



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

**DEBATES  
and  
PROCEEDINGS  
(HANSARD)**

40 Elizabeth II

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fifth Legislature**

LIB - Liberal; ND - New Democrat; PC - Progressive Conservative

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

## LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 24, 1991

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

#### Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions, may I direct the attention of honourable members to the gallery—

### TABLING OF REPORTS

**Hon. Glen Findlay (Minister of Agriculture):** Could I have leave to table an annual report, please?

**Mr. Speaker:** Is there leave to revert to Ministerial Statements and Tabling of Reports? Leave. Agreed.

**Mr. Findlay:** Thank you. I would like to table the Annual Report of the Department of Agriculture, 1989-90.

#### Introduction of Guests

**Mr. Speaker:** I would like to direct the attention of honourable members to the gallery, where we have with us this afternoon eight visitors from the Manitoba Society of Occupational Therapists, and they are under the direction of Jackie Pischke. They are the guests of the honourable Minister of Health (Mr. Orchard).

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

### ORAL QUESTION PERIOD

#### National Health Care System Manitoba Position

**Mr. Gary Doer (Leader of the Opposition):** Mr. Speaker, a few months ago there were questions raised by our national Leader in the House of Commons about the new Quebec proposals on health care to the former Minister of Health, Mr. Beatty. Mr. Beatty stated very clearly that he was not in favour of a system that allowed provinces to

go off on their own in terms of a health care system in the country.

Since the cabinet shuffle we have a new cabinet minister from Quebec, Benoit Bouchard, a person well known to this province in terms of VIA Rail and other activity, who has now stated, Mr. Speaker, that he in fact is open to the idea of provinces going their separate way under the Canada Health Act, something that has been desired and requested by the Quebec government and I think and we believe very opposite to the vision of a national health care program from coast to coast to coast.

**Mr. Speaker,** the Minister of Finance did comment that he did not support this idea at this time. We would agree with the Minister of Finance, not only at this time, but at all times. We should not look at an asymmetrical or two-tier health care system.

My question to the Premier is: Did he write the Prime Minister raising Manitoba's objections to the new health care policy of the federal government as articulated by the new Conservative health care minister and state in very, very clear terms that Manitoba is opposed to an asymmetrical or, in other words, two-tier health care system in this country?

\* (1335)

**Hon. Gary Filmon (Premier):** Mr. Speaker, I have not seen any new health care policy from the federal government. I understand, and I have been in cabinet all morning and at a Volunteer Awards luncheon -(interjection)- Mr. Speaker, I wonder if the member for Dauphin (Mr. Plohman) would—

**Mr. Speaker:** Order, please.

**Mr. Filmon:** Mr. Speaker, I have not seen any new health care policy of the federal government. I have been in cabinet all morning and at a Volunteer Awards luncheon over the noon hour. I understand that there is a comment in a news report that is the stimulus for the question of the Leader of the Opposition.

We on this side of the House have continued to support the Canada Health Act, the provision of the highest calibre of services that we can possibly provide in this country in health care. We continue to remain as a high priority in Manitoba of having

one of the highest funded increases in our provincial budget that we just brought in last week, some \$90 million of additional funding into health care, indicating what a priority it is for us.

We will continue to follow the policy that we have always followed, and should there be a change of policy from the federal government, we will be very interested to review that change of policy before we go running off and making statements or comments based on new reports.

**Mr. Doer:** Mr. Speaker, we have the text if the Premier would like a copy of the minister's new statements on the health care policy.

In the budget presented by the Conservative government last week in the Legislature, it stated that the issues of federal-provincial finances, including medicare, would be discussed at the Western Premiers' Conference scheduled May 13 and 14 in Saskatchewan. Premiers have asked for an "update" of last year's western Finance ministers' reports.

Given the fact that the western Finance ministers' meeting did articulate a disentanglement position, it would involve the shifts of major controls of major programs or revenue sources between the federal and provincial government, and given the fact that we have now seen the report from Couvelier that states that they would also like to disentangle and disengage from a national standard program of national health care, would the Premier now agree to change the position from disentanglement of our national standards in health care that the western Premiers and western Finance ministers were working on in Lloydminster, and can we take a made-in-Manitoba position to the western Premiers' meeting rather than going along with Quebec, British Columbia and Alberta, that want to get out of our national health care program?

**Mr. Filmon:** Mr. Speaker, we have always had a made-in-Manitoba policy at every one of the conferences we attended. We at no time supported a disentanglement with respect to health care or going it alone or a separation with respect to health care—at no time. Every time that question has been asked, we have been very straightforward, and I wish that the Leader of the Opposition would not try and misrepresent or put words in our mouth.

We have not in any way favoured a disentanglement with respect to health care or separate provincial responsibilities for health care.

That has not been our policy in the past and it will not be in the future.

**Mr. Doer:** I would ask the Premier to read again the supplementary report from the western Finance ministers' meeting dealing very clearly with our national programs. -(interjection)- Well, health care is a national program.

Mr. Speaker, given the fact that the western Premiers again are going to be meeting on this issue and dealing with these reports in two weeks time, would the Premier agree to table in the Legislature the position that Manitoba will be taking to that meeting?

Manitobans clearly, in the public hearings across the province dealing with the Constitution, want a strong federal government to deliver our national health care program, and I think it is very important that we lead into the western Premiers' meeting a position to support and enhance medicare from coast to coast to coast, clearly take a made-in-Manitoba position to that western Premiers' meeting and have that out in the public arena so that all Manitobans can support the Premier when he goes to the western Premiers' meeting.

**Mr. Filmon:** Mr. Speaker, this provincial government and this Premier have done more than talk about their support for health care. We have demonstrated it with respect to the priorities that we have put into our budget. Despite the very, very difficult times that we face with revenue sources under ordinary circumstances, that would have been up by less than a half of 1 percent in this budget, with all of the difficult choices we had to make, health care was given \$90 million of additional funding in this budget. It is our top priority. It was a priority that we placed above all others.

We tell Manitobans that the national health care system is something of which we can be proud, and we will continue to put that forward as the Manitoba position to protect our universal health care system, to ensure that we provide these services to the highest levels of support as possible, to the highest standards that we can possibly afford.

\*(1340)

### Children's Health Care Dental Program Deinsurance

**Ms. Judy Wasylycia-Lels (St. Johns):** Mr. Speaker, we are very disappointed that this government will not table its position so we know exactly where they stand when it comes to health care, because we are left with a federal government now clearly stating out loud what it has believed and been practising. That is, it is not committed to national standards. We have a provincial government acting in complicity with that national agenda by bringing in user fees and deinsuring medical services.

I want to ask the Minister of Health, since this government in its budget announced a fee to health care access for Northerners, reduced child dental care, deinsured such services as contact lens fitting and reversal of sterilization -(interjection)-

**Mr. Speaker:** Order, please.

**Ms. Wasylycia-Lels:** My question to the Minister of Health is: Why did this government deinsure children's dental care for children aged 12 to 14 when that insurance coverage has been negotiated between Ottawa and the provinces, when it will hurt those without voice and those most disadvantaged in rural and northern Manitoba?

**Hon. Donald Orchard (Minister of Health):** Mr. Speaker, I think my honourable friend has to understand that with the children's dental health program, the federal government contributes zero dollars. That is a program that is entirely funded by the taxpayers of Manitoba, because it is not an insured service under the Canada Health Act. However, under the fee schedule provision, removal of tattoos, for instance, was something that the taxpayers of Manitoba paid for.

We believe that in establishing priorities for health care it would be reasonable to deinsure a taxpayer paying for the removal of tattoos, because we do not have an abundance of funds. We will not, as the NDP has done in the past, mortgage the future of Manitobans through excessive borrowings or pillage their private tax pockets by raising tax after tax.

**Ms. Wasylycia-Lels:** Mr. Speaker, the minister fails to acknowledge that the children's dental care program is part of the provincial insurance plan.

Considering that it was put here because medical experts felt it was a medically required service, on

what basis did this minister decide to deinsure the Children's Dental Program? Did he consult with the physicians and doctors of this province? Whom did he check with? How could he deinsure such a valuable program?

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

\* (1345)

**Mr. Orchard:** Mr. Speaker, lest my honourable friend, in her arm-waving rhetoric, establish a terminology that is inaccurate, let me correct her. We did not deinsure the children's dental health program, because it was never insured. You cannot deinsure something that was never insured.

Let me tell my honourable friend what the children's dental health program does for the children of Manitoba. It provides education and health promotion in terms of oral hygiene for children across Manitoba. There is no service provided by the taxpayers to those children in the cities of Brandon or Winnipeg. There is service in the communities of Portage la Prairie, Thompson and Manitoba, ages six to 10. The balance of the province was ages six to 14.

We have maintained in this program all of the education and health prevention services that the children's dental health program provided yesterday and will provide tomorrow.

### Contact Lens Fitting

**Ms. Judy Wasylycia-Lels (St. Johns):** Mr. Speaker, obviously this minister will not address the cutback this government has imposed upon rural and Northerners in the province of Manitoba.

I want to ask him about another area that he has deinsured, since he likes to refer only to tattoo removal. I want to ask him about the deinsuring of contact lens fitting. Does this mean that coverage for the fitting of certain contact lenses for infants with congenital defects is also no longer provided by this government?

**Hon. Donald Orchard (Minister of Health):** Mr. Speaker, the efforts to try and provide appropriate and needed medical services were followed within the deinsurance of program. That is why, for instance, tattoo removal was deinsured. That is why, for instance, the fitting of contact lenses—because now you have to understand that

there are seven-day contact lenses, the throwaway contact lenses. Those services will not be insured.

To the best of my knowledge, and I will confirm this to my honourable friend, the medically needed fitting of contact lenses to infants with congenital eye problems is not deinsured.

### **Brandon Mental Health Centre Education Programs**

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** Mr. Speaker, day after day since the presentation of this budget, we have learned of cuts to vulnerable Manitobans, many of whom are children, many of whom are senior citizens.

On March 11, I received a letter from the Minister of Education (Mr. Derkach) in which he said, and I quite agree with him, that the education program at the Brandon Mental Health Centre is an integral component of the treatment process. He obviously forgot to give that message to the Minister of Health.

Can the Minister of Health tell this House today why that educational component of that treatment program has been cut and there will be no education for patients at the Brandon Mental Health Centre?

**Hon. Donald Orchard (Minister of Health):** Mr. Speaker, the Pine Ridge School is a service that was providing educational services to upwards of 16 people, from six to 16 adolescents, who were in the community suffering from mental illness or who were residents at the Brandon Mental Health Centre.

Mr. Speaker, what we are commencing is discussions, negotiations, work with the Brandon School Division to attempt to integrate that educational component with the Brandon School Division, not having it separate and independently delivered through the Brandon Mental Health Centre.

Mr. Speaker, that attempt at integration of students with difficulties in learning is an ongoing process within government over successive political parties. This was a decision we made to attempt again that kind of integration.

**Mrs. Carstairs:** Mr. Speaker, these cuts were made without any consultation with the Brandon Mental Health Centre, without any consultation with the Brandon School Division, and these children had been referred by the school division and Family

Services because they cannot cope in the regular school curriculum.

Why has this minister unilaterally moved to cut these positions and thereby deny quality education to these children?

**Mr. Orchard:** Mr. Speaker, the words, to deny that educational service, are not appropriate.

My first answer attempted to explain to my honourable friend the integration process that we hope to achieve. There are always going to be difficulties in terms of integration within the school system of any children who have learning disabilities. Those have been experienced in the past, and I am not suggesting that this integration is not going to be without challenge, but we think it is an appropriate policy decision, and we are looking forward to working with the school division in Brandon, the community health staff and Brandon Mental Health Centre to assure its smooth implementation.

### **Red River Community College Developmental Service Worker Program**

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** Mr. Speaker, those are not the only vulnerable citizens we learned today have been cut.

We have also learned that Red River Community College will no longer offer the one-year Developmental Service Worker Program, which provides trained workers to the mentally handicapped living in our community.

Will the Minister of Education tell this House how those young people and, in some cases, older people are going to receive quality care when he has cut the training that would teach those individuals to provide that quality care?

**Hon. Leonard Derkach (Minister of Education and Training):** Mr. Speaker, I would like to indicate to the Leader of the third party that when the programs were evaluated by the senior staff of my department and by the senior staff of each of the community colleges, there was always consideration as to what programs similar to that were offered either through private institutions, through other institutions, and indeed it was appropriate to consider their evaluations when these decisions were made.

Many of the programs that were curtailed at Red River and at Assiniboine Community College and

Keewatin Community College were those that either had poor enrollments, where there were few job opportunities after graduation or programs that were being offered in other institutions.

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order, please. The honourable member for Wellington has the floor.

\* (1350)

### Child Care Private Centre Funding

**Ms. Becky Barrett (Wellington):** Mr. Speaker, under the act regulating day cares in Manitoba, commercial day care centres are prohibited from receiving provincial monies for operating grants. The Minister of Family Services, in his announcement last week of new funding and fee structures for day care, stated that the government will pay "up to the full cost of care" for families receiving a subsidy and up to 25 percent of licensed spaces in private commercial centres.

Will the Minister of Family Services explain to the House the difference between a grant as prohibited by the act and funding "up to the full cost of care" for those private, run-for-profit day care centres?

**Hon. Harold Gillehammer (Minister of Family Services):** Mr. Speaker, I think the question really highlights the misunderstanding of the member and her party of the difference between grants provided by government, which tended to be universal and assist all people accessing the service, and the subsidies, which are targeted to families who really need it.

Our concern is that the families who really need to access day care are going to get that subsidy assistance. We are talking about single parents, in many cases, who are trying to improve their education, single parents who are entering the work force or maintaining their place in the work force. We have made a shift from universal grants and a very complicated grant system to put in place one operating grant and to enhance the subsidy assistance so that those subsidies are truly available for those people who need them.

**Ms. Barrett:** Mr. Speaker, the government has repeatedly stated its concerns, particularly the Minister of Family Services, over the decrease in federal transfer payments to the province. There is even a cabinet committee that is looking at this issue.

Why then is this minister and his government willing to lose through these funds given to private-for-profit day care centres monies which the federal government is willing to cost-share, but only to subsidies provided to nonprofit day care centres?

