year on Native communication before the election, they sounded like they were interested in doing something about it. After the election they are going to cut. They are going to cut the BUNTEP programs, ACCESS programs. They are going to cut ESL, English as a Second Language, at Red River.

We see cutbacks in terms of uptake in CRISP, cutbacks for seniors of 55-Plus; health care, I have already mentioned. The children's dental program, I remember fighting Sterling Lyon to keep the children's dental program. You do not want to attack it. You are a little more sneaky than Sterling was in some of these programs. You do not go at it right away. Sterling would just say, I am going to

cut it. Then we would have to fight him, and then we would either get it changed or we would not. Well, the children's dental program, we got it changed.

I mean, we would deal with him. He would sit, look you straight in the eye and say, I am going to cut it because I do not believe it works. We would say, we disagree with that, and then you would have a big fight. Then the school boards would come in, the nurses came in and they persuaded the government that they were wrong, so Sterling said, I was wrong; I am going to change my mind.

These people, they just do not do it that way. They just tinker. They have changed the uptake for the children's dental program again—something that will affect rural Manitoba. Did you tell the member for Gimli (Mr. Helwer) that is what is going to happen in his constituency? Did you tell the members from outside of the Perimeter Highway about the children's dental program, the best preventative program of children's dental services in the country?

An Honourable Member: He wants Sterling back.

Mr. Doer: No, we do not, but at least you could fight him straight up.

Again, I have mentioned agriculture, and we will see tomorrow how the agricultural community feels about federal Tories and provincial Tories. Mr. Speaker, on and on we go. Aboriginal people, health care, the North, rural Manitoba, education—all being hit by this Conservative government, and we believe that we cannot afford to have a depression economy with a depression government.

We believe, with the greatest of regret, that the couple of positive things in this budget, a stay of execution on the GST and the idea of the welfare payments subject to our study having the credits incorporated earlier—those two good ideas are offset by a total economic disaster in this province as manifested by the high number of people unemployed.

With regret, Mr. Speaker, I move, seconded by the member for Brandon East (Mr. Leonard Evans),

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

THEREFORE regrets:

THAT in presenting its budget the government has completely failed to develop an economic

strategy that will counter the severe recession facing the Manitoba economy; and

THAT this government has cut thousands of jobs from the Manitoba economy, and has cut job creation programs when the unemployment—

An Honourable Member: Thousands.

Mr. Doer: Well, you wait and see.

—the actual unemployment rate has increased to over 10 percent under this government; and

THAT Manitoba has dropped to tenth out of 10 in private investment and seen a 47 percent cut in corporate income taxes because of the failure of this government; and

THAT this government has ignored the future of this province by instituting major cutbacks to education, training and job creation programs for our young people; and

THAT this government has severely cut programs for people throughout Manitoba; and

THAT this government has further jeopardized the extremely difficult situation in the rural economy by failing to develop a rural economic strategy and deal fairly with the crisis facing Manitoba farmers; and

THAT this government has cut programs to northern and aboriginal Manitobans, including job creation and education programs; and

THAT this government has failed to deal with the real needs of Manitoba's health care system and introduced user fees for Northerners; and

THAT this government has not provided adequate support for services to Manitoba families; and

THAT this government has reduced services to Manitoba women, and further;

THAT this government has targeted seniors for reduced support and services; and

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

Motion presented.

* (1530)

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, I am pleased to rise today to let the government know of my grave disappointment with the budget presented to this House yesterday.

I submit to you, Mr. Speaker, that the budget presented yesterday by the Minister of Finance (Mr. Manness) was truly a remarkable document. It is remarkable that in just a few months we go from a Premier (Mr. Filmon) paddling his canoe down a river in the context of an election campaign telling Manitobans how wonderful the world is to this budget which paints the true picture of a dismal economic reality that we as Manitobans find ourselves in.

It is truly sad how the people of Manitoba were schmoozed by the Premier and his crew last August and September like lambs heading for the slaughter. There he was on the basketball court, in the canoe, outside the helmstead in a polo shirt talking about family values.

An Honourable Member: What family values?

Mrs. Carstairs: Well, Mr. Speaker, it made you warm all over, it was what my students used to call a warm fuzzy. What a sham, what bogus images! It is exactly that kind of double talk and dishonesty that makes for a cynical public.

During the campaign the Premier did not acknowledge the economic reality facing Manitobans, he did not tell us that he would be fighting the recession on the backs of government employees, the elderly, students, and especially those who live in rural Manitoba. He could have; he could have been up-front with the people, he could have told seniors that they were going to freeze their Plus-55 income supplements, but you know I do not recall hearing that as part of their seniors' policy in August and September. I do not recall him telling seniors when he shook their hands under the glare of television lights that they were going to have their supplement deindexed. I do not recall him telling our community colleges that he was going to reduce their budgets by \$7.5 million and that he was going to terminate 176 jobs in Education and Training. When he made all those trips to Dauphin, trips that were not very useful, but all those trips to Dauphin in the campaign, Mr. Speaker, I do not recall him telling farmers that he was going to slash agricultural spending.

I submit that the Premier hid his plans from the people of the province of Manitoba last summer, but in this budget we do see a promise fulfilled, a promise to implement phase 2 of the Tory agenda, you know, the one that they wrote to their Tory contributors about, last year. Phase 2, as we

learned yesterday, is to dismantle government departments and throw civil servants out of work; Phase 2 is to offload onto municipalities; Phase 2 is to mount support for Education and then cut it back; Phase 2 is to avoid opportunities to spur economic growth and allow the economy to spiral down, taking with it business after business, job after job.

The budget, Mr. Speaker, is testimony, sadly, to this government's complete failure to manage our economy. While the Premier waxes about the national recession, the figures show Manitoba is worse off than other provinces in many categories, especially job losses. When will this government own up to its responsibility to deal with the economic problems we face? How, in the face of frightening statistics and staggering personal costs, can this minister continue to stick his head in the sand?

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

In his budget the Minister of Finance (Mr. Manness) states that his goal is long-term economic renewal. Well, it is fine to have goals, Mr. Acting Speaker, and this goal is fundamental to the future of this province. We would all agree that it should be the goal of this government, but I submit, Mr. Acting Speaker, that if this budget is the means to achieving that goal the minister and all Manitobans are going to be sorely disappointed. There is, in this budget, no blueprint for economic renewal. It is a confirmation that this government has not a clue about how to get us out of the present economic hardship.

This minister calls it a courageous budget. Well, indeed, it is. It does take courage to travel down the wrong road and not admit your mistake. It makes me despair for Manitoba when I read the minister's budget speech and then look at the figures he presents in the same document.

Mr. Acting Speaker, there are none so blind as those who will not see. He should have checked the numbers before reading the speech. For instance, he states: "It is important that vital infrastructure, such as transportation and communication networks, well-equipped hospitals, schools and universities, meet the needs of emerging businesses, and support the quality of life we aim to achieve." Yes, these are all vital areas, and so we ask ourselves why every single one of them has been cut, because that is what has happened in this budget.

We on this side are disappointed that the minister did not see fit to initiate measures that would kick-start our economy. The shortfalls in corporate tax revenue indicate just how deeply the recession in Manitoba has hit and just how badly our economy needs a boost. Nothing from this minister, just cutbacks. Mr. Acting Speaker, it is not good enough for the people of this province.

We have all heard, I think, the expression "short-term pain for long-term gain." As I listened yesterday to the Minister of Finance (Mr. Manness) and his colleagues arguing that this is what yesterday's budget entailed, I found myself thinking that what this budget is, is short-term pain for long-term pain. This budget is totally devoid of policies to help us out of this recession or policies to set Manitoba upon the course of recovery and long-term growth.

Cuts to funding for infrastructure in the areas of transportation, communication and education will cripple our economy in the future, as will cuts to programs providing start-up capital to new and high value-added businesses.

Mr. Acting Speaker, this Tory government has not had any discernible policies or strategies to deal with the current economic malaise and fails again to show any in this budget. Their response is to stand passively by as more Manitobans are unemployed, as more Manitobans are forced to leave the province to seek jobs elsewhere, and as businesses and individuals declare bankruptcy in record numbers.

Between last October and past March the unemployment rate in Manitoba jumped from 6.8 percent to an incredible 10 percent and is forecast to increase. Although Canada's unemployment rate has been rising faster than Manitoba's, something that Finance minister likes to take credit for, what he does not admit is that the number of jobs in Manitoba is dropping more sharply than any other place in Canada.

According to the Manitoba Bureau of Statistics, a government agency, we lost a net of 8,836 people from Manitoba in 1990, as they sought better employment opportunities outside of this province. Personal bankruptcies are 65 percent higher now than they were during the depths of the recession in the early 1980s. Last year Manitoba suffered 417 business and 1,890 personal bankruptcies, which are much higher statistics than in the height of the

last recession. Yet we still see no proactive policies to deal with the recession or its effects from this government's budget.

* (1540)

No kick-start programs to stimulate economic activity in sectors where we need it; no job training; no industrial strategy of any kind; no commitment to research and development. In fact, the government is gutting crucial programs to help businesses start up. The Venture Capital program has been cut by 68.4 percent, and the Manitoba Business Development Fund has been cut by 18.2 percent. In this budget, the government has done nothing but take haphazard, cut-and-slash measures to reduce costs any way they can.

That is their answer, Mr. Acting Speaker. They have decided that they can deal with it by a knee-jerk, ill-considered fashion. Well, it is not in the best interests of Manitobans. This Minister of Finance (Mr. Manness) says that the measures in his budget are necessary to help businesses in this province, but this budget proves that this government would rather see businesses fail according to the vagaries of the market and people pushed onto social programs, which they then underfund, rather than helping people stay employed, encouraging businesses to grow in viable sectors.

This government is obsessed with taxes and the deficit. Cut, cut, cut so that taxes can be as low as possible, especially for the Tories biggest corporate friends, and cut so that the deficit may someday be zero. Their argument is that this is what encourages business, but we have already seen in the last three budgets that it is not working.

It is not the big corporations that are creating jobs in our economy, it is small- and medium-sized businesses in growth, high value-added sectors. Businesses in this province need more than just tax breaks for the branch offices of large national or international corporations and the distant promise of a balanced budget. They need leadership, leadership in the form of a fair tax system and co-operative, innovative policies to help Manitoba business expand and thrive, but there was no such initiative in this budget.

Mr. Acting Speaker, in this budget the government does show that its failure is complete, not only in its inability to develop policies to deal effectively with this recession, but in that they failed

to develop policies over the past years which would help to avoid the depth of this recession. Even more importantly, they have failed to institute the kinds of structural changes to the economy that would help us deal with economic hardship.

I am speaking of labour market strategies. We do not have any in this province. I am speaking of skills training, which is inadequate in this province. I am looking at industrial and economic diversification, of which they have cut funding. In terms of diversification, this government continues to be completely wrong-headed. Incentive in this budget for mineral, oil and gas development will cost \$14 million over two years, the Minister of Finance (Mr. Manness) says, but there is no evidence anywhere of a recovery of world metal or oil prices, and if George Bush has anything to do with it, we will never see oil prices to the point where exploration is justified. Meanwhile, funds for investment in high technology growth, areas such as biotechnology, information and aerospace are being cut by this minister or being held to meagre increases.

This budget strapped by the current decline in revenues, clearly reveals that the fiscal chickens hatched from Tory economic neglect have come home to roost. Even more disturbingly, Mr. Acting Speaker, I see nothing in this budget to indicate that the government has learned its lessons and is taking steps to initiate policies to help us out of the current recession or to institute the long-term structural changes which will enable us to weather recessions better in the future.

The real effects of disastrous Tory economic inaction are felt in shutdowns and layoffs like the ones at the Paulin Chambers plant where 290 people lost their livelihood or the Burns closing in Brandon which threw 145 out of work. As of January 1, we have had the Campbell Soup closure in Portage la Prairie forcing out 167 workers and having a serious impact on related industries and revenues in that community.

In addition, just this year we have seen 225 layoffs at Repap. Of course, we were told just two years ago that we were going to see amazing results from the sale of that particular corporation in the terms of new employment opportunities for the people of The Pas. Recently, we have seen the loss of 25 highly skilled high technology jobs at ABI Biotechnology.

We have lost 25 jobs, Mr. Acting Speaker, after the province wrote off a \$6 million debt. The

inaction of the province has clearly taken its toll already. It appears we are going to see Tories in action, again, as outlined in this budget. After two years of modest gains in Manitoba's GDP, economic analysts have put forth dreary forecasts indeed for Manitoba in 1991. The Royal Bank has forecast that economic growth will be a meagre .1 percent. The TD Bank has actually forecast a shrinkage of minus .5 percent.

The government's policies are doing nothing to alleviate those trends or to, in fact, change their direction. Despite a serious recession with zero or negative growth, the blight of accelerating inflation has yet to be checked in Manitoba. It appears that inflation has begun to accelerate alarmingly in our province over the latter part of '90 and into '91, with rates of inflation for the city of Winnipeg increasing from 3.8 in July to 6.8 in January. It would seem that we have a classic case of stagflation in Manitoba at the current time, and one need look no further than the government front benches to find out who is to blame.

Meanwhile, Mr. Acting Speaker, the human costs continue to tally. Already, last November, Winnipeg welfare rolls were swelling to 8,509 people, a 10.8 percent increase over the same month in 1989. While one would expect an increase on the welfare rolls during a recession, this situation has been made much more serious by cutbacks in unemployment insurance by this government's political cousins in Ottawa.

The benefit period for UIC has been reduced, the waiting period prolonged and the overall benefits cut. Federal Finance Minister Michael Wilson also announced in his February 26 budget that \$100 million is to be cut from funding for job training. Unemployment insurance premiums will be increased in July by 22 percent for employees and 24 percent for employers. This effect has been to push more people, especially members of the working poor who are most susceptible to periods of unemployment, onto welfare.

To make matters worse, Mr. Acting Speaker, the welfare programs themselves are woefully inadequate. The average family receiving income security in Manitoba receives about \$16,000 in benefits, while the poverty line is \$26,000.

While the provincial government cannot be blamed for federal policies, they have done nothing to mitigate the effects on the poor, and there is

nothing in this budget to indicate they are planning to offer any help soon.

In their throne speech, they announced the creation of another cabinet committee for federal-provincial economic relations. Typical of the Tory: study, study, study and do nothing to change social and economic policy.

They said they would pursue legal remedies in an attempt to reverse federal decisions to cut transfer payments. Well, over a month has passed. The federal government has since cut funding for status aboriginal people living off reserves, and we have still seen no action by this government. Its meagre initiatives are clearly too little, too late.

The Liberals have been calling for action since 1986 on federal-provincial funding issues, Mr. Acting Speaker, but we have to remind the Finance minister (Mr. Manness) that at that time, his position was that what Michael Wilson was doing was wonderful because he was the most honourable Finance minister to have ever had that portfolio.

Federal policies in other areas are having a hard impact on Manitobans. Cuts to the Canada Assistance Plan and EPF have offloaded onto the provinces more of the financial burden in the areas of welfare, health care and education. The government policies outlined in this minister's budget will do little to mitigate the impact of those hardships.

Liberals have proposed approaches to stimulate the economy, including focusing on long-term strategies for research and development and supporting home-grown business. We have long said that the creation and maintenance of permanent jobs is essential for the financial and emotional well-being of Manitobans.

Investments in Manitoba must be actively promoted.

The animosity created by the NDP between labour and management must be resolved, and the spend-thrift budgetary policies of the NDP must never be allowed to undermine the long-term economic and fiscal future of the province.

While the NDP are prepared to use rhetoric to encourage labour-management animosity to serve their own political interests, that is not in the best interests of the people as it is only through co-operation and joint problem solving that the goals of both labour and management can be met.

* (1550)

While the NDP are willing to promise anything for political gain and throw money at problems no matter what the cost, their sorrowful record, brightened only slightly by comparison to the current government, shows the folly of such policies.

Liberals have proposed joint projects and efforts to further job protection and creation. We have also been calling for a job adjustment strategy. Liberals proposed a council represented by all interested groups, not of this Legislature, outside of this Legislature, to develop such a strategy. If Manitoba is to attract job investors, if it is to provide a climate to lure business, it must have a pool of skilled workers, skilled in the new technologies.

In the throne speech, this government spoke of health and aerospace technology, of telecommunications and information industries as focus areas for development. Well, the budget shows that the government does not understand that that focus requires skills training, as Liberals have been demanding. Rather than investing in training and education for this future, this government is cutting crucial programs, with 95 positions to be eliminated at Red River Community College alone, with 17 programs, such as their biological technological program, being cut. This is no commitment to the economic future of Manitoba. We have proposed the use of existing resources, both in the educational and private sector, to provide relevant training. The cuts in this budget offer no hope that we will see such action.

The Minister of Finance (Mr. Manness) says, and I quote, that they are laying the foundation for economic growth and prosperity. This budget not only leads the province in the opposite direction but undermines that foundation. It not only makes it more difficult to climb out of the current recession, but it will stunt further growth and prosperity. Mr. Acting Speaker, this minister tragically speaks out of both sides of his mouth. On the one side, he criticizes his Tory cousins for offloading their responsibility to the provinces. He speaks of their dereliction of their fiscal responsibilities, but the minister has employed the identical tactic. Funding increases in the Department of Education have been limited to less than 3 percent, with only 2.1 percent for public schools. This action means that

municipal governments will have to make up the shortfall by increasing education tax levies.

This Tory government has done exactly the same thing as its federal counterparts, a turn-around syndrome, but unfortunately, the taxpayer in Manitoba has no one to turn around to. This government has transferred approximately 2,000 kilometres of provincial roads to municipalities, at a cost of \$6 million. To whom will the municipalities turn around to pay these increased costs? Why, to the taxpayer, of course. This government has also offloaded its responsibility for engineering and water management services, which have been provided by public servants filling 24 positions. At an estimate of \$30,000 per position, this is an additional cost to the municipalities if those services are to be maintained. Who will pay these additional costs? Well, the taxpayer will pay these additional costs.

Local government districts will have activities reduced for a government saving of \$640,000. Who will pick up this cost? The taxpayers, Mr. Acting Speaker. We already have seen ample evidence of this syndrome in the City of Winnipeg. City revenues, including the provincial contribution, failed to meet the city expenditures, resulting in the assessment of unprecedented property levels last year.

All of us who live within the city of Winnipeg wait with some trepidation as to what that figure will be this year. The minister has taken great pride in telling Manitobans that they will experience no increase in personal taxes, but we already see how education tax levies and tax increases related to provincial offloading, that turn-around syndrome, are going to hurt the pocketbooks of Manitoba citizens.

They will also pay increased post-secondary tuition fees, plus financing costs for education expenses, where financial assistance is not available.

Drivers will pay 1.5 cents more per litre for gas, while diesel fuel users will pay one cent more per litre.

Parents of children who had previously been covered by the children's dental program will now have to pay dental fees if their children are aged 13 or 14, when many adolescent dental caries are a problem.

Seniors receiving income supplements, such as 55-Plus, will have their meagre buying power reduced as the program has been de-indexed.

Daily personal home fees will increase nearly 10 percent over the next year.

Manitobans from the North will have to pay \$50 for air transport to access needed medical services.

These are the additional costs Manitobans will have to pay, but these are not the only costs, Mr. Acting Speaker. The human costs are very real and very devastating—business bankruptcies, personal bankruptcies and job losses everywhere.

Teachers are losing jobs throughout Manitoba at all levels. These professionals will have to find jobs elsewhere and that is a travesty, because they will have to leave Manitoba to find them.

Plant closures and business failures are putting untold numbers out of work. The slashing of nearly 1,000 jobs from the Civil Service will mean that many of these people will also have to leave Manitoba to make a living. We are losing people who are competently trained, highly skilled and able-bodied workers, and chances are they will never return. For all this, the taxpayers of Manitoba will pay the price.

What is the real toll? Well, Mr. Acting Speaker, the real toll is the loss of hope and fear of the future for all Manitobans, but especially our young people.

Why would the youth of Manitoba stay here? This minister has said he wants to make Manitoba a place that will keep our sons and daughters, yet what does he do? He limits funding to universities to less than 3 percent over last year and slashes funding to post-secondary education by 7 percent, thereby requiring these schools to cut programs and raise tuition fees.

Financial assistance to students has been cut by \$1 million or 8.3 percent. In the face of significant increases and tuition fees, -(interjection)- Mr. Acting Speaker, it really is a tragedy that the people in this House do not understand what is the effect on young people of this budget. If the youth of our province are our future, they do not have a future here.

Education is becoming less and less accessible in today's new job market. A good education is vital to our best and brightest looking here to develop their careers, but we do not have to look very far in this Chamber to know decisions about our own children, the Premier's (Mr. Filmon) children looking

elsewhere, my children looking elsewhere, to find employment. The only reason probably why the Leader of the Opposition's (Mr. Doer) child is not looking elsewhere is because she is not old enough.

This blind Tory government has reduced the CareerStart Program by \$2.8 million. It has eliminated the Northern Youth Corps, and the youth special employment programs have been cut by 50 percent. ACCESS and New Careers programs have been eliminated. What a dismal forecast for the hopes of our young people!

* (1600)

Add to that the fact that businesses are going bankrupt in record numbers. Manufacturing layoffs are commonplace. Teachers are being laid off. Professional public servants, in significant numbers, are to find themselves without jobs. Then ask yourself why young people would think there is promise in a future here in the province of Manitoba.

Where is their opportunity for career development? Well, there is at least one opportunity, one area that seems to have been identified by the Tory government as deserving of public funds, Mr. Acting Speaker, and that is the Faculty of Management at the University of Manitoba. You see, this faculty was singled out to receive an assistance grant 41.6 percent higher than its last year's grant of \$543,000.

You ask, should this faculty be the recipient of this incredible generosity on the part of government, when at the same time Red River Community College, Assiniboine Community College and Keewatin Community College have all experienced drastic cuts in funding?

Mr. Acting Speaker, I have supported, in the past, monies going to this faculty, but I will not support them when they are not being given to children who quite frankly are not accepted into that faculty and as a result deny them the opportunities in community colleges throughout this province.

If the Finance minister (Mr. Manness) is that concerned that our sons and daughters, as he said and I quote, remain in Manitoba to pursue their chosen careers, unquote, that is not evident in the Education budget. Going into this budget, the Finance minister knew that in terms of student participation in post-secondary education, Manitoba ranked an embarrassing 10 out of 10 in the country—dead last.

Mr. Acting Speaker, the 3.3 percent increase to Manitoba's universities means staffing and program cuts. Quality post-secondary education in Manitoba is being sacrificed to the detriment of our young people and the future of the entire province.

Tuition fees, which may have to increase as high as 20 percent, have the full approval of the Premier (Mr. Filmon) of this province, who yells across the House, let the user pay.

Mr. Acting Speaker, in the United States where the user is paying, they are noting that 10 percent fewer students whose parents belong to the middle class are going to post-secondary educational institutions because they cannot afford it. Is that the kind of elitism in education that the Finance minister in Manitoba says is the future in this province?

When the Minister of Education (Mr. Derkach) announced the 3.3 percent increase for university funding, he justified the meagre increase by stating that Manitoba had the richest student aid package anywhere in the country. Well, it is a good thing he said that last week, because it is not there any longer, because they just cut \$1.2 million from student financial aid in the province of Manitoba, while at the same time their administration costs increased by \$70,000.