**Mr. Gillehammer:** Mr. Speaker, I am pleased that the member acknowledges my concerns with some of the offloading that has taken place with the federal government. We are certainly pursuing that with the federal government. It is a major concern that a lot of our social programs, which are maintained by provincial and federal money, will not be offered at the same level if the federal funding is not in place.

Again I point out the member's fundamental misunderstanding of the universal grant system, which tended to subsidize everyone who accessed day care. We are targeting our day care dollars more and more to those who truly need the subsidy in the system.

**Ms. Barrett:** Mr. Speaker, it is clear that the government is bent on its privatization of what should be an accessible service.

How much money has the Minister of Family Services budgeted to give to private-for-profit day cares? How much money has it budgeted to lose because this money is not cost-shareable from the provincial government?

**Mr. Gillehammer:** Mr. Speaker, the member is obviously interested in getting into a debate on the line-by-line Estimates. I know we are looking forward to our opportunity to look at the Estimates in some detail and can go into some of that detail at that time.

I can tell you that the private centres who provide day care in the province are a scant 10 percent of the total number of licensed spaces. I would mention to her that in formulating some day care policy we have worked very well with the working group on day care, which represented all of the day cares in Manitoba. I read with interest the press releases that have come forward, and certainly there are some concerns, but there was also a great deal of support for some of the initiatives we have taken. We look forward to continuing our relationship—

**Mr. Speaker:** Order, please.

\* (1355)

### Single-Parent Families Report Recommendations

**Mr. Doug Martindale (Burrows):** Mr. Speaker, there is a reality outside of this Legislature, a reality which the government is choosing to ignore. That harsh reality is that one-third of female single-parent families rely on social assistance. Their average income is \$6,400 below the poverty line.

The Minister responsible for the Status of Women received the single-parent family report in January. Why did this minister not act immediately to implement at least some measures to address the needs of single parents as recommended by the report?

**Hon. Bonnie Mitchelson (Minister responsible for the Status of Women):** In fact, the Minister of Family Services (Mr. Gilleshammer), the Minister of Labour (Mr. Praznik) and myself met with the Advisory Council on the Status of Women on February 26 of this year to receive that report, a report that had taken four years to prepare and was in the works. We have taken a look at that report as ministers, and we will be working together to assess the recommendations that were brought forward to us, seek further clarification should there need to be further clarification, act on those recommendations that over time we can act upon.

### Single-Parent Families Social Assistance Programs

**Mr. Doug Martindale (Burrows):** Can the same minister tell the House why CRISP, a program which gave assistance to 8,000 Manitobans, and the ACCESS education programs, recognized as innovative and successful, were cut, even though the report recommended that both programs be increased substantially?

**Hon. Harold Gilleshammer (Minister of Family Services):** Mr. Speaker, I appreciate the member's concerns, and we have had an opportunity to talk about many of the poverty issues which he advocates for. I would like to make him aware of some of the initiatives we have taken in assisting single-parent families in this province.

One of the major changes we made recently is that social assistance programs are immediately available to separated or deserted sole-support parents, and we are very pleased that we were able

to make that shift so that they could access that assistance immediately.

I would also like to mention the Gateway Program, which provides social assistance recipients with training, specifically to employment, and allows them to enter the work force.

**Mr. Speaker:** Order, please. I would like to remind the honourable minister that answers to questions should be as brief as possible.

### Single-Parent Families Government Priority

**Mr. Doug Martindale (Burrows):** Mr. Speaker, we are aware of what the government did. The problem is what they did not do and what they will not do.

Given that 57 percent of female-headed, single-parent families in Manitoba live below the poverty line, and their number is growing, how high do these numbers have to get before this government gives a priority to this situation and takes action?

**Mr. Speaker:** Order, please. The honourable member's question seeks an opinion. It is therefore out of order. I would ask the honourable member to kindly rephrase his question, please.

**Mr. Martindale:** Mr. Speaker, to the same minister, my question is: When will this government give priority in formulating policy and making budget decisions so that this abominable situation of women living in terrible poverty does not continue and get worse? When do they plan to make improvements?

\* (1400)

**Hon. Bonnie Mitchelson (Minister responsible for the Status of Women):** Mr. Speaker, since the beginning of this report over the last four years, since we have been in government over the last three years, there have been significant improvements in changes and funding restructuring to services for women in this province.

I might just like to indicate some of the initiatives that we have undertaken since we have become government. When we look at the wife abuse system, Mr. Speaker, we have definitely increased considerably the funding to wife abuse shelters. We have increased spending on day care by 60 percent as a government.

Mr. Speaker, the Department of Housing, in conjunction with Canada Mortgage and Housing—



**Mr. Speaker:** Order, please.

### Point of Order

**Mr. Steve Ashton (Opposition House Leader):** Mr. Speaker, Beauchesne is very clear that answers to questions should relate to the matter raised, and the question was asked as to why this government is cutting back in areas instead of increasing programs to single women who are living under poverty in this province, a very straightforward question which I think deserves a straightforward answer.

**Mr. Speaker:** Order, please. The honourable member did not have a point of order.

The honourable madam minister, to finish her response.

\* \* \*

**Mrs. Mitchelson:** Mr. Speaker, as I was just about to say, there have been 490 family units committed through the Department of Housing constructed in 1990, and 75 percent of those are occupied by single-parent mothers and children.

### Fishing Industry Financial Assistance

**Mr. Gulzar Cheema (The Maples):** Mr. Speaker, my question is for the Minister of Northern and Native Affairs.

Mr. Speaker, when the federal government is promising increasing consultation with the Native people, this government makes a unilateral decision about the financing of fishermen in the province. Most of them are Native, and they did not even consult with those people. It is a sad story.

Can the Minister of Northern Affairs tell us why he did not consult with these individuals before making such a major decision?

**Hon. James Downey (Minister responsible for and charged with the administration of The Communities Economic Development Fund Act):** Mr. Speaker, I am not sure where the member is coming from, because if he had been listening over the past few days, it has been very clear that there has been a transfer of the program from MACC to CEDF, not a cancellation of the program, but a transfer of the program to a different administrative body.

I would hope that he would refrain from trying to upset the fishermen unnecessarily in this province by trying to leave the impression that there is not a program. There is a program, and it will be administered through CEDF.

**Mr. Cheema:** Mr. Speaker, the question is that this minister did not consult them while they were transferring this program, and they are transferring the program when they need it the most.

Can this minister assure this House that the funding and support will be provided as was provided by the previous program during this very crisis time?

**Mr. Downey:** Mr. Speaker, let me make it clear—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order, please. The honourable member for The Maples has asked a question. I am sure he would like to hear an answer.

**Mr. Downey:** Mr. Speaker, the member for The Pas (Mr. Lathlin) may not care about the fishermen, but this party does.

### Point of Order

**Mr. Steve Ashton (Opposition House Leader):** Mr. Speaker, all the member for The Pas did was predict the rather predictable nonanswers of the minister, and I do not think the minister should take offence to that. We are used to the minister's comments in terms of answers, but he should not be making cheap shots—

**Mr. Speaker:** Order, please. The honourable member did not have a point of order.

\* \* \*

**Mr. Downey:** Mr. Speaker, it was unfortunate the Liberal Party and the New Democratic Party did not care about this particular matter until it was raised in the press. My colleague the member for Gimli (Mr. Helwer) had raised this issue and clearly got the answers from the Treasury bench that it in fact will be carried out by CEDF in the province of Manitoba.

### Aboriginal Health Care Mental Health Services

**Mr. Gulzar Cheema (The Maples):** Mr. Speaker, my final supplementary is for the Minister of Health.

Mr. Speaker, consultation is the most important aspect for Native health care, and this minister, as I pointed out to him yesterday, has completely ignored mental health for Native people in their own policy announcement of January of this year.

Can the minister assure this House today that he will consult with the Native people and make sure that their health policy is also a part of the Manitoba policy?

**Hon. Donald Orchard (Minister of Health):** Mr. Speaker, that is entirely the intention of this government.

My honourable friend mentioned two days ago a couple of instances where he believes there was an area of concern in terms of policy development, and I am attempting to provide to him that kind of information. Let me tell my honourable friend that in the document that he is referring to was the outline of principles to guide and policies to outline the reform of the mental health system for all Manitobans.

### **Winnipeg Education Centre New Facilities**

**Mr. Elijah Harper (Rupert's Land):** Mr. Speaker, my question is for the Premier.

Yesterday, the Prime Minister presented a new list of promises, including reversing previous cuts to post-secondary education funding for aboriginal people.

My question for the Premier is: The federal government now has said that it will restore some funding previously cut by this government. Will this government now reverse its budget plans and commit itself to building a new home for the Winnipeg Education Centre this year and, as well, increase funding for the ACCESS program and also the BUNTEP program?

**Hon. James Downey (Minister responsible for Native Affairs):** Mr. Speaker, I am encouraged that the federal government has made an announcement that they will have additional funding or do have some additional funding for Native education. It is unfortunate when we came into government that there was not a long-term agreement, that it was just a year-by-year extension, no long-term planning, that we inherited at that time and in fact went above and beyond some of the

dedication and some of the commitment of the previous administration in last year's funding.

Mr. Speaker, we are continuing with provincial funding. We will be requesting that the federal government apply some of the newly announced funds to some of those programs that we are continuing to support.

### **Aboriginal Programs Federal Funding**

**Mr. Elijah Harper (Rupert's Land):** To the Premier, rather than continue to use the federal government as an excuse to cut funding to programs affecting aboriginal people from the Northern Youth Corps to BUNTEP, why is this Premier not increasing such funding and negotiating for the federal participation as the previous government did?

**Hon. Gary Filmon (Premier):** Mr. Speaker, the fact of the matter is that within our budgeting we have had to reflect the fact that the federal government has withdrawn funding from a whole host of areas. This government has done an excellent job in trying to keep its support in key areas, the areas that so many—(interjection)— Mr. Speaker, there is \$90 million more in health care. That is health care for every single Manitoban. Whether they be aboriginal, whether they be from any other area of this province, they are getting support for their health care.

There is substantial additional money for Education, for Family Services. Those are services that equally are applied to aboriginals as well as other Manitobans.

Mr. Speaker, when we have a direct cut in funding for programs that are directly attributable and directly serviced to aboriginals, we have continued to provide our funding. Given the very severe financial restraints that we face, we cannot also have Ottawa cut back on its transfer payments to us, withdraw from funding and still provide more money to these programs to make up for the withdrawal of funding.

The buck has to stop where the action takes place, and if it is the federal cuts—

**Mr. Speaker:** Order, please.

### Aboriginal Issues Land Claims

**Mr. Elijah Harper (Rupertsland):** My supplementary question is to the Premier.

Since the Prime Minister has promised a fast-track land claim settlement program, I wonder if the Premier could tell this House what discussions he has had with the Prime Minister on speeding up such claims in this province.

**Hon. Gary Filmon (Premier):** Mr. Speaker, it has always been a priority with our government. We have indicated that whenever the federal government wants to resume at the table we will be there, because we believe that this is an outstanding issue.

For three successive elections, I have said that the settlement of outstanding Native land claims will be a priority of this administration. We have not been able to achieve that because of a lack of federal presence at the table.

I am happy to hear that from the Prime Minister, Mr. Speaker, but I point out that the member for Rupertsland said that statement was not worth anything and was not worthwhile. Now he is endorsing it and saying, what are we going to do about it? Like him, I will be interested to see the federal commitment, and when they come to the table we will be there.

\* (1410)

### GRIP Program Flexibility

**Mr. John Plohman (Dauphin):** Mr. Speaker, we have consistently raised with the Minister of Agriculture (Mr. Findlay) the unfairness in this program, the inequities in the GRIP program that has been put in place in this province. I rise once again to raise this issue with the minister.

We have asked for cost of production to be included so farmers could be ensured of that. We have asked for disentanglement of deficiency payments from GRIP and NISA. Unfortunately, the program is still very unfair. As a matter of fact, I have a letter and a petition from The Pas District Farmers' Association where they say the method of calculating the protection will cause tension amongst the farming community.

I ask this Minister of Agriculture: Is he now satisfied that the program he is introducing in this

province meets the fundamental criteria for fairness and that it has the flexibility to meet the needs of all of the farmers of Manitoba?

**Hon. Glen Findlay (Minister of Agriculture):** Mr. Speaker, what is being offered to the farmers of Manitoba has been recommended by a task force that had 19 farmers out of the 33 members on that task force. So farmers have recommended what is in front of them. Farmers have asked for individualization, an opportunity to prove themselves and be able to improve their coverage. Those options are available in the province of Manitoba. So we have responded to what the farmers have wanted, in a very significant way.

We just announced an extension of the deadline for sign-up till May 15 for revenue insurance and crop insurance to give farmers a little longer period of time in order to make their voluntary decisions. I want to stress, Mr. Speaker, to the member that this program is a recommendation from a group of farmers and supported very heavily. We have been lobbied by this group of farmers over and over again to get the program out there and delivered, and that is exactly what we are doing.

**Mr. Plohman:** Well, Mr. Speaker, the minister seems to indicate that this is a fair program, from his answer.

I ask him how he can justify that position that it is a fair program when in fact farmers in the Parkland, in The Pas, in the Interlake, who live across the road from each other, where one has taken crop insurance and one has not in the past, will be insuring their levels at variances of some \$30 or \$40 difference between the two farmers, which on a thousand acres can be up to \$30,000, which is the difference between making a profit or getting cost of production and losing a bundle of money under this program.

I ask the minister: How can that be fair under the program that he has put in place?

**Mr. Findlay:** Mr. Speaker, the crop insurance program has been in place for some 30 years in the province of Manitoba, and coverage is based on soil zone. If a person is in a different soil zone, he does have a long-term different average. We recognize there are still some farmers who, because of events beyond their control, were below area average with their coverage. We have offered area average coverage to all farmers in the province of Manitoba

so they can all be equal at the beginning phase of this program.

**Mr. Plohman:** They are not all equal, Mr. Speaker. The fact is, some will have their coverage enhanced, those who were in crop insurance, if they did not draw on the program, not because of superior management, but only because they did not draw on their program by producing 70 percent of their coverage levels.

I ask the minister: Is it fair, on that basis, to allow some farmers who live across the road and did not take crop insurance to be faced with a penalty under this program on the basis of \$30 per acre that could result in some \$30,000 for a farm, on 5,000 acres \$150,000 difference? How can the minister justify that variance?