I obviously misunderstood, Mr. Finance Minister, when you said you were decreasing administration and increasing support to programs. I would ask you to examine the budget of the student aid department. What this government is doing amounts to exporting Manitoba's future. The message this government is sending to our sons and our daughters is: The last student out, please turn off the lights.

Those sons and daughters who have completed their degrees and are looking for jobs are going to have to leave the province if they are wanting to enter the education field. Not only have 176 staff positions been cut in the Department of Education, but funding restraint has meant 95 people at Red River Community College will no longer be teaching. Instructors and support staff at Assiniboine Community College have received layoff notices, and virtually every school division in Manitoba is being forced to cut teaching and support positions to satisfy the shortsighted, tyrannical demands of this government.

This government is not encouraging young people to remain in Manitoba; it is driving them out

with its big fiscal stick. The Finance minister has indiscriminately slashed vital programs and services without considering the carnage his sword will yield.

Let us look at vulnerable students for a moment. Native education has been cut at a time when leadership and support are desperately needed to drop the rate of drop-outs among our Native students. To ensure that they stay in school, we need culturally relevant programming, and yet the minister slashed the program. The minister slashed funding to curriculum development after his government promised that there would be two new initiatives in curriculum development, a drug education program and an environmental education program. He has cut the people who could in fact develop that curriculum.

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

This minister has slashed distance education that will affect our northern and remote students. He has cut funding to inner-city education knowing full well that the students in the inner city require special attention to help them break the poverty cycle. This government made a commitment to protect the vulnerable and instead subjected them to backdoor cuts and broke a sacred trust.

This government has demonstrated its commitment to French language education by cutting five and a half positions at le Bureau de l'éducation française. He did this all without planning, and thousands of children in this province will not receive the quality education they want and they need.

Yes, Madam Deputy Speaker, these are tough times. No one knows that better than the thousands of people looking for work in this province. No one knows that better than our young people.

Did post-secondary career development and adult continuing education receive additional funds to assist these unemployed, upgrade their skills? No. In fact, he cut it by almost \$1.4 million. What of special skills training? Well, he cut that by \$.75 million. The year before he cut it by \$.25 million. What happened to Job Training for Tomorrow? Well, it disappeared, just like the Tory's commitment to the workers of Manitoba.

It disappeared just like the Premier's election promises to establish a training, advisory and

brokerage service to establish cost-shared training programs with business, to develop a province-wide strategy for planning and training initiatives and province-wide courses to enhance labour skills. These were all promises they made in the campaign, and they have all been put by the Minister of Finance onto the cutting floor.

I regret that the economic crisis that the federal government precipitated in this country and that the current government is practising is threatening the future of our children and will limit their talents and squander their achievements.

* (1610)

I have thought for a long time, Madam Deputy Speaker, that this Tory government's penchant for poor planning and cut-and-slash budgeting had been exemplified in no areas of policy more than in those of the mandate of Family Services. This government has shown a tremendous lack of planning. Crisis management has been the most prevalent if not the preferred approach. However, like many others, I have also feared that if the government ever did institute an agenda of its own making, many may wish they had not.

We expected a slash-and-cut approach, Madam Deputy Speaker, and that is exactly what we got, with the cutback or elimination of many vital programs and a retrenchment of the department's mandates, especially in the direction of Child and Family Services.

The plight of social assistance recipients needs to be addressed, but this government has not moved to deal with these problems in the budget. The income maintenance program has a 12.3 percent increase for 1991-92. However, this does not imply adequate support by this government, but the minimum fulfillment of statutory requirements at a time when people are being forced on welfare in record numbers.

In Manitoba, a couple with two children receive only 60 percent of the poverty line. The problems include not only low rates, especially in comparison with price increases of basic goods as opposed to the overall rate of inflation, but include low rent allowances and the problem of minimum wage rates offered to welfare recipients. Under the current system, recipients often get less with minimum wage in work training than they would get on social assistance, causing a disincentive to get off welfare and undertake job training.

This government has done nothing in the past, despite calls from client groups, and this budget shows that they will also do nothing in the future.

Madam Deputy Speaker, Child and Family Services has been perennially underfunded by this government, and it seems there will be no change with this budget. With Child and Family Services agencies funding having been frozen, the budget outlines an 8.7 percent increase, but almost all of that increase will be used to pay off the deficits, the deficits that they acquired under previous budgets. The only real changes we have seen for Child and Family Services have been some of the ridiculous and nefarious changes this government has forced the agencies to accept in their contracts.

This government seems determined to reduce costs and narrow the scope and responsibilities of the Child and Family Services agencies. I would ask the Minister of Finance (Mr. Manness) if it is acceptable to him that services for children, and they are children, between the ages of 14 and 16 will virtually now no longer exist.

Rather than demonstrating some intestinal fortitude in showing that there are serious amendments necessary to the act, this government is imposing a severe retrenchment in Child and Family Services covertly through budget cuts. The financial squeeze for Child and Family Services agencies has been complicated by the fact that they pay a total of \$100,000 in the payroll tax, something that was imposed upon them by the NDP, but something which has never, never been funded by any government to date and which causes part of the deficit problem of our Child and Family Services agencies.

The Finance minister is intensely proud of his \$90 million increase to the Department of Health. However, Mr. Finance Minister, when you stop and consider that this \$90 million is less than your government has cheated the health care system out of over the last three years, it ceases to be something to be proud of.

The Liberal Party supports the need for fiscal constraint. However, when fiscal responsibility jeopardizes the health and lives of Manitobans, it is no longer responsible; it is negligent. This government has made fiscal constraint a priority when people should be the priority. I am glad I am not the one telling the cardiac patient that he is not a priority of this government or a child who cannot

speaking that she will not receive therapy, because she is not a priority.

When the bottom line becomes more important than the vulnerable in society, when the dollars are more important than the care that we provide, then the social welfare system begins to crumble. The first step in destroying the medicare system in this province was taken yesterday. The Tory's secret agenda slowly revealed, and I was shocked that after promising time and time again in this House that they would not institute user fees under any circumstances, that this government would do just that and that these user fees would be directed at some of the poorer residents of this province, the northern peoples.

For the minister's education, elective surgery often entails situations which, left untreated, could result in medical emergencies, expensive medical emergencies.

Surgery for early forms of cervical cancer is considered elective. This condition has a high rate of cure if it is caught in its early stages. Left untreated, however, it is life threatening. Elective surgery does not mean that it can be treated lightly, and for the purposes of this new government policy, any surgery advocated by a doctor should be considered nonelective surgery and should not be subject to user fees. A \$50 fee for transport of elective patients is not only discriminatory and regressive, it is a blatant threat to the health care of northern Manitobans.

For three years, we have been looking for some thin glimmer of leadership from this Health minister. We have been waiting for him to implement some of the cost-saving measures that would ensure quality care while holding the line on government expenditures. Someone should tell this minister that commissioning studies does not constitute innovation and rather, in his case, constitutes political foot dragging and a deplorable lack of commitment to vital health care reform.

The minister did afford us some insight into his motivations when he said and I quote, you cannot undertake significant improvement and reform until you have your own house in order in government. Well, Madam Deputy Speaker, this government has had three years to get its house in order, three years to make the transition from opposition to government, and this minister admits they still are not in a position to make hard and fast decisions. It

kind of makes you wonder if they will ever get their house in order.

One of the most effective means to long-term health care savings is through the promotion of healthy lifestyles and the prevention of disease. An ounce of prevention is worth a pound of cure, the saying goes, and it is correct. Disease prevented is money saved. That is why I fully expected this government to expand public policy programs, but they did not. Instead of providing long-term solutions for long-term financial and public health gains, this government slashed funding to health promotion, protection and disease prevention.

This government slashed women's health and effectively killed the breast cancer screening program they promised two years ago. Madam Deputy Speaker, one in nine women will fall victim to breast cancer. Prevention and early detection are vital to survival for many of these women. When money was desperately needed for this program, this government decided instead to hire a physician at \$200,000 a year. It took precedence to breast cancer for women. The women of Manitoba do not deserve being placed at the bottom of the priority list. Breast cancer cannot be ignored. All Manitobans lose when decision making is ruled by a political expediency and not need.

Scissor-hands worked his twisted magic and slashed the healthy child development program and eliminated a half million dollars from the dental health budget by lowering the age of children to receive service. The Finance minister (Mr. Manness) we ask, did you consult experts in the field? If you had, you would have learned that pre-teen and teen years are particularly vulnerable years for the creation of caries.

The Finance minister has demonstrated this government's commitment to the health and well-being of women and children in this province. The fiscal ship is sinking, and the Finance minister yells, women and children first, and over the side they go. Unfortunately, he cut the lifeboat in the last budget.

Waiting lists for surgery and cancer treatment continue to balloon, because addressing the fundamental problem in health care delivery is not a priority of this government. The Minister of Health (Mr. Orchard) would rather hire more consultants. He would rather spend hundreds of thousands of dollars on the Health Advisory Network and literally

wait years for reports instead of making decisions himself.

* (1620)

This government allocates \$1 million for policy makers, consultants, advisers, communicators, while the Department of Health—and yet, we are still waiting for one new initiative to emerge from the bureaucracy the member for Pembina (Mr. Orchard) cloaks himself with.

Madam Deputy Speaker, they spend millions of dollars on advice, and then they still cannot give hospitals any indication of what services, what programs they should cut to come in under budget. However, the decisions come easy when it is Tory monuments that are on the line. The new psychiatric centre is one of the most expensive undertakings of this government and, ironically, one of the few things that has not be subjected to a protracted study, but then a picture of an expanded community-based program is hard to capture on film. It is hard to get that snapshot to put on the political brochure.

Well, Manitobans are not impressed, neither is the Canadian Mental Health Association, neither is the regional advisory board, his advisory board. What of the community-based mental health programs? He stood in the House a couple of weeks ago, and he bragged about the fact that we should just wait for this budget, Madam Deputy Speaker. If we just waited, we were just going to see all the additional money for community-based mental health programs. Whoops! What did we see? Well, we did not see increases. The minister has promised reform for more community-based support; unfortunately, we did not see them in this particular budget.

The Finance minister's (Mr. Manness) accountants were at their creative best when they tackled the Department of Health. Two of the areas to receive major funding increases are the ones that this government every year in office has underspent, namely, Continuing Care and the Pharmacare program. In fact, Madam Deputy Speaker, this is a very interesting one, because the Pharmacare program is going to receive a \$6 million increase. Now, in checking past budgets, Pharmacare has received \$1 million increases on the average. The Premier (Mr. Filmon) stood in the House and bragged about the fact they underspent their budget

in Pharmacare by \$7 million, but they added \$6 million to it this time.

Well, Madam Deputy Speaker, the Finance minister certainly has taken the guesswork out of figuring out where the savings are going to come from, because now they are putting the savings right up front. This government is proud of its increased budget for health care, and I ask, what is there to be proud of? What is there to be proud of when we see the evidence of this government's lack of vision for the future, its lack of community orientation, its disregard for the impact of where and how we live on health. Nowhere was that disregard more blatant than in yesterday's budget.

Madam Deputy Speaker, rural Manitoba was also dealt a very devastating blow yesterday in this budget. Members of the farming community suffered the most at the hands of this government. Unfortunately, our Minister of Finance (Mr. Manness) forgot that not all rural Manitobans can supplement their income with a cabinet post. I honestly do not know how this government could do what it did yesterday to rural Manitobans and farmers and still be able to look at yourselves in the mirror today. I do not know how you can face your own constituents, knowing that this government has dealt the most serious blow rural Manitoba has ever felt from any budget.

The total Agriculture budget is down \$8000 last year. It was not surprising that the Minister of Finance did not crow about the \$43 million the province will be picking up for GRIP, because the people would then have begun to question the minister as to how he can sustain agriculture in Manitoba with the same budget as last year when he is adding \$43 million more to a new program. There is only one answer, Madam Deputy Speaker. The cuts have been made to virtually everything else in the Agriculture budget, cuts that farmers cannot afford, cuts that in the long run the Manitoba economy cannot afford.

Funding has been cut to the special farm assistance program of the Manitoba Agricultural Credit Corporation; \$1 million has been cut from the Agricultural Development and Marketing Division at a time when the industry can least afford it and when farmers in all parts of Manitoba are struggling to stay alive. Regional Support Services has been cut by \$700,000. It is no surprise that the Policy and Economics Division, which advises on program

development, is being cut because what the government has told farmers in the budget is not to expect any innovation.

They are not to expect any assistance; frankly, they are not to expect anything. It is clear that the government is pinning all its hopes for the rejuvenation of the agricultural economy on GRIP, itself an unknown quantity. Very few farmers and analysts share the government's enthusiasm for a program that changes daily. This government will tell you that farmers in Manitoba will prosper under this budget and that the GRIP program will be there for them forever and in perpetuity.

The only areas to receive an increase in expenditures for 1992, and I ask the rural members to listen carefully to this, the only increase was in the Farm Mediation Board, which deals with farm bankruptcies. Why, if this budget is not going to devastate Manitoba farmers, do we need more resources, more money to restructure debt and foreclose farms? If GRIP is not the panacea the government hopes it will be under this budget, agriculture in Manitoba will be decimated, and the Agriculture minister will point to the \$23 million ad hoc Interest Rate Relief Program that they do not have to pay for this year and the saving of over \$7 million in their privatization of the drug and semen centres, but that is only \$30 million worth of savings.

I can find another one in the Livestock Development Program, which I think is a negative step, but that only makes \$31 million, so where is the remaining \$12 million? It has been slashed from programs agriculture depends on. The Finance minister and the Minister of Agriculture will say they are trimming the fat, but even the Finance minister agreed yesterday he had gotten into the meat, streamlining the system when in fact in Agriculture, tragically, there was no fat to cut.

Agriculture traditionally makes up 2 percent of the total budget in this province, and this year's commitment is no better. When you consider that one in seven jobs in Manitoba is still created by agriculture, that the spinoff benefits of farming drive our economy, that as goes agriculture, so goes the Manitoba economy, it should frighten Manitobans that agriculture in this province is disintegrating at the hands of this government.

In the throne speech just a few short weeks ago, this government promised a task force on agricultural diversification. Although the minister

originally espoused specialisation, speeches recently that he has been making have shown that he is now an advocate of the diversified farming approach.

Diversification is vital to the survival and expansion of our agricultural sector. Unfortunately, funding for the promised task force is absent from the budget, cannot find it in the Expenditure Estimates, cannot find it in the Finance minister's speech. I am hoping that this was an accidental omission, because the Liberal Party fully supports the grass roots participation and open dialogue this type of exercise encourages. Participation by the farming community, programs and services that affect them, is fundamental to agricultural diversification.

Sustaining agriculture in Manitoba means ensuring our farmers have a competitive edge since difficult financial times dictate that we cannot provide the monetary support and programming offered by richer provinces. We need to look to research here, so that we can be state of the art, but, like their NDP colleagues before them, we see no increases to research from this government.

* (1630)

The government has not limited its attack on rural Manitoba, however, to agriculture. Virtually every single program delivered to rural Manitoba is being slashed. Provincial fiscal responsibility is being offloaded and promises are being broken just when rural Manitoba is in the depths of an economic crisis, the likes of which they have not seen since the Dirty Thirties.

Municipal transfer grants have been ravaged. Transit grants have been decimated. Community development—from which was to spring the solutions, they told us, to economic development and diversification—was cut, slashed and left for dead. The program synopsis for community development in the budget states, and I quote, provides support to government departments and agencies where there is local interest. Well, it is no doubt that this area has been cut because this government has no interest in local communities.

I guess that is also why they cut development and diversification grants by 150,000 to rural towns—money that was to supposedly inject new life into rural Manitoba. That is why, instead of undertaking activities to expand the tourism industry in Manitoba and show visitors to this province what

a treasure we have outside the city of Winnipeg, this government has eliminated the grant to the Manitoba Farm Vacations Association, which promoted tourism in rural areas.

The cuts and devastation to rural Manitoba are not restricted to the Department of Rural Development, and I can only say that what we saw in this budget today is a tragic reflection of the missing minister. The scorched earth policy this government adopted for Rural Development was paralleled by its commitment to rural programs in other departments.

Rural school divisions were told to make do with less, but were given no indication how to survive in the financial wasteland this government abandoned them to. As a result, classes are being cut, teachers are being sent packing, schools are closing and the children of rural Manitoba are being cheated. Distance Education and technology has been cut, roads are now being made the responsibility of the municipalities. The rural voters who have supported the members on the government side of the House have been the ones who have been most hit. Obviously, they agree with their campaign chairman, who said that you could run a yellow dog and they would still vote Tory.

Madam Deputy Speaker, the Finance minister has presented this province with a budget which he believes will help Manitobans "achieve the promise of the future." It is certainly appropriate for the minister to make reference to the future, because he has mortgaged it.

This government claims to be responsible and single-minded. The people of this province see the Conservatives for what they are, irresponsible and myopic. It cannot see distant figures. To Conservatives, the future is blurred, puzzling and something to be ignored.

Indeed, the indiscriminate way this government pursues its bottom line is frightening. This is not fiscal management, this is not restraint, this is a feverish attempt to permanently hobble the hopes and aspirations of Manitobans.

A case in point is the way that the Tories have cut, misallocated and completely fumbled the potential impact which the Department of Industry, Trade and Tourism could have had on Manitoba. In fact, looking at the Tory strategy here stretches the imagination, but then any stroll through the bent corridors of Tory thinking is a strange experience.

For example, Madam Deputy Speaker, there is the Strategic Planning Division, which provides, so we are told, resources for planning, development and research support to the department.

In keeping with blurred Tory vision, planning is an uncomfortable and expendable exercise, and therefore it should be cut by 15 percent. The government, it says, will look after our future, but there is to be no planning for our future.

Similarly, department initiatives designed to provide resources to create new employment opportunities through the private sector have been riddled with cuts. Who else but a Conservative government would strip the Venture Capital program of 68 percent of its budget? There are more examples of such disjointed Tory thinking. The impact of all of this, Madam Deputy Speaker - (interjection) - You know, Madam Deputy Speaker, it is really unfortunate that the Minister of Consumer and Corporate Affairs (Mrs. McIntosh) is not here. I mean she was so good in her lecture the other day, it is a shame she cannot deliver it to her colleagues.

Madam Deputy Speaker, the impact of all of this is that Manitoba may no longer own its future. Programs and funds like those that are used to drive Manitoba's economy into more advanced, diversified and stable funding has all disappeared. For example, the Manitoba Research Council is described by this government itself as playing a leading role in encouraging and facilitating scientific research. So one asks, why has it seen a 26 percent cut? That is what is meant by mortgaging our future.

It is no wonder that the people of Canada and Manitoba are frustrated with governments that are increasingly delivering the opposite to what they promise during election campaigns. Look at I, T and T, \$500,000 taken from the plundered wreck of the Manitoba Research Council and put into something called the Manitoba Innovations Council. Where was this council before? Who is on the council? Well, according to the minister, it will promote and guide Manitoba toward economic leadership and technological innovation, but that is what the Research Council was supposed to have done.

Because the people of this province are tired of seeing the Conservatives moving money around under their shells as though they were unaccountable, that is why the Minister for I, T and

T ensures that his political staff gets salary increases while highly trained and competent people in the department are left jobless. This is why the department is lavishing the Faculty of Management with huge increases while denying others the potential for growth.

The tragedy is that they do not even seem to be aware of what they are doing.

Madam Deputy Speaker, the Tories have shrewdly decided, it would appear, that tourists are best kept away from Manitoba. So the Tourism department loses half a million dollars, including almost \$200,000 to the Tourism Industry Association of Manitoba. This apparently is how the Tories will help Manitoba achieve this promise of the future.

* (1640)

In Manitoba, unfortunately, these policies will result in keeping tourists away from our province. The Conservatives have said that they believe in our province and in our people, that they are confident in the ability of Manitobans. Well, Madam Deputy Speaker, the people of Manitoba can see the moral and intellectual malaise of this government, and they do not believe in this government or its ministers.

Madam Deputy Speaker, the budget clearly demonstrates that this government has no conception of what sustainable development is all about.

The Manitoba economy is based on the development of natural resources. The fur trade opened the province. Farmers settled to take advantage of the rich natural soil. Mining and forestry opened northern Manitoba, and these two industries remained the foundation of northern economic development. Fishing provided opportunities, both commercial and tourist. Manitoba's beautiful wildlife areas provided parks for tourism and peace of mind for our citizens and for those visiting us.

It should be obvious that promoting and protecting our natural resources and our natural heritage is central to the long-term prosperity of our economy. The core of sustainable development is that we protect and preserve our environment and our resources so future generations will be able to derive the same level of enjoyment and economic benefits that we have achieved.

Well, where is the program for sustainable development? We see an increase to the Institute for Sustainable Development, which was supposed to have been funded by the federal government for \$575,000, but that is the only place we see any sustainable development. While the Sustainable Development Institute was increased, every single program promoting sustainable development was cut. To begin with, we see a 16 percent decrease in resource support programs.

The Water Resource branch is cut. This is especially surprising as this cut is occurring when the Tories have plans to divert most of the water, it appears, in southern Manitoba. Does it make any sense to cut technical expertise at a time when the government is moving towards an unprecedented plan to divert Manitoba's rivers?

Once upon a time, this government initiated its land and water strategy policy discussions, a workbook on water policy was released, but apparently it had no effect on government thinking because the government policy is somewhat reminiscent of "Old MacDonald's," Here a diversification; there a diversification; here a diversion; there a diversion; everywhere a diversion. We see this as a policy, but we do not have the technical expertise to give the ministers the appropriate information.

In time of economic constraint, this government is looking at spending millions of dollars on large-scale water diversion projects that will merely rob Peter to pay Paul, or perhaps rob Ed to pay Don as the case may be. The millions of dollars the Tories plan to spend will not solve the problem and will create few jobs.

It is not spending smarter, Madam Deputy Speaker, to see the Forestry section cut. Forest management is being cut by 15 percent and silviculture by 14 percent, forest protection by 24 percent, and forest operations by 9 percent. Manitoba forests are suffering from an historic failure to reforest.

The member for Emerson (Mr. Penner) must be pleased with this budget because he finally got Dutch elm disease cut from the provincial budget.

Manitoba parks have always been important for the tourist industry and at a time when tourism statistics indicate that people are not coming to Manitoba, one would think that efforts would be made to draw people to the province. Perhaps the

Minister of Natural Resources (Mr. Enns) and the Minister responsible for Tourism (Mr. Stefanson) should get together and force a compliance with honesty in advertising.

Perhaps one of those advertisements could read like this: Come see Manitoba's parks before it is too late. Do not worry about the bothersome park rangers, there are none. Enjoy the quiet, as there will be no maintenance people or sanitation workers to disturb your peaceful commune with nature, and your view on the beach will not be disturbed by lifeguard lookout towers. That should encourage people to come to Manitoba and use our parks, Madam Deputy Speaker.

The 231 jobs which are being eliminated in the Department of Natural Resources are located in rural Manitoba. Well, that only adds to the sham of decentralization that this government has been engaged in now for almost two years. Sometime back we heard that because of the bad economic times, the decentralization plan will be put on hold indefinitely. We notice it gets a \$4 million increase in the budget at the same time you are pulling hundreds and hundreds of jobs out of rural Manitoba. The gamesmanship being played by the Tories on decentralization is another example of the contempt this government has for the voters of Manitoba.