**Mr. Findlay:** Mr. Speaker, in the interest of fairness, if a farmer has taken crop insurance, he has had an opportunity to prove his record. If he has proved himself above average, he should have that reflected in his coverage. If a farmer has not taken crop insurance, he has not paid the premiums, then it was his choice. It was his choice not to do it in the past. So in the interest of fairness to the person who has paid his premiums, he gets the benefit of being able to prove himself. We have made it available to all farmers so they can come in equal at at least the area average.

**Mr. Speaker:** Time for Oral Questions has expired.

## ORDERS OF THE DAY

### BUDGET DEBATE

**Mr. Speaker:** On the adjourned debate, seventh day of debate, on the proposed motion of the honourable Minister of Finance (Mr. Manness) and the proposed amendment of the honourable Leader of the Opposition (Mr. Doer) and the proposed subamendment of the honourable Leader of the Second Opposition (Mrs. Carstairs), standing in the name of the honourable member for Swan River (Ms. Wowchuk), who has five minutes remaining.

**Ms. Rosann Wowchuk (Swan River):** Mr. Speaker, when this budget was first introduced, there were many people who had said that, well, maybe it is not as bad as we expected because of the many spins that were put out by government about how bad it was going to be. However, as time goes on and people get more and more insight into the budget, we are seeing that it is much more

drastic than many people ever expected. Every time we turn around there are more cuts—cuts to fishermen, support programs for fishermen, cuts to farmers. Farmers who had anticipated that there would be support along with a GRIP program are now seeing that those supports are not there. We see cuts to the rural development corporations when this government, on one hand, says that they want to see rural Manitoba grow, and then they cut the rural development corporations and offload more onto the municipalities. We just see more and more offloading, and it is just impossible for municipalities to continue to pick up these costs.

Mr. Speaker, we also see cuts to support for senior citizens and our children, but particularly our poorest people, through the CRISP program which has offered support and now this government is cutting back on that.

Members of the government continue to stand up and say that we are not prepared to offer positive advice and that we just keep criticizing the budget. Well, Mr. Speaker, there is not much more that we can do but criticize. We have offered advice and this government has not chosen to listen. We have said, you have to get the economy going; you have to get people working, and if this province is going to grow at all we have to have some stimulation. This government is just not prepared to do that.

They made an announcement recently that they were going to do more studies and put some funds in place for rural communities to do studies on what they needed in order to grow. Mr. Speaker, the rural communities do not need more studies. What they need is a plan by this government. Put together a strategy for rural Manitoba; let rural Manitobans know what your plan is. Do you have any plan or are you just going to ask people to continue to do studies? That is not what rural people need.

I suggest to this government that it is time for them to get in touch with the rural people, because they have not met the needs at all with this budget for everything that has been cut as far as support programs. Support programs for farmers, as I have indicated. The loans program for the fishermen—indeed, it is going to be there, as the minister says, through another department, but it is causing an awful lot of confusion for fishermen right now because they do not know where this government is coming from.

The government has asked for support on this budget. As I have indicated, it would be a very difficult budget to support because it does not meet the needs of rural communities or of rural people in any sense, and I would have to say that I am not able to support this budget. Thank you, Mr. Speaker.

**Mr. Bob Rose (Turtle Mountain):** Mr. Speaker, it is a pleasure to have the opportunity to make my first contribution to a budget debate. Having been a sidewalk superintendent for a number of years now, I am also cognizant of the fact that today I have an opportunity that is not available to the vast majority of Manitobans, an opportunity to debate in our provincial Chamber a matter that is of vital importance to the current and future well-being of our present citizens and our province.

I am also aware, Mr. Speaker, of the interesting mix in the debate. We have had the contribution, for example, of the honourable Minister of Natural Resources (Mr. Enns), a visionary person whose length of service to the people of Manitoba is rivalled only by the member for Brandon East (Mr. Evans). I do not know if I can claim to be the newest MLA, because I do not know which of the newcomers was declared elected last, last September, by the electronic media. It is interesting that the minister and I, from widely different backgrounds and experience, seem to have a very common grasp of today's problems.

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

The debate since the budget was brought down has also been interesting, Madam Deputy Speaker. I hear words from the opposition benches, words like "grave" and "alarming" and "catastrophic," and I wonder what language might have been chosen if the budget was even close to being any of these things.

I happened to catch the National News the night before the budget day and the lead story that night was of the pitiful plight of the Kurds in Iraq along the Turkish border. The visual impact of the body bags containing the remains of small children who had perished through the night and the visual impact of adults physically fighting over bags of flour told a story that many of us I am afraid would like to ignore. The very next story featured a well-fed and well-dressed Canadian suggesting that without an

increase in his monetary returns he and his family could not survive. The contrast was striking.

\* (1420)

We spend a good deal of our time and energies in this country debating language and the need for communication and understanding. I would suggest that a good place to start would be an understanding of the definition of words, survival apparently has a much different definition in Canada than it currently does in northern Iraq.

So I think, Madam Deputy Speaker, that we can safely disregard some of the rhetoric in this debate as just that, rhetoric, and I do not make that statement in a critical manner. Politicians rely on the media, and the media's appetite, understandably, is not satisfied with a bland diet. Had our fellow Canadian on national TV who was worried about survival been only worried instead about a new set of tires for his car, he would not have been featured on national television.

The problem with rhetoric is not so much that the orator may believe it, but rather the danger that some of the audience may, and I believe it is incumbent on all of us who have been entrusted with the management of our provincial affairs to dampen the trend developing among some of our citizens that there really is a Santa Claus.

I do not intend, Madam Deputy Speaker, to spend much time debating the actual details of the budget. No one derived any pleasure or satisfaction out of having to reduce positions with the unavoidable result of people being without employment. However, the reality of our economic times and past extravagances is having the same effect in all segments of our society. It does not matter who was signing the pay cheque, the hurt is just the same, and businesspeople who must close their doors, in part because high taxes, do not allow them to compete, and farmers who lose not only their livelihood but their homes as well know the feeling only too well. No position is immune, though some would have us believe that positions financed by taxpayers should have that immunity.

An increase of \$90 million in health care reflects Manitobans priorities. It also continues to sound a warning bell. When almost a third of our budget is spent in one area, the ever increasing costs of that area need to be carefully examined. What might our costs be if Manitobans were not a healthy people?

Agriculture did not escape reductions but these reductions are offset by premium commitments to GRIP. Despite objections to that program from some quarters, most farmers will I believe accept the choice of a reduction in services where they are occurring with a replacement of a program that for the first time ever will guarantee a return per acre regardless of yield or price.

What is not in this budget because it will not occur until the next fiscal year, but what is understood by the vast majority of farmers, is this government's commitment to the primary producers by sharing with the federal government an underwriting of the shortfall and coverage that is almost bound to occur in the first year of the program.

Obviously not all MLAs agree with this understanding of the tremendous importance of the agricultural industry, both in terms of contribution to our economy and providing an abundance of healthy and easily affordable food. The member for Broadway (Mr. Santos), for example, said, and I quote from Hansard, the member for Broadway: "They say it is a moderation in public sector wage negotiation; moderation—zero." An Honourable Member: "What about the farmers who were here today?" The member for Broadway: "The farmers, they just got \$400 million grants announced today from the federal government."

Although he does not say so, of course, the implication is, why should the province help when they are getting all that free money from the federal government. Perhaps the next time, Madam Deputy Speaker, there is a group of farmers in the gallery, the honourable Leader of the first Opposition will permit the member for Broadway to ask the questions. Manitobans would really like to know where the New Democratic Party stands on this important issue of agriculture.

Increases to family services and education illustrate this government's commitment to people. Opposition members would have us believe that this increase is really a decrease. They cutely describe it as the GFT. The other day the honourable member for Niakwa (Mr. Reimer), I believe, talked about the—how did that go—GDD, gloom and doom Doer.

I would like to talk today about the HPPT, the Howard Pawley payroll tax. I suppose no one will ever know what genius in that government said: Hey, I know how to increase employment and make

our economy thrive and shine; let us put a tax on jobs.

As president of the Manitoba Association of School Trustees, I received a very long, seven or eight page letter from the then NDP Minister of Finance explaining that school boards—those organizations with about 80 percent of their costs in salaries—did not need to worry about a payroll tax because they would get it all back, someday, without interest. Meanwhile, just raise it locally, and we almost promise that when the payroll tax is returned, it will not be included as an indicator of provincial support for education.

This government knows, Madam Deputy Speaker, that local jurisdictions, school boards and civic administrations are very capable of finding ways to balance budgets over a period of time without massive tax increases on property. This government also knows that local administrations will continue to spend what money is made available to them, albeit sometimes reluctantly.

Goodness knows how many shared cost programs have increased local taxes because local administrations were put in the position by senior levels of government of having to choose between helping to finance a program, not necessarily applicable to local needs, and the attraction of getting that program at half price. This government knows that the model for better financial management is being provided in this budget, increases in priority areas with negligible increases in taxes.

Madam Deputy Speaker, I want to respond to something the member for Flin Flon (Mr. Storie) said the other day. This is the second time I have done so, and if I may digress for just a moment to explain the fascination for this member's occasionally excellent, but generally unremarkable contributions to the debate. I have noticed that people do digress from time to time in this Assembly, so I hope I have that opportunity as well.

I married a girl from Flin Flon, and Lois's parents were part of the frontier pioneers of the North where her dad was editor of the Flin Flon Daily Miner for almost 40 years. Certainly, no one can lay better claim to being part of the development of an area than the editor of the local paper.

We spouses of these ex-Flin Flonners have noticed over the years that it does not matter where you go, there is someone with a connection to Flin

Flin. They seem to have infiltrated every area, every profession, every society, every organization. We spouses refer to them as the Flin Flon mafia. This phenomenon is not confined to Manitoba. It spreads across Canada as well, and world travellers tell us that they encounter ex-Flin Flonners in many other countries.

It leads us to darkly suspect that they may some day rise up behind the symbol of Flintabbatey Flonatin and take over the world, and because of this dark suspicion we have an unwritten pact among us to watch for any kind of activity which might be construed as subversive among people connected to Flin Flon.

My part in this vigilance has obviously become a monitoring of the honourable member for Flin Flon's contributions in this House. So, as I now and may in the future respond, it is not necessarily because I think the rhetoric is worthy of response, but he was speaking the other day of the pamphlet that was widely distributed by our members and accepted and understood by most Manitobans. He said, "it is full of lies."

Madam Deputy Speaker, I just scolded one of our local newspaper editors the other day who is a member, by the way, of the third party persuasion, although he is finding that very difficult to hold that allegiance the last month or two; but I scolded him, pointing out that we do not use such terms, but rather use terms like "disputes over facts." Unfortunately, the honourable member for Flin Flon (Mr. Storie) is not specific as to which part of our pamphlet is a dispute over facts. I guess that could be because the facts in that pamphlet are indisputable.

I would also like to respond to part of the budget speech of the honourable Leader of the first Opposition and at the same time congratulate him for his contribution. He spoke of the two engines driving our economy: the public-sector engine and the private-sector engine. Again I quote: 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, end of quote.

\* (1430)

Well, he is wrong, Madam Deputy Speaker, when he says the Tories believe there is a single private sector engine in the economy. We recognize the need for a public sector engine thrust when necessary, but the problem is that the public sector engine is out of fuel. Taxes and borrowings are the fuel of the public sector engine and they are in short supply. They are in short supply because successive governments, at all levels regardless of political affiliation, have failed to recognize that this fuel is a renewable resource only if politicians have the will to provide renewal in good economic times. Instead, deficit financing has become a dangerous habit, a habit that has depleted our fuel resource for the public sector engine.

Our aeronautical expert, the member for St. Vital (Mrs. Render), will tell us that you can quite successfully fly a twin-engine plane on one engine provided you have the right people at the controls. You can fly long enough to redesign the airplane with an eye to past mistakes because the mistake in the two-engine theory in our economy is the ever-increasing reliance on the public sector engine to provide the power with an ever-increasing demand on an ever-decreasing supply of fuel.

**An Honourable Member:** Do not talk to these guys about airplanes, Bob. God, they lost a pile of money doing that.

**An Honourable Member:** They used methane over on the other side, that is why they . . .

**An Honourable Member:** Saunders Aircraft.

**Mr. Rose:** Perhaps that explains why Saunders Aircraft did not succeed better than it did.

The twin-engine economic theory has merit, but only if we understand that the horsepower has to be delivered by the private sector engine, and the public sector engine is used to steer the economy with frequent pauses to repay its debt-driven fuel source.

While we are in the area of analogies, and we had better get away from airplanes, Madam Deputy Speaker, because as we learned from the speech of the Minister of Natural Resources (Mr. Enns) the other evening, the opposition do have problems with designing airplanes, so perhaps we will move into

something a little more simple in the area of analogies.

I would like to talk about a mousetrap. Constant deficit financing reminds me of a mousetrap that was built by an enterprising neighbour who had time on his hands. It was simply a slippery board balanced over the edge of the counter. A piece of cheese at the end of the board enticed the mouse further and further from the safety of the countertop, until finally the weight of the mouse tipped the board causing the mouse to slip into a pail of water. Now sometimes it took three or four nights to catch the mouse because the first bait had to be close to the counter and the successive baits moved further and further out. The mouse built confidence in learning that he could play and cavort and feast farther and farther out on the board with no apparent danger and despite warnings from wiser mice. The end comes quickly because when the board starts to tip it does so rapidly, and even a mouse with its sharp little claws cannot hang onto a slippery board that is suddenly vertical.

Each deficit budget is a piece of cheese placed farther and farther out on the board away from fiscal stability; and we, mice, play and cavort and feast and complain whenever anyone suggests the cheese should be a little smaller and a little closer to the countertop. The weight of society feasting at the cheese, farther and farther away from the fulcrum, has an inevitable conclusion, a swift and cold plunge into a Third World pail of runaway inflation and worthless currency.

I believe we enterprising Canadians would find a way to swim out of that pail and gradually climb back up on the counter, but it would be a long, long climb. I believe that, because Canadians, and Manitobans in particular, are hardworking, enterprising, thrifty people, if they have the opportunity and the necessity to be those things. It is important, though, that we do not lose these characteristics with a change in attitude and a loss of confidence in our ability to compete with the rest of the world.