Madam Deputy Speaker, we have heard the Minister of Finance (Mr. Manness) complain about the burden placed on him by federal offloading and we hoped that he would not do the same. All we have to do is look to the cuts to the City of Winnipeg to see that there has been, as with all of the rural municipalities, offloading onto the city government. The cuts to the city mean there will be no construction programs to replace old sewer lines and badly damaged streets. Recent reports have indicated that civic infrastructure is badly deteriorating and that we face enormous replacement costs in the future.

Traditionally governments have used economic downturns to stimulate the economy by undertaking necessary capital infrastructure projects. These are not make-work jobs, and they are serving the needs of economic development, but they were nonexistent in this budget. Thousands of Manitobans have lost their jobs in the last few months and thanks to this budget thousands more will lose their jobs.

When the Free Trade Agreement was signed, this government, like its Tory cousin in Ottawa, promised to increase labour adjustment funds to help displaced workers. Like their federal cousins, the provincial Tories ignored this commitment. Now at a time when labour adjustment should be a priority, this government increased its labour adjustment strategy budget by two cents a worker. Two cents is all they think an unemployed worker is entitled to in the province of Manitoba. This is shortsighted but, unfortunately, all the evidence in this budget gives evidence that this government has no economic vision.

Madam Deputy Speaker, for years now the people of Manitoba have been caught in the horns of an ugly dilemma. On the one side Manitobans gaze upon the saccharine face of the New Democrats, those wonderful people who work hard to make themselves appear as the social conscience of the province. After that experience, Manitobans turn and stare down the barrel of Tory shoot-and-run policies where people who are not currently generating massive amounts of wealth for provincial coffers are tossed aside and ignored.

It is a gruesome scenario and nothing typifies that scenario more than this government's commitment to seniors better than the Annual Report of the Seniors Directorate. I want every opposition backbencher to pick up that document. It is the most pathetic government document that has ever been produced, bar none. There are 12 pages total. The table of contents is midway through the report. What is left is tiny bits of ink completely awash in a blinding sea of white space. That is what this government does for seniors, lots of nothing. The only thing that is increased in the Seniors Directorate is salaries.

Lucky for seniors, however, this government has decided to match this increase with a jump in personal care fees for seniors of 9.7 percent. Our seniors must be very grateful to a government that views them with such high regard. Of course this must also explain why low income seniors, those living below the poverty level, have had their 55-Plus supplement deindexed.

Seniors do not have the luxury of expecting increased incomes, and still the very little that they have is being snatched away from them by a greedy Tory government. Far be it for the Tories to just stop there.

The Seniors RentalStart program has been eliminated. This will save our government half a million and ensure that seniors will be driven to personal care homes, where there they will be expected to pay higher personal care fees.

Where in all of this was the Seniors Directorate? One of the few written statements in its annual report says that the directorate is, and I quote, to analyze and monitor proposed and existing policies of the government and how those policies affect seniors. So what happened when 55-Plus was deindexed? Where was the analysis of personal care home increases? Why were not seniors organizations and groups informed or consulted? Were seniors informed of the Health department's intention to cut funding to gerontology by over \$122,000? No, of course they were not, because it is just another example of where planning and development of support services to seniors has been shaken by budget cuts.

* (1650)

To make it a clean sweep, Madam Deputy Speaker, our friends on the other side of the House have dragged out the writing and release of an Elder Abuse Paper for an impossible length of time, never mind that the Premier himself introduced resolutions and called for such a study when he was in opposition.

It is no wonder that the discontent of the people in this province is well-founded. Successive governments have proved to be at the best incompetent and at worst deliberately callous and hurtful. It must stop, Madam Deputy Speaker.

Manitobans will not suffer this assault on the vulnerable in society any longer, and we urge this government to review its policies. It must turn from its blinkered focus on deficits and taxes. Make no mistake, these are important, but they cannot be the sole driving force of government decision making, and by his own admission yesterday in the budget they were the sole driving force behind this government.

Madam Deputy Speaker, I move, seconded by the member for Osborne (Mr. Alcock),

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

And further regrets that:

(a) this government has failed to adequately invest in Manitoba's home grown businesses and

has failed to provide incentives to encourage private investment in Manitoba's economy, which are essential to drive Manitoba's economic engine; and

(b) this government has failed to provide for research and development as a long-term investment for the economic prosperity of the province; and

(c) this government has failed to meet its obligations by offloading its responsibility for among other things, roads and engineering and water management to municipal governments; and

(d) this government has failed to adequately support post-secondary education to ensure access to career and skills training for Manitobans; and

(e) this government has failed to maintain career-oriented work programs in order to retain our youth in this province as exemplified by its freezing the CareerStart and the elimination of the Northern Youth Corps Summer Employment programs; and

(f) this government has failed to provide adequate funds to allow for development and refocusing of community-based mental health care delivery; and

(g) this government has failed seniors in Manitoba by deindexing 55-Plus, increasing per diem personal care home rates 9.7 percent, reducing gerontology funding in health care, and by otherwise ignoring their special needs; and

(h) this government has failed to fulfill its promise to support women's health care, including providing for a breast cancer screening program, and giving such promises mere lip service by renaming the existing Maternal and Child Directorate and cutting its budget; and

(i) this government has undermined universal access to health care services for northern Manitobans; and

(j) this government has failed to provide for aboriginal education and health care needs; and

(k) this government has failed to support preventative health care programs to ensure Manitobans of quality of life; and

(l) this government has failed to show concern for the future of natural resources in Manitoba by slashing 231 positions from the department and by further cutting funding; and

(m) this government has failed Manitoba farmers with its shortsighted approach to funding the agricultural sector and for cutting services that help make Manitoba farmers productive and competitive; and

(n) this government has failed to support the programs necessary to promote quality of life in rural Manitoba.

Madam Deputy Speaker: Due to the complexity of this subamendment, I will take this amendment under advisement and will report back to the House.

Hon. Albert Driedger (Minister of Highways and Transportation): Madam Deputy Speaker, it is always a pleasure to get involved in the Throne Speech Debate—the Budget Debate. I put down “throne” here.

In the thirteen and a half years that I have been participating in this House, I was trying to figure out how many Budget Debates that I have been involved in. I had not always marked down the ones when I spoke and the ones when I did not. For example, this is the fourth one since we formed the government in '88, and we still have not been government for three years, so you sort of do not always subtract—you cannot go by the amount of years that you have been in. In the thirteen and a half years, I figured out, I think I have spoken in support of about half of them and against approximately half of them. Some of them have been good budgets; some of them have been not-so-good budgets. In this particular case, I was thinking, how would you classify this budget? Then I came to the conclusion that it is a fair budget, and I will elaborate on that a little further.

Madam Deputy Speaker, I have sat here now for upwards of two and a half hours listening to the two opposition leaders speak. When I found out that I would speaking today after the two opposition leaders had spoken, I thought that I would be having lots of ammunition. I was going to make notes of the things they said and refute a lot of the things, especially when the Leader of the official opposition spoke. I always like to hear him speak. He is colourful. He keeps your attention, and I enjoy listening to that.

Not every speaker in this House is somebody that you want to listen to, at least not with the same amount of pleasure or disdain. He reminds me a little bit of another speaker that we used to have in this House, and that was the then member for

Inkster, Sid Green, who was a very colourful debater. He would get up in the House, and he would have everybody spellbound. After 40 minutes, you would wonder what he had said, but you had been listening attentively all the time.

I got that impression a little bit today with the Leader of the Opposition (Mr. Doer). I was really hoping, Madam Deputy Speaker, that there would be some positive, constructive criticism coming in terms of the economic hard times that we are having. There must have been some things that would have been more positive other than just criticize, but let that as it be. It was not definitely one of his better speeches that I have heard, and I know that from time to time he will come up with better ones.

What I found most interesting was the Leader of the Second Opposition (Mrs. Carstairs) and her one-and-a-half-hour tirade. I guess her speech writers must have been going at it all night, you know. Some of the comments that she made which, basically, she knew were not factual. It reminded me a little bit of sandbox politics, the overexaggeration type of aspect of it. In the one and a half hours of her speech, Madam Deputy Speaker, there was virtually nothing that could be conceived as constructive criticism. It was just all criticism, and this is not unusual.

I had somehow expected something a little different, because circumstances are a little unique this time around, because for myself at least it is a budget where the revenues are flat. Normally, when you have increases in revenue, you can take and jockey around and you set your priorities a little different, but this is a little different one for us at least and for me certainly it is.

* (1700)

I want to take this opportunity, Madam Deputy Speaker, to congratulate the Treasury Board members of this government, because in the time since we last finished our session before Christmas, we have been on a crash course in terms of trying to get things set up so that we can get back into the normal routine again in this House where we will be sitting and where, hopefully, in my view we should be out of here by the end of June, the middle of July sometime, then start off into a normal routine so that we all can sort of plan our life a little better. So that is the reason, because normally you have about four, five months at least between sessions to get

the budgetary process done, and it is a complex one. I mean, staff starts, but there is a lot involved in this thing. I never realized how much until I had the privilege of being a minister.

However, I want to indicate that I know, personally, the amount of hours the Treasury Board spent going through the process and the process that each one of us as ministers went through. I feel that probably the government of the day has never been so conscientious of their program and their departments anytime in history, because we had to appear before Treasury Board and go through with a fine-toothed comb every aspect of our spending. I have to tell you, Madam Deputy Speaker, with all due respect, it was almost a hair-raising experience because we knew that we had financial problems, the Finance minister had made that clear a long time ago that we were going to have difficulty. So what we tried to do is go through the process in each department to make sure that we covered any aspects of where we could possibly cut or revise our programs.

I think, Madam Deputy Speaker, the awareness had been created by the government, by the Premier, by the Finance minister, that this was going to be a tougher situation, there was no increase in revenues and commitments had been made for increases in terms of the nurses, the doctors, the universities, where to get this money, and that was a real challenge.

I have to indicate that, just by watching the gallery yesterday when the Finance minister brought down his budget, there was an anticipation it would be a tough budget, and just by the expectation generally it would be a tough budget. Then when the Finance minister brought forward his budget, I watched the faces, as I have over the years by being here, of the members opposite. Sometimes I have been sitting on that side watching government, whichever way it was, but yesterday the first reaction of members opposite was, in my view, this is a fair budget. That was the reaction that I read, because the Leaders of the Opposition—and even the member that was taken into the woodshed—from time to time, as the Finance minister made comments, said, we agree, we agree.

When you look at the total impact of it, what has happened, I think it is a very positive document, not positive in the sense, but considering the fact that we have no increase in revenues we feel we have

dealt fairly with the people of Manitoba. What makes this budget fair is the fact that there are four departments that are basically money eaters. Maybe I should not put it that way, but the four departments, I just want to touch on them, give a little personal view on that.

Health, of course, is their big money user and I think we have the best health care system in the world, bar none. When you look back on this, and I do not know how long we will be able to afford that kind of a program for the future, because it is a very costly program and it was the decision made by this government that Health would be one of the priorities where we would spend the monies.

The other area was Education, and our education system is costing us a lot of money. When you consider that our costs are going this way, and our school population is going down, ultimately that will have to be addressed as well, because how long can people afford to pay for that kind of—you know, it is just not fair, it is not realistic over a period of time.

Then, of course, Family Services, and Family Services I think, with tongue-in-cheek, it reflects to some degree the economy of the country or the province. At the present time there is a great need for Family Services. We are in a recession, people are jobless, they need that kind of service. Nobody wants to be on welfare, but this is part of the cold hard facts of life. When you have a recession there are people who are not as fortunate, people who do not have jobs, and you have to have that kind service.

In the fourth spending department—this one bothers me most, because it never used to be a major spending department—that is the Department of Finance. Why it is a spending department now is because we now start paying \$550-and-some-odd million worth of interest before we open the books. We open the books and the first cheque that the minister writes out is the interest on debt, and that is not fair—over \$550 million.

An Honourable Member: Whose fault is it?

Mr. Driedger: Well, I sometimes get a little tired. One does not always want to take and berate the government of the past.

An Honourable Member: Are you not running a deficit?

Mr. Driedger: Yes, we are running a deficit. Madam Deputy Speaker, I always like to think I am

a relatively fair guy, and I do not always like to say, well, it is because of the previous administration. It is a normal thing that is being done here, but the Finance department's spending is the legacy that has been left from the past and why we are more justified in criticizing the previous administration.

We have been here now for three years, but the fact is that they created the deficit during a time when income was going this way. We are now talking of a time when income is flat, so that makes a little difference, and we feel that is part of the heritage that we have. Those four departments by and large, we indicated, are priority departments. We have no choice in terms of paying the interest under Finance, and the other three departments were priority departments. They are the departments that have the biggest spending as well.

I have said at times you could take my whole Department of Highways and Transportation, divide it between the three and you would not hardly notice the difference, but what did we do? We have gone through this as a government, knowing where we had set our priorities and went through this. That is where I feel that we have come up with a fair budget.

Madam Deputy Speaker, there is hurt in this budget. There is hurt for those people who got served layoff notices yesterday. There is hurt for those positions that have been deleted where nobody was in, because nobody can get those jobs. There is hurt for the various departments that have been cut back, including mine, and I want to address exactly the impact it has on my department, going to that end of it, but these were challenging decisions that had to be made and responsible decisions were made.

I think that, as we go through the debate over the next eight days, it will be interesting. The Leader of the Opposition (Mr. Doer) said there would be a lot of rhetoric in this debate. We have heard a lot already this afternoon. Madam Deputy Speaker, the Leader of the Liberal Party (Mrs. Carstairs) indicated—and I do not want to refute all the statements that she made, because she had a stack of notes there this big, and I do not want to go after all of those. She was making reference to the fact about people leaving the province, no jobs for students, and stuff like that.

Where are they going to go? The other provinces are suffering the same recession as us. In fact, I can personally indicate that many people from Ontario

are phoning into Manitoba. My old constituents who had moved to Ontario years ago are coming back and phoning, saying, is there a chance? We have played this game. I recall when we were government from '77 to '81 when this same debate took place, and the NDP had this little picture that they put in the paper saying, the last one leaving Manitoba, please turn out the lights. I mean, the Leader of the second opposition, or the Liberal Party (Mrs. Carstairs) was trying to do the same thing. That is old hat. You know, you go through this after a while—amusing, but by and large not that amusing.

Madam Deputy Speaker, I want to talk about my department and then the process that we have gone through. For those of you who have looked at the Estimates, my total spending last year in my department was \$235 million. This year, it is down \$5 million; it is \$230 million. This is where I said, a lot of departments have been hurt by participating in the process that we are, because we have the four areas which were designated as priority departments. What does that do to my department? There were comments made. For example, in my department, we have 114 positions that have been identified for reduction. We are talking about people being laid off. I have to indicate to you that we anticipated in my department, during the course of the winter, that we were probably getting into some pretty tough stuff.

* (1710)

We had a vacancy rate where we did not fill many of these positions. We had a vacancy rate of almost 8 percent. If we look at the term positions that we will not be hiring—because every year in my department, in construction and maintenance, we have a whole bunch of people that we hire for the summer, and we are deleting some of those positions—by and large, by the time the smoke clears, Madam Deputy Speaker, there are seven or eight people who will have been served a layoff notice out of 114. Even that still hurts, but the fact that—and we think that, over a period of time, we can probably adjust them under deployment, because as people take early retirement—and I am sure the Minister of Labour (Mr. Praznik) is going to be talking extensively about this somewhere along the line—we think that there is not going to be as much hurt.

Yes, there is hurt. Any job that is lost is always hurting, but when you talk about—the president of MGEA was talking about 2,000 civil servants being laid off or fired. Basically, when we are going to finally have the numbers crunched, it is dramatic but not as dramatic. Ironically, Peter Olfert, the President of MGEA, indicated how terrible it was—and it is—and you have the Winnipeg Chamber saying we have not done enough in terms of cutting back in government, so you have the various views. When you have two opposite views, you must sometimes—I at least always take comfort that you must be close to the right place, being along the centre somewhere along the line.

What does it do to my department? As I indicated, we have a reduction of approximately \$5 million there; and when we talked and when government was debating how to deal with these things, part of the reason that came up was, we knew we had to go and provide our farm community with some kind of a grain program, whether it was a GRIP, NISA, crop insurance, payouts, whatever the case may be, because our agricultural community, which is the base of our economic strength in the province, has been suffering through drought, low grain prices. We knew that we had to come up with a program where to take it from, and that is when the decision was made.

I make no apologies for it, that we would see whether we could take and move in terms of other departments that were serving the rural area to try and help give the grain farmers a good program, and under the circumstance then departments like myself would have to suffer some pain, and we would have to look at maybe sharing, where we take part of the responsibility for the money that is going to be going into the agricultural program.

It is on that basis that we talked of maybe transferring back some of the roads. There has been reference made to that, how we are taking and hitting the municipalities. I want to explain that a little bit. We have a provincial trunk highway system and we have a provincial road system, one is called the PTH system and one is called the PR system. The PTH system is the numbers under 100 which are the most travelled roads, you know, the ones that we try and maintain a little better. Then we have the PR system. We have over 7,000 kilometres of PTHs, and we have over 12,000 kilometres of PRs in the province; 77 percent of the traffic travels on the PTH system and 23 percent travels on the PR system.

So, at the time in 1965 when the government established the PTH-PR system—I mentioned this years ago already—I think that the government of the day was probably a little too ambitious when they took over this system from the municipalities because we have in the area of 3,000 kilometres of PR roads that have less than 100 vehicles a day. This is the area we started looking at and saying, maybe we could transfer some of these PRs back.

I know that during the course of the years, especially under the NDP, they enhanced the PR system because when a municipality squawked loud enough or lobbied well enough, they would add it to the system. When we took government we did not do that, we did some exchanges, but the PR system has grown from the time that it was established. I am not saying that there is not justification in some areas, traffic-wise, but when you have less than 100 vehicles a day on a PR road, then we think some consideration could be given, under the tough circumstances that we are under, that municipalities, who by and large have equipment for the maintenance of it, could do that kind of work and save some money for the government.

That was the rationale that was exercised at the time when we considered doing the exchange and, Madam Deputy Speaker, we will be meeting with the R.M.s, and also with the MAUM people in the next few days and we are developing the system in terms of how we will turn this back. We will not turn over half a road, half a PR, stuff like that. We have to develop this and we have not identified exactly which roads it will be. We will do that in conjunction with the municipalities over a period of time. We hope that by the time we get through with it—the initial contact was made with the UMM people, indicating whether if we had a rich agriculture program, they would maybe help share some of the cost, with Highways. So it is not as a total surprise that it was sprung on them and we will be debating this with them.

Now, my construction program has dropped from 106.5 last year down to 102.5 and I think it shows an ongoing commitment that our government has toward the highway system. I can indicate to you that when I took over this department three years ago, we were down to \$83 million in capital program. That was the dedication of the NDP at that time. In fact, I had heard some comments at one time that the then Premier of the province wanted to scrap the

whole capital program and just have the maintenance program. So I make no apologies for the program that we have, I make no apologies for that.

The other thing that we have also done, Madam Deputy Speaker, is we have cut back on our grant-in-aid. We have not deleted the programs, we have cut back from \$1.5 million to \$1 million. What this basically means is that we will probably be addressing the smaller concerns of the smaller communities and that the bigger ones will have to be prioritized and some will maybe not get done this year. We normally have applications of double what we can bring forward in the program, so there might be more of the bigger projects that will have to wait one year hoping for better times.

The other area of concern that was expressed is our bridge program which I brought forward two years ago. I was very excited about the Municipal Bridge Assistance Program, and under the circumstances there is going to be a cutback in that and ultimately maybe phase it out, or not, depending on the finances that come forward. We will be working together with the municipalities. As our revenues start changing, all these things, I would hope, will be coming back on stream. In fact, it is a little frustrating to some degree because we had just actually last year finally got all the programs back up to where we thought that they were designated to be in terms of the maintenance programs, the standards that we had for all our roads, et cetera. Finally, we got them there, and now we have to start backing off again.

That is part of the decision that we made, and that is why I say the other ministers can speak about the impact on their departments. But we have gone through this as a government, as a team, to try and do this as fairly as possible, and that is the message that we are trying to give to the people of Manitoba.

I feel confident that the majority of the people of Manitoba feel that this is fair. They knew that we were in financial trouble and they knew why we were in financial trouble and they will accept these kinds of things. The members opposite—you know, this is the normal game—criticize, criticize, but even the members opposite yesterday, when I watched them, felt that this was not a bad budget under the circumstances. -(interjection)- That was your group, too. Your leader was sitting there saying, that's good, that's good, but then 24 hours makes a

difference. Madam Deputy Speaker, 24 hours in this place makes a big difference. What sounded good yesterday, today we have to use for political advantage, and it happens that way.

* (1720)

As I indicated, there is hurt. There is hurt, and nobody likes to create that hurt. I think we have done it at a minimum, as much as we can.

The impact of a budget hits a province in various ways. It hits the city differently; it hits even the rural areas differently. I have to indicate to you that in southeast Manitoba the constituency that I represent is a very strong economic constituency; it is a very diversified one. It has not suffered the financial hit that the grain area has; it is very diversified, a lot of livestock operations there. The business community of the town of Steinbach, which is a very positive one, including the communities around it—they are doing well; they are not suffering the impact of the recession the way some other areas do.

I feel very fortunate that I have that kind of an area to represent, but we always have to keep in mind that is not the norm, that we have areas within the province where things are a lot tougher, and we have to try -(interjection)- Accusations are being made that this is an offload on municipalities. I think it is an adjustment that we have to go through to some degree and we hope that it is going to be positive for the future.

It would be surprising, Madam Deputy Speaker, if we had the rains come right for a change, and we could have bumper crops in the province. Across the province, a good year, even if the prices are down, buoys the support of everybody. I know that if this happened that the rains were right, our Minister of Finance (Mr. Manness) would be smiling, and that next year we could be coming back and coming up with something that would be more encouraging maybe than it was now.

Under the circumstances I think great efforts were made. Tremendous time was spent to try and do it in such a way that it would be a budget that was acceptable to most of Manitobans. Not everybody will agree, but we in our minds have to believe that it was fair. I am convinced, as well as my colleagues, that this is a fair budget.

I have to take that portion of it in my department, and as I say, I would like to see an increase in my

department. It is not there. We have established this in such a way, and people can criticize, and will, of course, criticize. Let us try and do it in a more constructive manner than this sandbox politics that was shown by your Leader here. That was not very nice, and that is what actually creates the misgivings of people about politicians in this House.

We can have our little fun here, we can be a little critical, but there should be some positive things, even from the opposition. I have sat there many times, sitting on that side and sitting on this side speaking on this, and there are ways of doing it so that we can create a little better image. Come up with some good suggestions, and your two Leaders did not do that. They were basically -(interjection)- I have to say from your Leader I did not expect that much more, but I expected more from the Leader of the Opposition (Mr. Doer) because normally he is much better than that. I think why he was not that effective today is because in his heart he knew that he could not improve on it. That is my view, and we will all be expressing our views over a period of time.

Anyway, Madam Deputy Speaker, I just appreciated the opportunity to put my views on here and to give some indication as to the impact that it has in my department. I am prepared to take and go out and discuss the impact with the municipalities, the people affected, and I know that there is an understanding out there even in this short time, a little over 24 hours since the budget has been out. You can feel there is an acceptance out there that we have done the best that we can under the circumstances.