Shortly after the election, I had the pleasure of taking part in the ceremonies making the restoration of Grund Lutheran Church located between Baldur and Glenboro. With the assistance of the former MLA for Turtle Mountain, the honourable Denis Rocan, and mostly by the efforts of local people, this historical building was given new life, marking the movement of settlers from the Gimli area and

marking the construction of the church as one of their first community projects.

As I say, I had nothing to do with this worthy project, and someone in attendance that day predicted a long and successful career for me in politics, because I seem to have the ability to show up just in time for the pictures. I could not help but notice that in the costs of restoration was a \$35,000 architect's fee. One wonders how they managed to build it in the first place without our modern-day tools, materials and technology—built it well enough to last for 100 years, when our present well-educated and well-equipped generation apparently needed \$35,000 to have someone tell them how to restore it.

I very much enjoyed the honourable member for Wolsley's (Ms. Friesen) contribution to the debate on the provincial tree, and while there are many different versions of history, there is no doubt our pioneers knew if there was a will there was a way, with or without much money and, certainly, without much debt.

There were not too many corporations in those days either, Madam Deputy Speaker. Maybe that is why the NDP is a relative newcomer to the political scene; there was nobody to be against. Corporations are not necessarily huge. Many, many small businesses are incorporated, possibly to raise capital, possibly to limit liability, but most likely to take advantage of lower tax breaks.

**Some Honourable Members:** Oh, oh.

**Mr. Rose:** Ah ha, from the opposition. Tax breaks for corporations, not necessarily, Madam Deputy Speaker.

My wife and I are sole owners of a corporation, which pays less tax on any hard-earned profits than we would as individuals—not no tax but less tax. Should I suggest to our accountant the withdrawal of cash from the company for enjoyment in our personal hands, he turns pale. No, no, he says. You will be taxed again on money on which you have already paid tax.

The government did not intend you to have any fun with this corporate tax break. They intend you to reinvest in more buildings and more equipment, so you can pay more taxes and hire more people. If you live in a province with an NDP administration, you can pay more tax on your payroll. So-called corporate tax breaks are nothing more than



governments tinkering with the tax system to encourage economic growth.

Today's high standard of living that most of us enjoy is not because of high salaries or high profits, it is because mass production makes so many material things available to us at an affordable cost with little help from governments, in fact sometimes in spite of governments. Industrious and innovative people with capital made available through the corporate structure have developed a production system that allows production at extremely low cost. Think of the many things we routinely accept in our lives: cars, air travel, TVs, VCRs, computers, vastly improved housing, to mention but a few. Think of the many things that improve our quality of life that were not available to earlier generations no matter how wealthy they might have been.

No, Madam Deputy Speaker, the opposition's contention that all our problems lay in our treatment of corporations is just as shaky as their notion that when the Conservatives recently assumed power in Manitoba we inherited a surplus. Here we are paying over \$500 million annually in interest on the NDP surplus. Manitobans are thankful the former government did not think they had a deficit; goodness knows how many millions we would be paying with little to show for it.

\* (1440)

In fairness, as I said before, our national and provincial debts are the responsibility of all parties. No doubt at any given moment cash inflows may be greater than cash outflows. Autopac, for example, probably shows a substantial surplus in the first weeks in March after premiums are paid, but looking at cash flows at any given time is not a yardstick of financial management. No, Madam Deputy Speaker, the interest paid today is not caused by a surplus in provincial budgeting, but rather an accumulation of deficits in provincial budgeting.

Does this budget reverse that trend? No, it does not. Interest costs, depending on a number of factors, will likely still increase, but what this budget does is provide much-needed leadership. It demonstrates that Manitoba finally has a government that understands the need for that leadership, a government that understands you cannot borrow or tax your way to prosperity, a government that knows the vast majority of its citizens understand as well, and also understand that governments do not create wealth; people do.

Let me be the first, and very possibly the only one, to quote the newest member for Turtle Mountain (Mr. Rose), when in his first speech to this House he said: This is not to say, Madam Deputy Speaker, that people expect a massive correction in our financial course, but only that the pilots at the helm have a clear vision of the icebergs of uncontrolled spending. I believe this government has that clear vision and its intention to live within its means is welcomed by Manitobans.

This budget, Madam Deputy Speaker, indicates that vision and attention and I urge this House to defeat the amendments and unanimously pass this blueprint for economic recovery and growth. Thank you.

**Mr. Oscar Lathlin (The Pas):** Once again, it is my honour and privilege to get up in the House today and talk about the budget that was just recently handed down by the provincial government.

I want to first of all talk about what is happening in the North. As I said in my speech during the first Throne Speech Debate, I come from the North. I was born and raised in the North, in The Pas. I am indigenous to the North. Chances are I will never move elsewhere and chances are that is where I will always have my roots, in The Pas.

The budget as it affects the North is what I want to talk about first. This budget, Madam Deputy Speaker, I am afraid has betrayed Manitoba as a whole, but particularly this budget has betrayed northern Manitoba in a very critical way.

You see, Madam Deputy Speaker, the North traditionally has been ignored by all levels of government, by everybody, not only government, by Manitoba's society as a whole. I am not afraid to say that because that happens to be the truth—the truth as sure as I am standing here this afternoon.

Job losses of nearly 1,000 positions at a time when the unemployment rate is high is going to devastate the North. Madam Deputy Speaker, most of the communities in my constituency—I have Grand Rapids, Easterville, Cormorant, Moose Lake, Norway House, Cross Lake, The Pas Indian Band and the town of The Pas itself. Generally, it has been accepted by studies, and one need not do a study to find out that in all of those communities unemployment is anywhere from 50 percent to 90 percent.

This government takes pride in itself by cutting approximately 1,000 jobs, which will probably

increase to 1,500 by the time everything has been implemented. I would have thought when I heard the First Minister (Mr. Filmon) during the throne speech that he cared for the North.

The Minister of Northern Affairs (Mr. Downey), before the last election, made about five trips into The Pas. I remember the Minister of Education and Training (Mr. Derkach) coming to The Pas on at least three occasions. The Minister of Justice (Mr. McCrae) was there at least once as I recall. Now that the budget has been delivered, I have not seen the Minister of Northern Affairs come to The Pas once. However, Madam Deputy Speaker, since the budget was brought down I have been to The Pas three times, no, twice—I am sorry. This last time that I was there I spent five days in The Pas trying to get a handle on how many people were affected by the cuts that this government has inflicted on northern Manitobans.

Let me talk about the jobs losses, KCC, for example. Twelve jobs have been eliminated at KCC, so that means in conjunction with the 225 workers who have been laid off at Repap intermittently for the next four or five months, 225, and we add on 18 teachers who had been laid off by the school division, we add 12 staff workers who have been laid off by KCC and that is KCC alone. I could not get the numbers on Highways and Transportation. I know two people were laid off at Northern Affairs. Natural Resources, I know of at least two people who were laid off, long-time employees.

When I talked to the people in the North, nobody really knows as of today exactly how many more jobs are going to be lost. People are uncertain, people are demoralized, people are scared. As a matter of fact, in addition to the 12 jobs that were cut at KCC, 14 more workers got letters telling them that their jobs were on the line, meaning that they could be bumped by workers from within the area or from workers from the South.

So I am afraid people are a bit uneasy. I should not say a bit uneasy, they are scared, they are confused. Nobody is planning anything, because the future for the North is very uncertain.

I might also add, Madam Deputy Speaker, that the way this government implemented the staff cuts not only in the North, but in the South as I understand it, I know of one person who had worked 17 years for the provincial government, got involved in union

activity, subsequently her job was decentralized because management knew that she could not move anywhere. She has roots in The Pas, she has family in The Pas. Her job was decentralized so she was out of a job. She was forced to take a term job at Keewatin Community College and then she is one of the casualties. She got laid off after working 17 years for the provincial government.

This government, during the election, the Minister of Northern Affairs (Mr. Downey) went around saying we are going to decentralize jobs to rural areas. I do not know of any job that was decentralized to the North. I do, however, know that so far there are 225 people unemployed as a result of the Repap layoff. I know of at least 20 people who were laid off as a result of this budget, so whatever the decentralization plan was, it did not seem to work for anybody.

\* (1450)

The decentralization plan, in my estimation, was a total farce. This initiative was politically motivated to begin with. The Tory government wanted to relocate programs and services to rural areas, but the intention was not really to create new jobs in those areas. The decentralization initiative was to move people or workers to those rural areas, knowing full well that not everybody would want to move, so what has happened, Madam Deputy Speaker, is that, not only did this government bungle on the decentralization plan, but it has also laid off or cut people from their jobs and put them into unemployment insurance schemes. Those unemployment insurance schemes will eventually run out.

We are talking about single mothers. We are talking about communities where unemployment is, like I said before, anywhere from 50 percent to 90 percent. Those unemployment insurance schemes will begin to run out and then those people will be forced to go on welfare.

Madam Deputy Speaker, we all know what happens when people are forced to go on unemployment insurance, when people are forced to go on welfare. The whole social order starts to disintegrate. We begin to add on to the alcoholism. We begin to add on to the problems that youth have already in the North. We add on to the family violence, and as a result of all of that social disorder happening, the government will be forced in the end to spend more money to look after those people that

it has displaced from permanent jobs. Like I said, some people who have been working anywhere from 10 to 20 years in permanent jobs.

I also wanted to talk about The Pas farmers association. I hear the Minister of Agriculture (Mr. Findlay) here, day in and day out saying that the program that he has embarked upon is a good program, is an effective program.

Let me, Madam Deputy Speaker, read to you some of the concerns that the farmers in The Pas have concerns with, and this letter, by the way, was written to the Minister of Agriculture (Mr. Findlay). The Pas area has been in production for a relatively short period of time. The land has been drained by a network of ditches, then turned into crop land. During the early wet years, much of the crop was lost to wild fowl. As drainage was improved, the land also improved and production increased. Although our—and these are the farmers from The Pas talking—yields are high the area does not often, and not until recently, receive a higher grade for wheat, barley and oats. They go on to say that the remoteness of our farming community results in substantially higher production and operating costs.

Madam Deputy Speaker, there are no farm machinery services in The Pas. The long distances from markets and services result in higher prices for fuel, seed, fertilizer, repairs and other related expenditures in the occupation that they are involved in.

Farmers in The Pas go on to say that the Income Stabilization Program does not reflect the need of our farm community. The band-aid approach may keep a farmer on the farm for a year or two, but it is not an adequate solution in the long run. The ambiguity of the program does not present the farmer with sufficient information to logically plan for the future. The method of calculating the protection will cause tension amongst the farming community and, Madam Deputy Speaker, it already has cost a lot of tension and confusion. This type of detrimental instilled behaviour is not conducive to an attitude of positive thinking which is so crucial during these times of government cutbacks, et cetera.

The five-year contract for revenue protection is too long to adequately set an operating plan, a shorter period would be more feasible. This program steers farmers into planting crops according to the payment schedule. The program

is not market-oriented, but rather it is dictating to farmers what crops to grow. Madam Deputy Speaker, I have a whole list of names here from farmers in The Pas district, who had asked me to bring it to the government's attention.

Next I want to talk a little bit about the isolated communities that I represent. I want to talk about Norway House and Cross Lake together. Madam Deputy Speaker, I have a band council resolution here, letters from the Cross Lake Indian Band. I also have similar correspondence and resolutions from the Community Council of Cross Lake, and I know Norway House Indian Band and the Norway House Community Council are in the same position.

Madam Deputy Speaker, I asked the minister the other day about the bridge that those communities have been asking for for quite some time now. Let me give you some of the reasons why those communities feel that they, first of all, need a bridge across the east channel of the Nelson River and across the lake at Norway House. Before I do that, I want to read you some notes that I took when I was visiting Cross Lake.

According to the people from Cross Lake and Norway House—and I have to agree with them wholeheartedly—when it comes to the North, the government does not listen to the needs of the North and Northerners. Everything happens in the South. These are Cross Lake and Norway House people talking. They tell me that the government can build roads and bridges. They can install hydro poles to farming communities in the South any time they want to, but when it comes to the North it is a different story.

When they talked about the bridge and the ferry crossing, Madam Deputy Speaker, they mentioned the fire evacuation that they had when there was a big fire there two years ago now, I guess, it will be. They tell me that there was a lineup of vehicles right from the ferry to the community which is some 20 kilometres away. That is how inadequate the ferry operation was even though it was running back and forth taking vehicles out of the community. The concern that they had was what would have happened if they had lost control of the fire or even if the ferry had broken down or could not run any more or say the weather got to be too bad.

\* (1500)

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

They tell me also that you know, yes, they did have helicopters and planes flying the old people out. They also told me that when the Shell Oil truck went through the ice there, two falls ago now I guess, they got attention. The message that they were giving me was, the only time that we get attention is when some entrepreneur from down South comes up, runs into a bit of a problem and that is when we get attention.

When they found out that there was no leakage, it was forgotten about. Their question was, what if it was one of us who went down? What if it was an entrepreneur from Cross Lake or Norway House?

People, including students, have been regularly stranded on the other side. They told me a story, Mr. Acting Speaker. Students have to regularly wait on the other side when they are coming in from school functions in Thompson or The Pas or wherever—sports and everything. Regularly they have to wait at the government shed on the other side of the channel, and even at one point, because it was too cold, they had to break into the government shed and were subsequently charged for break and enter. The safety factor—they tell me that sometimes people even try to swim across the channel in the summer when the ferry is not operating.

Mr. Acting Speaker, those are some of the reasons why I think it is important for this government to start listening to the North and Northerners, at least listen to what they have to say, you know, instead of telling them, you just did not know how to vote; it is too bad that you live in the North; if you come from the North, tough. Okay, but if you live within the confines of the Perimeter Highway, you are okay, you are well looked after. That is the cynicism that Northerners have, and rightfully so I might add.

Mr. Acting Speaker, let me talk a little bit about fishing and trapping. In the North, whenever I go to Grand Rapids, Easterville and in The Pas as well, they always ask me the question, why is it that we are not looked upon as an industry in the same way that farming is looked upon as being an industry? This also applies to trapping and fishing.