I thought a little bit about this last night. Government is the only institution that I know of that can take and run a business of this nature and run deficits. If I had run my business the way we run—you know, my farm operation, the way that government has run theirs, we would all be out of business.

I can recall when we had years on the farm when things were not that good. Prices dropped in the beef industry; we were suffering. What did we do? We did not try and spend. We did not buy new trucks, new washers, new equipment. We waited, we deferred things one year. We deferred it for one year or until things got better. That was the normal way to do it. You do not try and spend then because you do not have the money. That was the way we did it on the farm, and that is how you do it in a

business as well. When you have a slower year, you do not always have an increase. You have a levelling off, and years when things go down, you try and adjust your spending. Governments have not been able to do that, seemingly.

We are trying to give an example of that now, and that is one reason why I think the general public, Manitobans, accept the fact that we are in dire financial straits and are going to be able to take and live with this budget. Give us the opportunity to show that by doing this we can position ourselves for recovery from the recession faster than anybody else by not raising taxes.

You heard all the information; I do not have to repeat that. It has been positive in that respect, and I think it puts us on the track for next year where we are looking forward to brighter and better things. Thank you.

Mr. Jerry Storie (Flin Flon): Madam Deputy Speaker, I, too, would appreciate the opportunity to add some remarks to the record with respect to this budget.

I wanted first of all to respond to the speech by the member for Steinbach, the Minister of Highways and Transportation (Mr. Driedger), who challenged us—and I think quite rightly—to be positive, to add some positive remarks to the record. So, for the record, I want to say that there are at least a couple of things in this budget that I think are positive.

I think that the additional 5-cent deposit on aluminum cans, aluminum drink containers, is a positive step. I think that it creates some equity. I think it also may relieve some of the problems that are being experienced by the beer industry with respect to competition from aluminum cans. I think it is also environmentally sound, so although it is an extra charge for many Manitobans, I think that it is a reasonable move.

Madam Deputy Speaker, I also want to commend the government for its decision to introduce some measures to complement the federal exploration incentives program. I think everyone is aware that mineral exploration in the province of Manitoba has essentially dried up. There is very little by way of exploration activity in much of the province. Of course, for those of us who represent areas of the province where there is considerable mining, that is of major concern.

The minister's proposal, which he estimates may cost as much as \$14 million, is an interesting proposal. We will see whether, in fact, there are any mineral exploration investment corporations created in the province, and we will wait to see whether it has any direct impact on the level of exploration in the province of Manitoba. Hopefully, Madam Deputy Speaker, it will, because right now communities like Flin Flon, Snow Lake, Leaf Rapids, Lynn Lake, rely on mineral exploration, and the changes at the federal level to the exploration incentives program has created a situation where there is very little money available for mineral exploration.

Madam Deputy Speaker, beyond those two particular initiatives, I think most members on this side of the House are going to be hard pressed to find additional positive contributions from this budget. My colleague for Elmwood (Mr. Maloway) reminds me that another positive aspect was the changes related to the payment of tax credits to welfare recipients on a quarterly basis. I think there is certainly merit in that, and I know that it will help some on social assistance to better organize their finances and perhaps prevent them having to line up at food banks unnecessarily.

But, Madam Deputy Speaker, beyond those few comments I find very little positive in this budget. If there is anything that is consistent in the throne speech and in the budget, and this government's presentation over the past number of months, is consistent failure and consistent misrepresentation of the facts—consistent.

Madam Deputy Speaker, we continue to get half-truths, misinformation, political rhetoric from this government and this group of ministers on a regular basis. There is nowhere that confusion is more evident than in the budget document itself. On the one hand the budget document is one of despair that talks about the crisis that Manitoba faces, that in effect blames all of our problems and all of our ills on governments of the past. The ghosts of governments past haunts this document, if you will, and yet when you turn to some of the facts presented by the Minister of Finance (Mr. Manness) it is quite apparent that previous governments are not all to blame. In fact, there are statistics in here that contradict virtually everything the Minister of Finance has said, virtually everything.

* (1730)

I want to refer to one most particularly, and that is the question of the level of taxation and the circumstances that individual families and businesses find themselves in, in the province of Manitoba. On one of the appendixes, Taxation Adjustments on page 9, I guess, the minister compares the annual personal costs in taxes between major cities in Canada. If you believed half of what the Minister of Finance (Mr. Manness) said in his budget speech, if you believed half of what we hear from the First Minister (Mr. Filmon) virtually every day in this House, you simply could not fathom these statistics because these statistics tell a completely different story than the one we hear on a daily basis from members opposite.

In fact, when you talk about inter-city comparison, personal costs in taxes, where does Winnipeg sit? You would assume, of course, that we have the highest personal charges of any city in the country, whether you are talking about provincial income tax or property taxes, or retail taxes, sales taxes, but that is not the case. The fact is that we fall amongst seven cities in the middle, that is what the Minister of Finance's own documents says, so he is trying to deceive the people of Manitoba about the real economic circumstances we find ourselves in.

But, Madam Deputy Speaker, I want to move away from the budget document and talk about some other independent statistics relating to our financial circumstances. I have the March 1990 Budget Address from the Province of Saskatchewan. I guess if we were going to measure the relative health, the relative fairness of our taxation system, you would have to ask yourself, let us take the average circumstance in Manitoba. The average family in Manitoba has income of approximately \$46,000. That is according to the Manitoba Bureau of Statistics, the average family income is \$46,000. Well, this 1990 document from the Province of Saskatchewan says: What are the personal taxes and charges of family income at \$40,000, not 46, a little bit less, but a very good approximation.

So what happens when you take a family with income of \$40,000 and you compare it to what is going on in the rest of the country? Where do you think we fall, Madam Deputy Speaker? If you listened to the Minister of Finance (Mr. Manness) and the harping and carping of the First Minister (Mr. Filmon) on a daily basis about taxes, taxes, taxes, you would assume that we would fall 10 out of 10.

We would be paying the highest personal taxes and the highest charges in the country.

Well, according to the province of Saskatchewan information we are the second lowest personal taxes and charges in the country for a family of \$40,000, second lowest behind which province?—guess—Alberta. They have no sales tax.

Madam Deputy Speaker, the facts of the matter are that when the NDP were in government our objective was to create a fairer tax system. Our objective was not to support our corporate entities in the province, their corporate friends. Our objective was to make the taxation system fair. By anybody's definition, an independent source at least says that we actually achieved some of that, but a family of \$40,000 pays less taxes and charges than virtually any other province, any other individual family in the country, save for Alberta.

Madam Deputy Speaker, I want to go even further, and this document allows me to do that. I want to say that when you go down the income scale, when fairness matters more we were even fairer, because what does the Saskatchewan budget document say about people—single parents with income of \$25,000? What kind of taxes and charges do they face in the province of Manitoba? Where do they sit relative to other provinces?

If you, the member for Niakwa, the member for Morris, were a single parent earning \$25,000 where would he or she want to live? Well, the answer, Madam Deputy Speaker, is the province of Manitoba, because in the province of Manitoba a single parent earning \$25,000 pays less taxes, has fewer charges, gets more in tax credits than anywhere else in the country—anywhere else in the country.

So the taxation system may not be to the liking of the member for Portage la Prairie (Mr. Connery), a self-professed millionaire who has to pay more taxes in Manitoba. You talk to average Manitobans. You get the facts about what average Manitobans pay and what their charges are and where they would rather live to have a fair tax system, and the answer is going to be in the province of Manitoba.

It does not end there. The dishonesty, the deception that this government continues to float in the public does not end there. Not only do people with modest incomes have a fairer taxation system in the province of Manitoba, Madam Deputy

Speaker, but it is also not true that we have the highest per capita debt in the country. In fact, the Toronto-Dominion Bank just yesterday I believe issued statistics on the per capita debt in the country—direct debt—and suggested we were in the middle—five, we were No. 5.

The fact is the province of Quebec, in their Budget Address, said that we were almost in the same position. The government of British Columbia suggests that we were fourth. This government continues to try to confuse the issue with respect to our debt; continues to talk about a \$10 billion debt or \$11 billion debt, when the real number that we are all talking about, if you discount the debt that we guarantee admittedly that is incurred by Manitoba Hydro and other Crown corporations or that currently goes toward funding the debentured costs of building schools and hospitals, we are talking about \$5 billion.

Madam Deputy Speaker, no one would discount that is a significant amount of money. No one would say that it could not be lower, and I believe that everyone agrees that it should be lower. The fact of the matter is that this government has taken upon itself, and the Minister of Finance (Mr. Manness) is the cheerleader, to mislead people about the seriousness and the nature of the debt that we face. So we have to ask ourselves, I think, the legitimate question of why.

Why has the government chosen—and I should say, Madam Deputy Speaker, that I had a chance, although I have not seen one in my constituency or the constituency I live in yet, but I have seen copies of the frank that members opposite put out, that is, without doubt, the most dishonest, misleading supposed financial review of the province's circumstances that I have ever seen. If you were going to use a colloquialism, it is full of lies. -(interjection)- Of course, the government groans, but I challenge any member on that side to stand up and use that piece of information with which to debate the budget or the financial circumstances of this province, because they cannot do it. It is nonsense.

Madam Deputy Speaker, I want to move on. This government has not been honest about several other matters that I think need to be put on the record. The facts are supported in the budget document itself. This government likes to pretend it has not increased taxes. That is patently untrue.

Every budget introduced by this government since 1988 has increased taxes. Whether it was an increase of 1.5 percent surtax on mining companies, increases on gasoline tax, cigarettes, diesel fuel, you name it, it increased taxes. Even it has increased personal income taxes because in 1988 it had a choice. It had a choice of whether to continue with the net income tax, the final percent of the net income tax. It chose to take the \$170 million revenue and try to deceive Manitobans about what it was doing and blame it on the previous government.

Madam Deputy Speaker, not only have they directly increased taxes on every single Manitoban, but they are doing something even more insidious. They are increasing taxes indirectly. They are increasing taxes for university students. They will not call them taxes, but it will be a 20 percent tuition fee hike. They are increasing cost municipal taxes to every municipal taxpayer in the province of Manitoba by offloading the costs of road maintenance, by reducing the amount of money that they get from the tax-sharing agreement, by offloading police costs, by offloading - (interjection) - well, it is not built, but we will get to that. They are offloading onto municipalities, school boards, hospitals, individuals, seniors. The fact is that this government is taxing Manitobans to death.

* (1740)

What is quite unique about this, however, is not only are they not living up to their promise not to increase taxes, but at the same time they are slashing the very services that those individuals rely on. Nowhere is that happening in a more dramatic and consistent fashion than in rural and northern Manitoba, the very areas of the province, Madam Deputy Speaker, where they can least afford to lose the jobs, least afford to lose the services, and where they are least likely to be able to find alternatives for those jobs or those services. It is quite ironic that the government that prides itself in good management is going to be tagged, I think, ultimately, with the moniker of incompetent government and one which did not even live up to its own goals and objectives.

Madam Deputy Speaker, nowhere has the failure of this government been more apparent than in the development of its economic objectives. The Minister of Finance (Mr. Manness), the Minister of Rural Development (Mr. Downey), the First Minister

(Mr. Filmon) continue to talk about this government's objectives. They suggest that their agenda is to keep taxes low, and I have just suggested they are not doing that. They just increased the gasoline tax 1.5 cents a litre. It is going to reduce—

Hon. Glen Findlay (Minister of Agriculture): You increased taxes 16 times.

Mr. Storie: The Minister of Agriculture (Mr. Findlay) says we increased taxes 16 times. Well, he has had four budgets and it is about the same for him. The taxes were increased at least four times in this budget and that is not talking about the indirect taxes that are going to be paid by municipalities and school boards. So I will debate that any time with the Minister of Agriculture.

The point is, Madam Deputy Speaker, that this government suggests that somehow this agenda of not increasing corporate taxes or in fact giving corporations tax breaks, \$50 million on an annual basis thus far, somehow is going to create an atmosphere where we are going to see private investment and the creation of jobs from this miracle of economic growth, the private sector.

What has happened to the government? Well, if you look at the facts of the matter, everything that they predicted would happen has not happened, in fact the reverse has happened. If you look at the facts, private investment is down. We have the lowest per capita private investment of any province in the country, but that only tells part of the story.

Private investment is a relatively innocuous concept. It only has meaning to the people who either do not get employment or cannot get employment or are pushed onto the rolls of the unemployed, and that is what has happened in the province of Manitoba. There is no private investment. There is no public investment and the consequences are 54,000 people out of work today, and the Minister of Finance (Mr. Manness), in his budget, just pushed another thousand people onto the rolls of the unemployed in the province of Manitoba.

Hon. Clayton Manness (Minister of Finance): You are wrong again.

Mr. Storie: Madam Deputy Speaker, the Minister of Finance (Mr. Manness) says I am wrong. Well, the facts of the matter are that they do have the lowest private investment per capita in the province. That

is a fact. There are 54,000 people out of work. That is a fact.

It is also a fact that we are losing our manufacturing base. Twenty-two percent of our manufacturing jobs have gone in the last three years, and the government continues to, as my Leader suggests, whistle past the graveyard. These are real statistics. These are statistics which are affecting our economic base and stand to have repercussions for our economy, not just for the next three months as the Minister of Finance wants to pretend, not just for the next six months, but for the next three years and five years and ten years.

This government continues to ignore reality. Some word wizard in the Premier's (Mr. Filmon) office has dreamt up a script for this Minister of Finance (Mr. Manness), the Minister of Industry, Trade and Tourism (Mr. Stefanson) and the First Minister and this script is repeated ad nauseam by members on that side who ignore the reality of the situation that the province faces.

The reality is that we are losing our economic base, that our people are unemployed, that people are leaving the province and our services are being decimated. Yet, the government maintains its agenda, which is the trickle-down theory, that if we can let a few people get richer by cutting corporate taxes and the taxes of the wealthy, somehow we are all going to benefit. Well, that theory, Madam Deputy Speaker, is in disrepute around the world. Nowhere is it more in disrepute than in the United States and Great Britain.

Madam Deputy Speaker, the economic facts that confront the province are dismal. The Conference Board of Canada, I think, quite rightly predicts that we are going to be last out of the recession. We are going to be last out of the recession, and we are going to be first, in my opinion, into the great depression, the great Tory-created depression of Manitoba, from 1991 to 1993 or '94.

Madam Deputy Speaker, we can look at numerous other statistics which tell us that the province is not only in a holding pattern, but it is in a serious decline. Business bankruptcies are at historical high levels. In 1990, it is reported that some 1,800 business bankruptcies were reported. That is almost four times the level that was reported in the mid-'80s. The private sector investment has dropped. This government's reliance on the private sector engine has been a failure. I just wanted again

to refer to the Minister of Finance's (Mr. Manness) own document, the Estimates of Revenue from the Province of Manitoba, which shows that the corporation income tax revenues that have historically supported the activities in the Province of Manitoba have dropped dramatically.

My Leader, the member for Concordia (Mr. Doer), talked about the drop of some \$81 million, a 47 percent decline in corporate income tax. In 1990-91, the province received some \$173 million in corporate income tax. This year, it is projected to receive some \$91.4 million in corporate income tax. Well, has there been a corresponding decline in personal income tax paid by the people of Manitoba? This government continues to use its argument that somehow people are better off because of the Tory government. Well, what happened between 1990 and 1991 with respect to personal income tax? Was there a decline? In fact, there was a significant increase. The personal income taxes paid in the province of Manitoba in 1990 were \$1.127 billion, and in 1991 it is projected to be \$1.211 billion, an increase of \$84 million in personal income tax. So it is true, their agenda is working partially.

The corporate sector in the province are not paying their share. Their corporate friends are paying less tax, but the other part of their agenda simply does not hold any water. There is no economic growth in the province. We have higher unemployment, and individuals are paying more than their fair share of the taxes in this country.

Madam Deputy Speaker, I want to move for a minute to some more concrete repercussions that flow from this budget. We have heard from the Leaders of the two opposition parties that the impacts are going to be felt in a ripple-like fashion throughout the province. Nowhere is that ripple going to be stronger than northern Manitoba—nowhere.

* (1750)

I want to start by saying that my concern over the implementation of a \$50 surcharge for patients using the Northern Patient Transportation Program for elective surgery is a serious backward step. If there is any single step that the government has undertaken in the last three years, which leads me to conclude that medicare and the sacred principle of medicare, which is universal access, is in jeopardy, it is this new user fee that is going to be

charged to Northerners. Let us not confuse the facts: this is a user fee. What it is is a user fee.

Madam Deputy Speaker, the Minister of Finance (Mr. Manness) is going to pretend that this is an issue of fairness. The Minister of Finance obviously does not live in Shamattawa. He does not live in Island Lake. He does not live in Lynn Lake, which is about a 12-hour drive under good conditions from the North to where this elective surgery is going to occur. He does not understand that you cannot drive from that part of the province and return the same day. You cannot have a friend drop you off and pick you up and take you home without incurring meals and hotel expenses, and we all know that the waiting lists under this government's regime are getting longer and longer.

I want to talk about the principle. The principle is that this user fee is the thin edge of the wedge on the principle of free and accessible medicare. I do not suppose it is ironic or unexpected that this new user charge is going to fall on the backs of Northerners first. We have the Minister responsible for Northern Affairs (Mr. Downey) on record as saying, well, they do not vote right. So he has no qualms about using the government as an instrument of torture on the people of northern Manitoba. -(interjection)-

Madam Deputy Speaker, the member for Lac du Bonnet (Mr. Praznik) talks about the sugar beet industry. Yes, I remember the discussions, and I remember which government signed the tripartite agreement to give the sugar beet industry its leg up, about \$8 million.

This charge on Northerners is an attack on medicare. It is an attack on Northerners, and it is an attack on the health of the people of the northern part of the province and the people in the Flin Flon constituency.

Madam Deputy Speaker, the Minister of Health (Mr. Orchard), and perhaps working in concert with the Minister of Finance (Mr. Manness), has decided that this \$50 charge is going to be applied to elective surgery, but let no one on that side or no one in this Legislature or no one who happens to review this public record be deceived about what elective surgery means. Elective surgery simply means surgery that is not urgent; that is not done on an emergency basis.

I spoke to a doctor in Flin Flon today and I asked him: What impact is this going to have? He said,

well, I can tell you two immediately. He said people who are waiting for serious surgery, although it is elective, hip replacements, operations to improve arthritis conditions, cataract surgery, you name it, even some surgery that could be used to diagnose or prevent cancer are going to be called elective surgery, and the charge is going to be applied to those people, completely discriminatory.

Madam Deputy Speaker, I want to put this in context. The people in my constituency in Snow Lake, who already are penalized because they live in northern Manitoba in terms of the health care system—I will report only one incident that happened. I have written to the Minister of Health (Mr. Orchard) on this, and he has responded. A woman in Snow Lake went to the doctor, had an acute pain in the abdomen. The doctor said, I do not know what this is; you are going to have to go to The Pas to a hospital. The individual traveled by ambulance, with an escort, to The Pas. The doctors in The Pas, who do have the capacity, under normal circumstances, to handle most medical emergencies, said, we cannot diagnose this problem, and sent her immediately by air ambulance to Winnipeg where she ended up at the St. Boniface Hospital.

For someone living in the city of Winnipeg or living in the vicinity of Winnipeg, or even in most parts of southern Manitoba, this would not have been a particularly expensive proposition. Yes, it would have cost money to have a friend or for themselves to find their way in to Winnipeg, to find the specialized medical care, but this woman, a single parent in the community of Snow Lake, was charged \$400 above and beyond the support she received from the Northern Patient Transportation Program and the Medi-vac flight from The Pas—\$400 charge. There is no equity in this. Northerners are not being treated fairly. It has cost \$400 for a single-parent person in Snow Lake to get medical treatment that would be available at the drop of a hat, and for no charge virtually, for the 600,000 people who live in the city of Winnipeg. The same is true, virtually, of a fairly large ring around the centre of Winnipeg into rural Manitoba.

Now, Madam Deputy Speaker, this Minister of Health (Mr. Orchard) and this government are going to impose a further \$50 surcharge in those kinds of circumstances. Elective surgery does not mean cosmetic surgery. It does not mean removing a wart off someone's nose. Elective surgery can

mean the difference between well-being and ill health. It can mean the difference between independent living and institutionalization. It is not simply a matter of charging people another \$50; it is also a matter of principle. This is a user fee, and it is the thin edge of the wedge. This government does not believe in medicare, and that is what we will be telling the people of Manitoba.

Madam Deputy Speaker, this doctor told me there were not only going to be medical problems. He said, yes, there are going to be people, particularly seniors on fixed income, for whom that \$50 is an added burden, not to mention the fact that the Northern Patient Transportation Program will not pay their overnight charges. With long waiting lists, increasing waiting lists for both diagnosis and treatment, people routinely come to the Health Sciences Centre or to Winnipeg for medical treatment and have to wait not one night, but two nights. That is not covered under the Northern Patient Transportation Program. Those costs are being incurred by Northerners on a regular basis, but this additional \$50 charge is the last straw, because it is targeted to people in the northern part of the province, people who have access to the fewest medical services and, in many cases, the people who can afford it least.

It does not just apply to Flin Flon, where most of the people are, thankfully, employed, but it applies to the people who come out of Sherridon where there is very little employment—it is 80 percent unemployment—and communities like Brochet, where it is probably 85 percent or 90 percent unemployment. This is an irresponsible act, and it is the act of a government which really is not committed to the principle of medicare as we know it in Canada and in Manitoba.

Madam Deputy Speaker, this government has not heard the end of this issue. It is a thoughtless and callous act, and it will be treated as such by the people of Manitoba. I believe that a lot of people in southern Manitoba will see it for what it is. It is an act of terrorism against medicare, and that is the real

intention behind this first move on the part of this government.

Madam Deputy Speaker, I would like to pretend, I would like to think that this was the only action—(interjection)—Well, I would like to pretend that this is simply an accidental indiscretion on the part of the government, but it is not, it is intentional.

I want to say as well, that it is not the only slight that this government has taken against the people of northern Manitoba, regardless of whether they live in our major cities or in the more remote parts of our community.

This government likes to talk about its economic agenda. I have not seen, in three budgets, any indication of any economic agenda and the hacking and slashing that we have seen as a result of this budget leads me to believe that there is none. I want to say that the hacking and slashing has gone also at the economic development and the attempts of individuals and groups in northern Manitoba to develop the economy of the northern part of the province more clearly than anything else.

What has happened to those groups in northern Manitoba that pride themselves on at least attempting to diversify the economy of northern Manitoba? Well, what has happened for example to the North of '53 Tourism Association, the only association that has attempted to group lodge owners and tourist industry operators in northern Manitoba into a cohesive force to promote tourism in northern Manitoba? Their funding has been cut.

How can this government, in good conscience, say yes, tourism is an important industry in the province of Manitoba, contributes more than a billion dollars to our economy and yet cut the only funding that organization has to support—

Madam Deputy Speaker: Order, please. The hour being 6 p.m., I am interrupting the proceedings according to the rules. When this motion is again before this House, the honourable member for Flin Flon (Mr. Storie) will have five minutes remaining.

The House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Thursday).

Legislative Assembly of Manitoba

Wednesday, April 17, 1991

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