They tell me that after the fire had gone through, after all these hydro developments had been installed, they took away the traditional economic activities that were there before. Trapping is no longer there. Fishing is no longer there because of

all the development that goes on in those areas. So now what they are telling me is—and I know this government had also, by the way, cut down the—there used to be a rate subsidy, transportation subsidy for fishermen, you know, to bring their fish to markets in Winnipeg here at the Freshwater Fish Marketing facility.

So their question is, why are we not looked upon as being an industry when there is a disaster like the fire that happened in '89? Why did we not get the same kind of assistance as other industries like farming do? I think, Mr. Acting Speaker, that is a legitimate question. I think that is a legitimate concern, because fishing indeed is an industry and should be regarded as such, so that in times when the markets are down or when there is a natural disaster, trappers and fishermen should be looked upon as being an integral part of the economy and should be treated as such.

Let me read a little bit about some of the words that people from Cross Lake have written.

In the forest fires of '89, the most hard hit were the aboriginal traditional users of those communities. The traditional economies of those areas were already vulnerable when the fires came in '89, and the Manitoba Disaster Assistance Board provided compensation for equipment lost, reconstruction of trails and cabins to an economic vacuum. The forest is gone, the rivers are all damaged, there is no fishing there and, as one person put it to me, it is like providing a carpenter a hammer and nails with nothing to hammer the nails in. I think that is a good analogy that the trappers and fishermen are giving us from the North.

They also go on to say that the ignorance of the Filmon government is a menace to the Manitoba economy and that I wholeheartedly agree with. In the North, Mr. Acting Speaker, the population, for example, in Cross Lake is growing at some 4.8 percent per annum. This means that each year approximately 21 youth will enter the labour force. Maybe one, if he or she is lucky, will find employment in the community.

If the current conditions continue, 75 percent of the remaining labour force will become permanent social casualties, creating a dangerous imbalance between the productivity and the consumer economy of the province, particularly in the North. You see, Mr. Acting Speaker, contrary to what people say, people in the North do not like being on

welfare. People in the North would rather work, be employed gainfully. People in the North would rather go to training, whether it is basic literacy training, whether it is upgrading, whether it is high school, whether it is college or whether it is university. It is not that they are lazy. It is not that they do not know how to vote. It is not just because they live, geographically, in the wrong place. They are human beings and are subject to human needs. That is what they are.

Yes, we agree that the provincial deficit needs to be reduced to an acceptable minimum. However, Mr. Acting Speaker, it cannot be done on the backs of the destitute and the demoralized—

**Hon. Donald Orchard (Minister of Health):** This is the usual NDP . . . .

**Mr. Lathlin:** Mr. Acting Speaker, the Minister of Health says -(interjection)- I invite the Minister of Health to come with me to Cross Lake, Norway House, Easterville and Cormorant, and see for himself what I am talking about. I bet you that he has never been to Easterville. I bet you that he has never been to Grand Rapids, let alone go to Norway House and Cross Lake. So I know what I am talking about.

**An Honourable Member:** Have you been to Morden?

**Mr. Lathlin:** Yes, I have been to Morden. I know what southern Manitoba is all about. I live here myself. This is where all the goodies are—in the South, Mr. Acting Speaker.

If you live in the North, it is too bad. If you live in the North, you do not get training money. If you live in the North, you do not get jobs. That is what it all boils down to. You know, Mr. Acting Speaker, what it all boils down to is, when we talk about education, in the end only the rich will be able to go to school. That is what it boils down to. If you come from the North, that is too bad. You are not a priority. You are not even considered part of the process. That is the truth. I say that because that is a reality. I have just spent five days in the North talking to people.

\* (1510)

**An Honourable Member:** What did you tell them? Did you tell them anything that was true?

**Mr. Lathlin:** I invite the Minister of Health (Mr. Orchard) to come with me. I am going there this weekend. Let him find out.

**An Honourable Member:** Come down to my constituency and talk to the farm people.

**Mr. Lathlin:** Come and talk to the farm people in the North. I invite him to come to The Pas to come and talk to the farm people in the North. You know what the farmers in The Pas will tell him? We do not live near Winnipeg. We live 500 miles north of Winnipeg. That is what they will tell him. You know, we do not have the facilities in the North. That is what they will tell him. Students will tell you, we do not have libraries in the North. We do not have tutors. Even instructors do not want to come to the North. That is the reality of it.

Let me go on to the next item that I wanted to talk about, Mr. Acting Speaker. The \$50 user fee that this government has imposed on northern patient transportation means that those people living in Moose Lake, you know—I will tell the Minister of Health, it takes one hour, about an hour and a half from The Pas to Moose Lake on gravel road. That is how long it takes to drive there. You go there and come back, that is three hours. Okay?

Now, the user fee that this government has imposed on those communities—for example, to drive from Grand Rapids to The Pas it takes three hours. From Easterville to The Pas it takes two and a half hours. So when we have patients from the North wanting to come to Winnipeg for medical reasons, that is what they have to go through. I know where the Minister of Health (Mr. Orchard) lives. He lives in the South. I wish I had been born in the South. Then I would be well off, but because I come from the North and because we come from the North, we are not a priority of anybody's.

Like I said, the last thing I want to talk about is the user fee. I would ask that this government seriously reconsider the situation in the North. As bad as it is already, you know, for example, somebody living in Winnipeg, and I used to live in Winnipeg. I know. I lived in Transcona. I used to find it amusing that when I lived in Transcona people used to complain about mosquitoes. What a big problem. What an inconvenience, Mr. Acting Speaker. They complain about mosquitoes.

I invite the Minister of Northern Affairs (Mr. Downey) and the Minister of Health (Mr. Orchard) to travel around with me in the North and they will know what mosquitoes are all about.

Yet, when we talk about serious deficiencies in programs and services for the North, do you think

anybody will jump at it? No, Mr. Acting Speaker, nobody cares. All the Minister of Northern Affairs (Mr. Downey) is interested in doing is punishing those people up north who did not vote Progressive Conservative. That is what he is doing.

I invite him to come with me. I am going to The Pas this weekend, Mr. Acting Speaker. I invite the Minister of Northern Affairs to come with me. He will hear first-hand from the people who are so incensed, who are so confused, who are so scared, who do not know if they are going to have jobs a month from now, two months from now. Let him talk to the 14 people who could be potentially bumped off from their jobs because of these staff cutbacks that they have imposed on KCC.

I want to say one more thing, Mr. Acting Speaker. We heard the member for Rupertsland (Mr. Harper) asking the First Minister (Mr. Filmon) this afternoon—unfortunately, as usual the First Minister gave a nonanswer. According to the Minister of Northern Affairs—he reminds me of Nixon when he says, “let me make it perfectly clear.” That is his usual answer, and then after he says that, he says nothing, absolutely nothing.

The statement that I was going to make, Mr. Acting Speaker, was Brian Mulroney yesterday in Vancouver said, I am committing \$350 million—I believe it was—in that amount over five years in education—okay?

Now, here we have this government saying to us, there is no money coming from the federal government. Well, I reluctantly will give credit to Mr. Mulroney for providing that \$350 million, although the results have yet to be seen. The royal commission is yet to be adopted by the Assembly of Manitoba Chiefs and the Assembly of First Nations. I would say to this government here, where is their priority in terms of northern education, in terms of northern programs and services? Where does the North lie? Where is the North in terms of the government agenda?

Mr. Acting Speaker, those are my brief remarks, and I tried to be very perfectly clear—as my honourable friend the Minister of Northern Affairs likes to say. I thank you for listening to me. It is my sincere hope that this government will reconsider some of the program and service cuts that they have imposed on the North. You know, like I said one day in the House, in the North that is where we have all the gravel roads, but I know they will cut down on

the amount of gravel that has to be processed for road maintenance. The Highways Department people have already told me that.

I know that we have longer winters in the North so, therefore, we need to maintain the roads just a little bit longer than in the South. I know that there is 50 percent up to 90 percent unemployment in communities that I represent. I know that 12 people just from KCC have been laid off, 14 more are getting watch-yourself type letters. You might be out of a job soon. I know that two people from Northern Affairs have been laid off. I know that 225 workers have been laid off at Repap.

So, in view of all of that poor economic situation in the North, Mr. Acting Speaker, I urge this government to reconsider some of the actions that it has taken, particularly when it comes to the North, to look at the situation, to look at the human suffering that is there already and not to add on to it. I thank you very much for listening to me.

**Mr. Gerry McAlpine (Sturgeon Creek):** Mr. Acting Speaker—

**Mr. Kevin Lamoureux (Second Opposition House Leader):** Under Rule 32, I move, seconded by the member for Crescentwood (Mr. Carr), that the member for St. Boniface (Mr. Gaudry) be now heard.

\* (1520)

**The Acting Speaker (Mr. Laurendeau):** Order, please. The honourable member for Sturgeon Creek had already started to speak to you. You would have had to bring that motion forward before he had started to speak.

**Mr. McAlpine:** Mr. Acting Speaker, it gives me great pleasure to rise in the—

**The Acting Speaker (Mr. Laurendeau):** Order, please.

### Point of Order

**Mr. Lamoureux:** Mr. Acting Speaker, on a point of order, I had risen at the moment that the member for St. Boniface and the other member had stood up. I did not hear a word from that member and I was just—

**The Acting Speaker (Mr. Laurendeau):** Order, please. I would like to ask the honourable member if he is reflecting on the ruling of the Chair?

**Mr. Lamoureux:** Yes, I am, Mr. Acting Speaker.

**Mr. Steve Ashton (Opposition House Leader):** Mr. Acting Speaker, I believe what was happening was a question as to the interpretation of what had happened. I believe you had initially recognized the member for Turtle Mountain (Mr. Rose) and then had recognized the member for Inkster (Mr. Lamoureux). What would be key in this particular case, I believe, is whether the member for Inkster was recognized on a point of order in which case it is not in order to raise a motion on a point of order or whether he was recognized by you, not in the sense of being on a point of order, in which case I would suggest that the member would be in order moving that motion, which is indeed an integral part of our rules and the parliamentary system.

What I would suggest, Mr. Acting Speaker, is it is not really a question of challenging the Speaker in the sense of challenging him in that. I think that the question was as to whether you had made a ruling and in which case, if you had made a ruling, then the member for Inkster would be in order in challenging the ruling, although not in terms of challenging your authority as Chair.

**The Acting Speaker (Mr. Laurendeau):** I would like to thank the honourable member for Thompson for his advice.

I would like to remind the honourable member for Inkster that I had made the ruling that I had already recognized the honourable member for Sturgeon Creek, and the honourable member for Sturgeon Creek now has the floor.

**Mr. Lamoureux:** On a point of order, Mr. Acting Speaker, earlier this afternoon, shortly after Question Period, the member for St. Boniface—

**The Acting Speaker (Mr. Laurendeau):** Order, please. The honourable member does not have a point of order.

**An Honourable Member:** Let him finish.

**The Acting Speaker (Mr. Laurendeau):** The Chair has made its ruling.

**Mr. Lamoureux:** Mr. Acting Speaker, I think it is important that we clarify this matter.

The Speaker, himself, earlier, shortly after Question Period, had acknowledged—

**The Acting Speaker (Mr. Laurendeau):** Order, please. Let me advise the honourable member, I have made my ruling. If you want to challenge my ruling, you can stand and challenge my ruling, but I

have made my ruling, and you do not have a point of order.

**Hon. Darren Praznik (Deputy Government House Leader):** Mr. Acting Speaker, as acting government House leader, the member for Inkster has certainly challenged the ruling of this Chair, and I think he has questioned the judgment of this Chair. I think he should apologize to the House or withdraw that comment, Mr. Acting Speaker.

**Mr. Ashton:** Mr. Acting Speaker, on a point of order, I would point out that the member for Inkster (Mr. Lamoureux) had risen on a point of order, was in the process of stating that point of order. It was, as I understood it, a separate point of order that related to the fact that the member for St. Boniface (Mr. Gaudry) had initially been recognized by the Speaker and then the member for I believe it was Ste. Rose (Mr. Cummings) that was—pardon me, another member was recognized afterwards.

I believe, Mr. Acting Speaker, it would be in order to allow the member for Inkster to complete what I understood to be a separate point of order. I do not believe the member for Inkster had officially challenged the ruling of the Chair. If he wants to do so, we have procedures to deal with that in terms of votes to whether to sustain the Chair's ruling or not. I do believe the member for Inkster should be allowed to finish the point of order, and if indeed he does challenge the Chair, there are procedures we have for that. I do not believe he has done that officially yet.

**Mr. Lamoureux:** Mr. Acting Speaker, if I may, I would like to explain what had happened earlier today, as the member for Thompson has pointed out, where the Speaker had acknowledged the member for St. Boniface (Mr. Gaudry) but then went to the member for Ste. Rose (Mr. Cummings).

According to Rule 32, Mr. Acting Speaker, how can one bring to light that particular rule if the Speaker or the Acting Speaker does not recognize the person standing up to make that motion? There is no sense in having the rule if we cannot do that. It is a conflict in itself.

**Mr. Praznik:** Mr. Acting Speaker, just to add a little clarity to the point that the member for Inkster raises, I believe the section that he is referring to has always been designed to settle the very rare instance where two members have risen exactly at the same time. The tradition of this Parliament and others is, when

members rise, the Speaker recognizes the member, in his opinion or her opinion, who has risen first.

The Acting Speaker in this case has done that. That member has the floor. The rule that the member for Inkster refers to, if one gives that some consideration, is designed for those instances where two members rose at exactly the same time, in the opinion of the Speaker, and the general rule of thumb of recognizing the member that the Speaker sees to have risen first is not the case.

In this case, the Acting Speaker saw the member for Sturgeon Creek rise first, recognized him, he has the floor, and the motion offered by the member for Inkster is inappropriate. He does not have the floor. It is out of order.

**The Acting Speaker (Mr. Laurendeau):** Order, please. I would like to thank all honourable members for their advice. I would like to also remind the honourable members that I have ruled on this prior.

I will now recognize the honourable member for Sturgeon Creek.

\* \* \*

**Mr. McAlpine:** Mr. Acting Speaker, it gives me great pleasure to rise in the House today to speak to the budget which was introduced in this House on April 16 by the honourable Minister of Finance (Mr. Manness).

I would like to commend the minister for a well-prepared and realistic budget. I would also like to recognize the minister's staff as well as Treasury Board and everyone else who contributed many hours to this budget.

We on this side of the House know too well the commitment and dedication that was put into this budget by this minister and Treasury Board. On behalf of the residents of the Sturgeon Creek constituency, I congratulate all members for a job well done.

Mr. Acting Speaker, long before this budget was prepared, it was apparent that we were in the midst of tough economic times. Our government and the people of Manitoba find themselves in the midst of a general economic downturn which affects the lives of each and every Manitoban.

I am comforted that this government is committed to meet the challenge of the current economic conditions head on with a view to the prosperity and

growth of Manitoba and its citizens in spite of the dark reality which faced other Canadians.

Our Finance minister has presented a budget which meets head on the realities of the current national economy while at the same time addressing this government's goal of positive and realistic economic renewal for the province. Manitoba is in an enviable position. We, like others across our country, face the spectre of skyrocketing funds required to meet the increasing cost of the provincial deficit, the effect of the national and international downturn in the economy, as a consequence of the economic climate in the country, and an unprecedented, unexpected reduction in federal transfer payments.

\*(1530)

Yet we are the benefactors of a widespread economic force and positive planning. The bottom line of these factors is that Manitobans must learn to adapt and to live within a means and standard of living to which we have heretofore been unaccustomed. In short, we must live within our means at a level which to this point we have not. How is this to be accomplished with a minimum effect on our citizens and their standard of living? The answer is clear, an unequivocal message of my government's budget.

The plan, as laid out in the minister's budget, is to concentrate this government's efforts on manageable and realistic internal reform, revised and realistic Estimates of government expenditures and expectations, concentrated and realistic government sector negotiations. First and foremost, our government's budget is designed to assist the economic renewal and as such is a budget which will guide Manitoba out of the recession. It is also to serve as a guide to other provincial Legislatures as a way out of the economic doldrums in which they find themselves.

Mr. Acting Speaker, let us be reminded of a government that has lost control of its budget, as in the case of Newfoundland, where their creditors now make the decisions for this province's spending. I mention this because I want the people of Sturgeon Creek and all Manitobans to know the direction this government is giving. This government wants and must maintain control of our own agenda, unlike the province of Newfoundland.

I dare say, Mr. Acting Speaker, the business community can only look positively at our province



for investment. Why do I say, you ask? Because business today knows all too well that in order to succeed in business today, you need a strong business base. Where else can this be found in central and western Canada with a focused, committed and visionary government that is and will continue to be sensitive to the entrepreneurial sector to create jobs and stability?

Mr. Acting Speaker, this is a budget which will not only move this province ahead, but will demonstrate to Manitobans and to Canadians that this government will not sit idly by waiting for economic miracles and federal cure-alls. My government's budget highlights our commitment to get on with the task of revitalizing and encouraging the vibrant and positive economy that has been the flagship of Canada through good times and through bad.

This is and will become more so an economy of competition fostering an environment of investment and job creation unmatched across the country. Notwithstanding the unheralded cuts in the federal transfer payments, our government has rejected an increase in personal, retail and business taxes and has not harmonized the existing provincial sales tax with the onerous and untimely goods and services tax.

At the same time, the budget has opened and encouraged new avenues in the fields of mineral exploration, employee ownership of industries, and an unprecedented concentration of will and economic resources to create new and exciting small business in Manitoba.

The realities of current economic conditions dictated some tax increases. It is clear from our budget that these have been limited to sources which will not be an inordinate burden on our citizens and which have been selected solely for the potential revenue they will create. These increases, and the budget as a whole, are geared towards holding the deficit at current levels or less. Manitobans know and emphasize that we have all the government we can afford, and we cannot continue to live at the limits of our sustainable means.

Here is a budget that while dealing with the harsh realities provides an opportunity for required economic growth, improvement and prosperity. The economic realities of our situation dictate that the building of a stronger Manitoba cannot mean an increase in taxes while protecting our vital social

services. Health, education and family services are among the highest priorities of our government. This government has committed an additional \$90 million to our health services; \$23 million additional to education; and \$37 million additional to family services.

We realize that the future welfare of the province is exclusively dependent upon our commitment and dedication in these areas. This budget reflects those concerns. At the same time, our government knows, and reflects the public's intuition that we cannot maintain a blank cheque policy, the blank cheque policy of the former administration that tied this Finance minister's hands in having to pay \$1.5 million in interest per day, Mr. Acting Speaker, the spending policy of the second opposition with its Brink's truck spending ideals.

All members in the House heard my colleague, the honourable Minister of Natural Resources (Mr. Enns) from Lakeside, speak of the ill-spending of the previous administration, how they spent \$52 million to promote a make-work project in setting up an airline business that never even got off the ground. Mr. Acting Speaker, the only thing we have to show for that today is the one book of matches the honourable Minister of Natural Resources holds in his possession as a reminder of the type of spending they did, plus the debt we are still paying off.

This spending spree alone represents \$5 million per year in interest, and if we think about the honourable member for The Pas (Mr. Lathlin) who talks about the roads and the things that the North are suffering with, I wonder if he can be reminded of the \$52 million that the former administration spent, and how he could use that \$52 million today, plus the interest that has been accumulated over those years to pay off that debt.

Thus, my government has carefully and fairly balanced the protection of services against the restriction of interest rates, reduced transfer payments and other revenue threats. We can maintain and increase the level of service provided to Manitobans within the funds available to us; we will do so.

We are committed to working with the business community to ensure the creation and maintenance of employment opportunities on a long-term basis. Our favourably received endeavour to work with the provincial business community will ensure this prosperity.

The citizens of Manitoba are looking for a better government than this. We are prepared to give them just that. The citizens and our government recognize that the essential services must be effective and realistic within the economic resources available to us. Our commitment to the agriculture community will affirm the province's stability and will assist the dynamic stabilization for an essential agricultural economic sector.

Mr. Acting Speaker, I am proud of the concern my government shows to the farm economy. With half our caucus directly representing rural ridings, it affords this government a good understanding and voice for the farm communities. All members on this side of the House recognize the importance of vibrant farm incomes for, as the farm income goes, so goes the economy in the urban communities of this province.

\* (1540)

(Mr. Speaker in the Chair)

Mr. Speaker, our government has expressed its fundamental belief in our educational system and has reaffirmed its commitment to the training and advancement of the province's young people. The concentration of the budget on a five-year renewal plan will ensure that our students are proximate to the highest quality of educational facilities and possibilities. The budget strives and succeeds in assuming that all education in the province has access to full and equitable funding. Coupled with these commitments is a rededication to our universities which play an essential role not often emphasized enough in our communities' economic, social, political and cultural development. So, too, the proposals of a board of governors for our community colleges whose mandate it will be to encourage practical and beneficial education in the province with increased program accessibility. Moreover, the budget does not forget those of our students who have special needs.

Mr. Speaker, the decrease in federal transfer payments has created economic hardships and has forced our government to reassess its priorities. This pattern of reduced transfers is indicative of the provincial-federal crisis in this country. We will develop a Cabinet committee to address federal-provincial relations. This committee will assist my government in its efforts to highlight actions by Ottawa that lower national and local

standards by and through erosion of transfer payments to our province.

To that end, Mr. Speaker, our government is pledged to work closely with the other provinces to provide united pressure against the federal government to change its policies. Throughout, our emphasis will be to seek restoration of fully-funded equalization to assure the highest national standards.

The rural community is the backbone of this province and no matter what the economic time, we must maintain and strengthen that base. We have renewed our commitment to rural Manitoba by allocating \$43 million to Manitoba farmers. These funds will enable them to weather the current low market prices and the legacy of the drought of the past few years, along with the \$5 million allocated for decentralization, which will also help in making Manitoba strong.

The budget sets aside \$100 million for highway construction and repair to get our products to market in a high quality highway system. Four million dollars has been earmarked for rural sewer and water services and to aid plans to drought-proof our vital agricultural sector. All these items will provide the bridge that rural Manitobans need and expect in these times and by so doing all Manitobans will benefit.

We are committed to carrying out our mandate to protect the vital services provided by the Civil Service. These services are now burdened with excessive costs of administration and overheads. This trend must be overcome with a sensitivity to those who carry out the services. The adjustments being made by our government will be accomplished by reducing the Civil Service through minimum work force adjustments, coupled with early retirement and natural attrition. We are striving to make these needed reductions with minimum effect on our employees, cognizant of our role to be fiscally responsible and accountable.

We have striven to cushion the blow to those persons with enhanced severance packages. These are tough choices. We know and feel for these people and their families who are affected. I believe also that it is imperative that we take this stand to put our affairs in order.

Mr. Speaker, at a coffee party held on the weekend in my constituency there were many constituents who said that we did not go far enough.

However, I feel that our Finance minister must be congratulated on his caring approach in dealing with this very sensitive issue. I believe this concern was demonstrated, and will pay dividends in the future. The same fiscal responsibility is shown in our plans for adjustment in provincial government grants to vital services. We must prioritize expenditures of the limited revenue we have. As a result, some grants will be increased, others decreased, and some will be eliminated altogether. These latter realities are the unfortunate result of fiscal responsibility, but have been selected so as to maximize the benefits and advantages available to all Manitobans.

Another constituent of mine on the weekend stated to me that she was not sorry to see the grants lost to their organization. She told me, and I firmly believe, that while they received the grants, the volunteer component of their organization just got weaker and weaker each time they received money. Money that they used to earn on their own through teas, bake sales, along with other fundraisers increased the volunteer level to make them self-sufficient. Now, with grant money, the volunteers are reduced to a few. There is less fellowship, commitment and fun, she told me. In decisions such as these, there are organizations that will hurt, unlike the constituent I have just talked about. However, the current situation leads us to believe that the reduced transfer payments and rising interest costs on past borrowings will cause a slight rise within the deficit, leaving the government no alternative. We must make some tough choices. This deficit increase will draw funds available to meet our economic mandate.

We continue to pay for the fiscal irresponsibility and misdirected priorities of the previous administration. We have a view to the future, and we must find not only a way out of the debt legacy created in the past, but also new, imaginative revenue sources to fund our services. The short term requires that we transfer \$20 million from lottery revenues and \$125 million from the Fiscal Stabilization Fund. These are not meant to be the final solution, but short-term revenue sources. ...

Forty-five cents of every tax dollar we collect goes toward interest payment. Our citizens cannot be taxed any further. We cannot ignore the economic realities which face this province. We face a crippling combination of high interest cost, reduced federal transfer payments and stagnant tax

revenues. We must now make every effort to stimulate economic growth in this province if our children are to have any future here. We admit that there will be a slight increase in the deficit over last year's level; however, our plan of fiscal responsibility means that the deficit will be at a much lower level than it was during the previous administration. We will not allow Manitobans to continue to pay for the poor fiscal policies of the past.

Due to current economic factors, it is necessary to transfer certain funds in order to achieve satisfactory revenue growth. As a result, the transfers from the lotteries revenues and from the Fiscal Stabilization Fund will contribute to an overall revenue for 1991-92 of \$4.92 billion. This represents a growth of 2.5 per cent.

This government is committed to the economic growth of Manitoba. Part of that economic agenda is to hold the line on personal, retail and general business taxes. This is in sharp contrast to the former administration which not only raised such taxes 16 times, but also created five new taxes. Manitobans have all the taxation they can afford. We promised to hold the line on taxation, and we are doing just that. The time has come for fairness in government taxation policy. It is time to do what is necessary to ensure the vitality and the viability of Manitoba's economy. We will continue to encourage new business and to keep Manitobans' investment at home.

\* (1550)

Even though we are facing some difficult and challenging economic times, we have made the commitment to provide the foundation for growth and prosperity in this province. Mr. Speaker, the rhetoric we hear from the opposition on the other side of the House and the media pick up on and favour to good news suggest that this government is ruthless and uncaring.

In the constituency of Sturgeon Creek, the three years this government has been in power, we have seen funds spent at our own Grace Hospital in excess of \$30 million for redevelopment of diagnostic emergency and out-patient areas; \$303,000 for additional pharmacy renovations; \$358,000 for fire safety and ventilation; \$21,000 for asbestos removal and birthing-room project; \$82,500 for fire safety upgrading; \$57,600 for interim oncology department; and \$24,000 to the

department of psychiatry. These are monies spent, Mr. Speaker, in the Grace Hospital in Sturgeon Creek.

In the case of the Deer Lodge Centre, this government has taken over full administration funding since being turned over from the federal government after they invested \$38.5 million in renovations. This government then opened 90 beds for chronic and rehabilitation purposes along with provisional beds for the brain injured, and 60 beds temporarily assigned for much needed personal care.

Almost \$14 million is spent annually by this government for administrative and operating funding at Deer Lodge Centre, of a total budget of \$22 million. I ask you, Mr. Speaker, is this a government that does not care about people? I think not and I am proud to be a part of their agenda and work for the entire population of Sturgeon Creek and the people of Manitoba.

On behalf of the residents of Sturgeon Creek constituency, I am proud to represent their interest in this Legislative Assembly and say that I will be supporting the Minister of Finance (Mr. Manness) and voting for this budget. Mr. Speaker, I thank you for this time to speak today.

**Mr. Neil Gaudry (St. Boniface):** Monsieur le président, c'est toujours un privilège pour un parlementaire de s'adresser à cette Assemblée, signe de notre démocratie.

Il est malgré tout décourageant d'être obligé de se prononcer sur un budget aussi navrant que celui-ci.

Ce budget est le quatrième du présent gouvernement et cela va de mal en pis.

Il existe certaines bases fondamentales que l'on doit retrouver dans un plan budgétaire afin de nourrir la croissance économique et sociale d'une société et d'un peuple.

Quelques-unes de ces bases fondamentales sont:

- de maintenir les revenus publics à un niveau suffisamment productif, soit une bonne fiscalité;
- de favoriser l'économie en établissant des programmes qui tout en répondant aux demandes du marché du travail, suscitent l'intérêt de l'investissement à long terme;
- de réduire les inégalités sociales en prenant les mesures correctives nécessaires afin de voir le

niveau de vie des plus défavorisés se doter d'un pouvoir d'achat réel.

Il est regrettable que le gouvernement n'ait pas respecté ces quelques principes fondamentaux économiques dont la liste pourrait très facilement s'étendre indéfiniment.

Monsieur le président, je trouve la stratégie fiscale du gouvernement quelque peu surprenante pour ne pas dire bizarre. Le gouvernement provincial prétend contrôler les dépenses administratives gouvernementales en licenciant des employés qui sont eux-mêmes des contribuables dont le rôle actif est primordial à la vie économique de notre province.

Je me demande si le gouvernement ne cherche simplement pas à faire augmenter le débit des prestations d'assurance-chômage, vu que ces dernières sortent des caisses du gouvernement fédéral, et nous connaissons les relations qui existent actuellement entre les deux gouvernements conservateurs. Brian Mulroney procède à un remaniement ministériel en ignorant totalement le Manitoba et le gouvernement provincial applaudit.

Il est grand temps que le gouvernement prenne son rôle au sérieux et réalise que maintenir les dépenses gouvernementales est quelque chose qui s'effectue graduellement.

Monsieur le président, il n'est pas réaliste de passer d'une extrême à l'autre, soit d'un gouvernement néo-démocrate qui dépensait sans regarder, à un gouvernement conservateur qui se regarde sans dépenser.

Les coupures dans la fonction publique doivent être effectuées par l'élimination de postes seulement, et non par des licenciements. Je ne comprends pas la logique du gouvernement de prôner la reconstruction économique de notre province en mettant du monde à collecter l'assurance-chômage.

**(Translation)**

Mr. Speaker, it is always a privilege and an honour for a parliamentarian to address this august Assembly, the symbol of our democracy. It is nonetheless discouraging to have to speak on a budget that is as distressing as this one.

This is the present government's fourth budget, and it is going from bad to worse. There are certain fundamental elements that should be found in a

budgetary plan with a view to bolstering the economic and social development of any society or any people.

Some of these fundamentals are as follows: Maintaining public revenues at a sufficiently productive level, meaning a proper fiscal policy; supporting the economy by creating programs which, while responding to labour market demands, encourage interest in long-term investment; reducing social inequalities by taking the necessary corrective measures to see the standard of living of the most disadvantaged people improve by providing them with real purchasing power. It is regrettable that the government did not respect these few fundamental economic principles to which could easily be added many, many more indefinitely.

Mr. Speaker, I find the government's fiscal strategy somewhat surprising, if not to say bizarre. The provincial government claims it is controlling its administrative expenditures by laying off employees who themselves are taxpayers and whose active role is of primary importance to the economic well-being of our province. I wonder if the government is not simply hoping to increase the flow of unemployment insurance benefits, given that these payments come out of the federal government coffers. We are all aware of the current state of relations between the two Conservative governments.

Brian Mulroney proceeds with a cabinet shuffle that completely ignores Manitoba and the provincial government applauds. It is high time that the government take its responsibilities seriously and realize that containing government expenditures is something that should be done gradually.

Mr. Speaker, it is not realistic to go from one extreme to the other, that is, from a New Democratic government that spent without looking out, to a Conservative government that looks out without spending.

The cuts to the Civil Service should come about only by eliminating positions and not by means of layoffs. I do not understand the government's logic, advocating the economic restructuring of our province, while forcing people to collect unemployment insurance.

**(English)**

Mr. Speaker, in the Department of Co-operative, Consumer and Corporate Affairs, we have just had

the opportunity to see evidence of Conservative bloodlines with the delivery of the budget. With characteristic poise, the government has seen that this department will endure budget cuts in its research and planning division of 16 percent. That division intended to provide technical assistance to community-based initiatives, like co-operative and credit unions, but have had their staffing slashed by 50 percent. Yes, Mr. Speaker, this government decided over the elimination of 10 positions. That means 10 more trained and capable professionals will look elsewhere for employment, probably out of the province.

Through all this, Mr. Speaker, the government has shown true Conservative colour by ensuring that the department's executive support staff will certainly receive pay raises in this budget. This is not just streamlining, Mr. Speaker, this is Tory-lining.

Unfortunately, there is little to hope for in this area from the New Democratic Party.

**An Honourable Member:** Not true. How could you say that?

**Mr. Gaudry:** Well, they just about bankrupted our province.

**An Honourable Member:** Larry Desjardins would not do that.

**Mr. Gaudry:** No. Well, I think that the NDP are morally bankrupt. Despite their bluster, the NDP record here is at worst abysmal and at best embarrassing. Take for example, the bill which they have introduced this session regarding a motor vehicle lemon law act. According to the New Democrats, this bill would protect car buyers. Consumer advocates call the proposed legislation "poorly thought out" and offer several significant criticisms. Instead of absorbing these intelligent and useful criticisms, the NDP pouts and throws a tantrum, objections, they say are "pretty stupid."

Well, Mr. Speaker, the people of Manitoba are tired of being governed by impoverished minds. This government must make a break from its past and begin managing effectively. If it cannot properly advocate for the consumer and assist Manitoba businesses, then it should abdicate its responsibilities and stop this masquerade.

What about our seniors, Mr. Speaker? Is it not a shame that only the salaries in the Seniors Directorate have gone up and nothing else has? This Tory government demonstrates clearly its lack

of chummed to our seniors by deindexing the program 55-Plus and by overall cutting up to 12 percent, representing a loss of \$1,110,000.

Our seniors are the pioneers of this province. Most of them, especially the elderly women, have the least income and the least opportunity to increase it and to top that, they also have to bear an entirely disproportionate share of the Tory cuts. This is what I call an appalling demand made on our seniors by this Tory government.

Moreover, Mr. Speaker, this government is cutting \$517,000 by eliminating the seniors RentalStart program. Thus, seniors have less opportunity for independence and are increasingly obligated to enter personal care homes whether they like it or not. Meanwhile, this same government, Mr. Speaker, has increased the rate which seniors have to pay in those personal care homes.

\* (1600)

What I also find pathetic is that Brian Mulroney's cousins in Manitoba call fiscal management by having the costs for seniors jumping by 9.7 percent.

Mr. Speaker, I would like this House to note that when the Premier (Mr. Filmon) was in opposition, he was demanding for the paper on elder abuse. Now that the Premier is no longer in opposition, he shows signs that he thinks he is still in opposition. The paper on elder abuse is still nonexistent.

It is unacceptable that the Department of Health has also seen fit to reduce funding to gerontology by \$122,000.

My obvious conclusion Mr. Speaker, is that this Manitoba branch of 24 Sussex Drive does not want to spend any more on our seniors than they can get away with.

Mr. Speaker, it is one of the outstanding characteristics of this Conservative government to never accept any responsibility for unpleasant events. Lower revenue? That is the fault of the federal Conservatives. Job losses? That is the fault of the recession, and the saga of the Teflon Tories drags on.

Now they want to dump on the people of rural Manitoba. Take Highways for example. Our government intends to unload 15 percent of its operations and maintenance onto the backs of municipalities. That is a \$517,000 bill which this government will now happily ignore. Aid to cities, towns and villages has also dropped by 33 percent

and rural municipal bridge assistance by 40 percent. As well, our nonstick Conservatives are planning to laden small municipalities with 2,000 kilometres worth of road maintenance. Cost—\$6 million. They say the taxes are not going to go up. What is going to happen to the municipalities?

It is all in the genes, Mr. Speaker. All Conservatives, whether federal or provincial, are seized by this compulsive desire to shirk responsibility and make someone else pay. According to Tory doctrine, this is called fiscal responsibility and effective management.

Mr. Speaker, let us have a look at the Tory's vision that this government has for Manitoba. The government claims to have a plan to rejuvenate our economy. Here are some of the highlights of that rejuvenating plan for the Department of Industry, Trade and Tourism:

- the strategic planning, which provided resources for planning, development, assessment and research support to the department has been cut by 15 percent.

- departmental initiatives designed to provide resources to create new employment opportunity by encouraging and assisting private sector development were cut.

- the Venture Capital Program, designed to assist small and medium sized businesses, has had its budget cut by 68 percent or \$600,000.

- the Manitoba Innovations Council, which is to promote and guide Manitoba towards economic leadership and technological innovation, was created and funded with a half a million dollars. Was not technological innovation being accomplished by the Manitoba Research Council? Do we know, Mr. Speaker, who is on this new council?

- the Manitoba Business Development Fund was cut by 18 percent.

What about trade, Mr. Speaker? Now that we have a new federal Minister of Trade, Mr. GST himself, can we hope that this government will insist to have a fair share in the consultation process about the trade deal negotiations with the U.S.A. and Mexico?

This government does not seem to know that what Brian Mulroney calls a fair trade agreement is that for Canada, the decision is being made by simple Order-in-Council; and for the United States,

it has to be approved by a House of Representatives sub-committee and by a Senate sub-committee before getting the final presidential approval.

We have no clear indication at all in this budget about what direction the provincial government intends to take on this issue. No indication at all.

Mr. Speaker, in keeping with its abandonment of rural Manitoba, this government is reducing its Northern Affairs budget by 13.4 percent.

There has been a reduction of \$1.2 million through the deferral of funding for northern community infrastructure.

The northern medical elective transport will now be subject to \$50 user fees. Northerners, primarily Native people, who have little in the way of disposable income, are now being charged to be flown into adequate medical facilities.

These decisions are an abdication of governmental responsibility towards the Native people of Manitoba.

Monsieur le président, comparablement au budget précédant, celui-ci traite également très peu de la francophonie si ce n'est cette fois qu'en termes de coupures d'aide financière.

En effet, les coupures injustifiées ont atteint:

- le Conseil Jeunesse Provincial;
- la Société historique de Saint-Boniface;
- le Bureau de l'éducation française;
- la Direction des ressources éducatives françaises;
- le Parlement Jeunesse Franco-Manitobain;

et la liste continue, à un point qu'il est maintenant évident que l'économie locale va en souffrir.

Les réductions de financements de ces programmes ou leur annulation pure et simple ne vont que provoquer des répercussions économiques négatives.

Monsieur le président, d'un point de vue général, le gouvernement démontre une opinion erronée de l'avenir économique et social de notre province.

Les décisions malheureuses annoncées dans ce budget font entrevoir un avenir économique dont la prospérité inexistante ne fera que compléter la politique régressive du gouvernement fédéral conservateur.

Il est clair maintenant que les Manitobains et les Manitobaines doivent dorénavant se résigner à

vivre une platitude économique coûteuse, qui sera surenchérie l'année prochaine par l'amalgamation de la Taxe provinciale de vente avec la TPS, si l'on se base sur le contenu du présent budget.

M. le président, il m'a fait plaisir de mettre ces quelques commentaires sur ce budget, et je vous en remercie.

**(Translation)**

Mr. Speaker, compared to the previous budget, this one also offers little to Franco-Manitobans, except that this time around there are cuts in financial assistance.

Indeed, these unjustified cuts have affected the following groups: the Provincial Youth Council, the St. Boniface Historical Society, the Bureau de l'éducation française, the French Language Educational Resources Branch, the Franco-Manitoban Youth Parliament. The list goes on to the point where it is now obvious that the local economy is going to suffer. The financial reductions to or outright cancellations of these programs will only result in negative economic impacts.

Mr. Speaker, on the whole the government is demonstrating that it has an erroneous idea of the economic and social future of our province. The harsh decisions announced in this budget foretell an economic future whose nonexistent prosperity will merely complement the regressive policies of the federal Conservative Party.

It is clear that Manitobans from now on will have to resign themselves to living with costly economic platitudes that will be outmatched next year when the provincial sales tax is harmonized with the GST, if we judge by the contents of this present budget.

Mr. Speaker, it has been a pleasure for me to make these few comments on the budget, and I thank you for the opportunity. Thank you.

**Hon. Leonard Derkach (Minister of Education and Training):** Mr. Speaker, it is indeed a pleasure for me to respond to the throne speech, and I must congratulate the Minister of Finance (Mr. Manness) for his diligence and for his straightforwardness in preparing this budget. Indeed, as has been said by the Minister of Finance, this has been a difficult budget to prepare, and he has done a very diligent job in terms of addressing the fiscal reality of this province.

As I travel throughout the province, I can indicate very clearly that people in Manitoba are pleased that

the minister was able to address the budget in a manner in which he did. Manitobans, indeed, understand the fiscal reality that this province is facing.

Mr. Speaker, Education, which is my portfolio, is indeed one of those departments that spends a great deal of provincial funds in any one year. It has always been said that everybody has something to say about education. Although there were significant changes in education and we were not able to contribute as much as we would have liked to our education system this year in terms of the money that was forwarded to the universities and to the schools, I was pleased at the response that I received from school divisions and from the universities in that they were prepared to deal with the reality as well. They wanted to be contributors to the process that has to take place in this province if we are indeed to survive as a province that has some strength and has some stability in the future.

\* (1610)

So, Mr. Speaker, I was pleased as I went around the province and met with school boards. Yes, they said it was going to be difficult this year to strike their budgets to make the kind of decisions that had to be made and yes, there was going to be some pain and they were prepared for that. They knew that it was a necessity in order to assist the entire process in making sure that this province emerges as one that is strong and as one that will preserve those essential services that have to be preserved.

There is no question that the fiscal challenge that lies before us is an immense one. Today we are paying for some of the decisions that were made some years ago by a government that was less caring of its spending habits than this particular government is.

When we look at decisions such as perhaps the Saunders experience or the Manfor or the ManOil or MTX, we understand why our deficit and our debt in this province is as high as it is, and today we are paying the price for the decisions that were made, no, not by this administration and indeed not by the Liberals, Mr. Speaker, by the New Democrats of this province, who had very little regard for the fiscal responsibility that they were charged with.

Although we have to make difficult decisions, we have to make sure that we protect the essential programs in Health, in Education and in Family Services. The Premier (Mr. Filmon) has made it

very clear that these are the priorities of this government and we will ensure that those essential services for Manitobans will be protected. Yes, we would like to perhaps spend more in those areas as well, to ensure that the quality of life is better and easier for the people who take up those services.

Mr. Speaker, here too we have to be cautious as to how we approach our decision making. At a time when the economy is in a recession, I think it is commendable of this Minister of Finance (Mr. Manness) to have structured his budget in such a way that will allow for our farm community to be supported through the guaranteed revenue income program at a time when revenues to our agricultural sector are at an all time low.

Although one cannot stand up and say that there are no problems within the program and that there are no glitches in it and that indeed everybody is happy with it, it indeed does address the economic situation that we have in rural Manitoba and the \$40-some odd million that this program will cost us in the first year is an indication that this government is prepared to support the farmers of this province and indeed the rural life of this province.

As I have been listening to the addresses that have been made to the budget by various members of the Legislature and of the opposition party, I cannot believe some of the comments that are being made, because the comments that I am hearing are an indication that there is a lack of understanding of the reality that is before us.

I hear the New Democrats stand in their places and keep calling for more spending in all areas. They criticize the government for not spending enough in areas right through the entire government.

I just listened to a couple of addresses made by the Liberal Party, Mr. Speaker, and they too call for more spending. Where does the dollar stop? Where does the buck stop? Is there no understanding of what this province is facing, that indeed if we do not change our ways in which we have been conducting our fiscal responsibilities, we will be in a situation where we will not be able to make the financial decisions for much longer?

I call on the opposition members to take account of where we are in this province and indeed to look at the wonderful job that I think the Minister of Finance (Mr. Manness) did in this budget and to



perhaps lend him the support that he needs to address the difficult times that we are facing.

Mr. Speaker, I would like to spend a little time speaking about what is happening in the area of Education and Training. Education in a changing society cannot be all things to all people. We cannot address all of the needs of all of the people within our society through the education process. When we look at the amount of money that we are spending on education in Manitoba today and compare it to what the rest of the country spends on education, we find that we spend more of our gross provincial product on education than Canada does as a whole. On the other hand, Canada spends the third largest amount of money of its gross domestic product on education, of the 16 developed countries in the world, so we in Manitoba are spending a fair amount in supporting the education and training needs of our province.

We have to refocus where we are spending our money in education, most importantly in the post-secondary area and in the training area. We have gone through a time, Mr. Speaker, where perhaps revenues were higher in this province. We were spending money on education, but we were not measuring the results we were getting out of it.

Let me use an example of the training that went on in northern Manitoba in preparation for the Limestone dam project. Many, many people went into the training programs in the North, but what were the results? Did many of these people indeed use the skills that they learned in their training programs in the Limestone project? No, many did not. As a matter of fact, we still have people in some of our ACCESS programs who have the hope of being able to work on the project but are still in the programs, and we still have no graduates out of some of those programs.

Mr. Speaker, those programs indeed have been a failure, because the amount of money that was spent on those programs and the results that we have achieved out of those programs did not match in any way, shape or form, so we must change the way we do things to ensure that the dollars we spend on education and training will be measurable in terms of the number of people who become skilled, can enter the work force and become productive citizens of this province.

We had some difficult choices to make. Indeed, when we were dealing with the programs that are

delivered through our community colleges, when we made those decisions, we made them in the light of trying to curtail some of the programs where there was a low enrollment perhaps, or where the job skills that were being trained were not needed in our society to any great extent, or perhaps where training was available in other institutions, be it a private institution, a public institution, but at least available in another institution. In this way, Mr. Speaker, we are able to refocus our training on where there are real skill shortages.

The announcement that we made with regard to the three new programs at Red River Community College is an indication of this government's thrust in terms of identifying where the skill shortages are, identifying what programs are required and then moving on the development of programs in those areas.

I was pleased to announce yesterday in Portage la Prairie the establishment of an aerospace training program for Portage la Prairie. Indeed, we have been working on this program for some time, and I must tell you, Mr. Speaker, there were many people involved in this initiative: people from the Portage area, people from the federal government, and people from our government.

Indeed, I have to indicate that the member for Portage (Mr. Connery) for a long time lobbied to make sure that there was some recognition that Portage indeed was an aerospace centre in terms of the facilities they had available to them and in the needs that were there if the base closed.

\* (1620)

Yesterday we were very pleased to announce the expenditures of some \$6 million, jointly funded by the federal and provincial governments and also by the private sector or the aerospace industry, in establishing a training program that would indeed give jobs to Manitobans—high-skilled jobs, high-paying jobs.

The industry, through its research, has indicated that over the next 10 years there will be a need of some 3,000 skilled workers in the aerospace industry. So, Mr. Speaker, this is an example of how we are refocusing some of the training and some of the education priorities that we as a government have and, indeed, some of the direction that is being taken by some of the training that is happening within our community colleges.

In the North, we have also changed some of the training programs. Indeed, in Thompson, we will be adding four new programs through the Keewatin Community College to ensure that individuals in northern Manitoba can achieve skills that they can use within their communities in northern Manitoba.

Mr. Speaker, when we talk about the K to 12 area, here again is an area that is very important to the entire province because this is where the students get their basic education in. Yes, this year we were only able to give our public school system 2.1 percent overall, but let me indicate that, because there is a joint endeavour, if you like, or a joint responsibility between local school boards and the government, some of the priorities had to be established by local boards.

We have to identify what it is that education is about. What constitutes a basic or essential learning.

To that end, we have been working on the Ed Finance Review to ensure that we can identify what it is that we should support as a basic education or as essential learning, and that way, Mr. Speaker, we can identify what it is that we, as a government, should be paying for.

Then school boards will have to make some decisions as well. School boards will have to, along with their communities, along with the people who have elected them to office, determine what it is that is important within that community. They will have to determine their optional programs on that basis.

Mr. Speaker, we need to prioritize. We need to make difficult choices at a time when the economy of this province is poor, but I think indeed that will strengthen us. It will strengthen our education system. It will strengthen the entire process in the way that we make decisions. It will eliminate some of the things we have been doing that perhaps are not a priority at all, are not necessary at all, perhaps the things that we want rather than needs. Indeed, we will emerge as a better system, a stronger system that will more effectively deliver the kind of education programming this province should have and the students of this province need. It will create better opportunities for them to get the kind of education that we should be delivering.

Mr. Speaker, over the last two years we have embarked on some pretty ambitious programs in the education field. We have taken some pretty brave steps in terms of, first of all, reshaping the high

school area in terms of building a stronger high school program within the whole high school area. Indeed, I am confident that as we move through the High School Review or the Challenges & Changes, we will have a system in this province that we will be able to put up against any system in this country.

Mr. Speaker, we hear criticism from the business community that our graduates from our high schools are not meeting the mark, but over the years there has not been any co-ordination or any articulation, if you like, between the people who use the product, if you like, after that product has been turned out of our education system. Mr. Speaker, it is time that we brought in the industry and business groups, the Chambers of Commerce so they can understand the challenges that the education system faces.

I say this quite truthfully, that indeed the business community does not understand well the kinds of challenges that schoolteachers have to put up with on a daily basis. They do not understand perhaps the range of students that teachers in high schools have to deal with. At the end of that Grade 12 period of time when that student is given his certificate, although it says that student has achieved a Grade 12 level, there is not a good understanding by those who perhaps take these students into the work force as to what level of academic proficiency that student may have, even though he or she has a Grade 12 certificate. So there needs to be a better understanding by the business community, by the industry, by society as to what it is that we are doing in the education system.

On the other side, Mr. Speaker, there needs to be a better understanding by the education system, by the education community, by the teachers, by the school boards, by the universities as to what it is that we should be focusing on, if you like, in terms of preparing our students for the work force and post-secondary education. Indeed, through the strategies for high school education we are attempting to recognize those kinds of issues and ensure that there is an understanding, so that we all move together as partners in developing a strong education system in this province.

I have spoken about the need for a partnership in education now for three years. I advocated from the very time that I came into the portfolio that education was not a matter for just educators, it was a matter for the community, and that it was at a partnership approach, otherwise the system would fail.

When I talk about partnerships, I talk about parents, Mr. Speaker, because indeed parents have a very key role to play in the whole process of education. It is their children that we are educating, but indeed it is their responsibility, the parents' responsibility, for the education of their children. For too long we have turned parents away from the school doors and said, you go back home and deal with your children at home and we will teach your children in the school. The system must change. We have to invite those parents back to the schools so that parents can understand what the school system is doing, they can understand the programs.

Let me give you an example, Mr. Speaker, of what I speak about. In the last two of three years I have had parents come to my office, come to my door and talk to me about their child's education or lack of education.

I will give you one example where a parent came to me whose child was in Grade 10, and that child had just been diagnosed to have a reading level of Grade 2. The immediate question was, where has this child been for 10 years, and why is it now that we have diagnosed that this child only has a reading level of Grade 2? I would have to ask, what kind of evaluation was done on the progress of this child by the system, but how interested was the parent in terms of determining what kind of reading level this child may have had? Had the parent been involved with the school system from the beginning, there would have been a better understanding of perhaps the shortcomings of the education system to address the needs of that particular individual.

It is for that reason, Mr. Speaker, that today in this province we have institutions like the Laureate Academy, because parents who are committing themselves to thousands of dollars of expense to send their children to those institutions are doing it because our school system has not addressed the needs of those children adequately.

Those are little criticisms of our system that we have, and it is not pointing the finger at teachers. It is not pointing the finger at the schools or at trustees or at superintendents or principals. It is the way our system has evolved, and we must change the system so that together we address the needs of children in a better way.

**Hon. Harry Enns (Minister of Natural Resources):** Thank God we have a minister who is ready to accept that responsibility.

**Mr. Derkach:** Mr. Speaker, I appreciate the comments of the member for Lakeside.

Let me say that although this is a difficult budget, a difficult one for us in Education, a difficult one for people in this province, it is one, Mr. Speaker, that I truly believe will allow us to re-examine many of our systems, many of the services that we provide to Manitobans and will indeed give us the opportunity to ensure that we do what it is government should be doing rather than getting involved in many of the enterprises, many of the services perhaps, that can be delivered better by their agencies, other institutions and indeed allowing people in communities to do for themselves what they can do. Mr. Speaker, we have gone away from that.

At one time, communities did come together. They were able to build whether it was a community centre or a curling ring, they would come together as a community and do things. Over the last number of years, communities have come to rely more on government to do things for them. It is time to stop and rethink that and give the power back to the communities, to allow them to do things for themselves, to allow their communities to grow by their own initiatives. Mr. Speaker, I think this is a time that we can do that and, indeed, we may be forced to do that because of the fiscal reality that faces us.

Mr. Speaker, I would like to just deal for a few moments on the initiatives that have been undertaken by the department in the last three years. In this latest throne speech, we announced the five-year strategic plan for the department. It is the first time that the department has come together to project where it is going in a co-ordinated fashion.

\* (1630)

In the next few days, I will be announcing the strategic plan. I will be inviting the members of the opposition for a briefing session on the strategic plan, so that indeed the opposition will have a good understanding of what the strategic plan is all about. It is an important initiative, because it sets the framework for the direction of education for the Department of Education and Training for the next five years.

It is a statement of broad principles, if you like, of broad parameters of where the department should go and where we are going in education. Yes, it may not be the perfect one, but indeed it is a beginning, because never before in the Department

of Education and Training has there been such a plan put together. We are going to be prepared for some criticism, and we are going to be prepared to discuss with our opposition friends as to how we can improve that. Maybe in the next round we will even be able to strengthen it from where it is today.

For the last two years my staff in the Department of Education and Training have been working very diligently at putting this plan together and, indeed, we are in a position in the next few days, as I said, to announce this very important initiative.

Mr. Speaker, we have heard a lot in the last year or so from the opposition about the fact that we were promising a new education model in the Department of Education and Training, and that we have not announced it to this point in time. Well, let me indicate that a new education funding model is not something that you can come up with overnight. Indeed, when I came into the department there was no co-ordinated effort at establishing a new funding model.

We were using a model for funding our schools that was based on the amount of money that a school division spent in the previous year. All that did was to perpetuate spending in school divisions, the more you spent the more you received, the more you spent the more you received. That was a funding model that was put in by the New Democrats, Mr. Speaker. It was not put in by this government, but yet it is the funding model that my friend the member for Kildonan (Mr. Chomiak) has criticized.

**An Honourable Member:** Right.

**Mr. Derkach:** Yes, it is time to change it, and he agrees with that.

Indeed, by midsummer of this year, we will have a new funding model in place for the education of public schools in this province.

Mr. Speaker, another initiative that we undertook was college governance, a fairly brave step because indeed our community colleges were always tied to government. We said it is time to give our community colleges the autonomy that they deserve to allow them to respond more quickly and in a more flexible manner to the training needs that are out in our society.

Mr. Speaker, we have heard criticism from the opposition that indeed we are destroying our community colleges, but if you take a look

throughout this entire country, Manitoba is a lonely province in terms of how it treats its community colleges, because other provinces have given their colleges autonomy a long time ago to allow them to flourish, to meet the needs that are within the communities and to address in a more flexible and in a more rapid manner the training needs that are out there.

Mr. Speaker, we are aggressively pursuing the development of the model which will give community colleges their autonomy from government. Yes, we will be coming forth with legislation to allow this process to happen.

This throne speech also talked about the review of university education and enhancing the role of universities in the economic, the social, the cultural development of this province. Indeed it is time that we took a major look or review of what is happening at our universities. Perhaps there is a better way of articulating between our universities and our community colleges. Perhaps there is a better way to reflect what the needs of our society are in terms of university education in this province. Is there a need for some rationalization in terms of what our universities are offering for education programs in this province? Mr. Speaker, there is indeed an effort being made to allow us to become more responsive to the educational needs of the citizens of this province.

Over the last two years, we have also embarked on a Distance Education Program which will allow us to deliver educational programs to many of the rural and remote communities of this province. Mr. Speaker, I am proud to report that after one year of Distance Education at the university level, the first-year university arts and science program that was delivered in five communities in this province has been an overwhelming success, far more successful than we had even envisaged it to be when we embarked on this program. Yes, we will be continuing with the first-year university Distance Education Program next year. We will be adding another program to it, and staff are already getting involved in terms of planning what a second-year university program by Distance Education might look like.

Mr. Speaker, I think this is an area where there is great potential to allow many of our rural students to partake of the educational services that a government can provide and indeed our universities can provide.

It think there is great potential for Distance Education in our small schools as well. Indeed, students who do not have the choices to take 300 courses or 301 courses in a school where there are only 50 or 60 students can now tap into those programs through Distance Education in the satellite network. I think there is a great potential in this area to allow students in rural Manitoba to access educational services through that method, and we are looking forward to some innovative ways indeed to enhance that Distance Education delivery of programs through the Department of Education and Training.

Mr. Speaker, there is a segment of our education community that does have some special difficulties, and that is all of that group of students we call "students at risk"—students who are dropping out, students who have special needs, students who have difficulty in coping with the school situation. When we look at our dropout rate in our province, we find that we have about a 30 percent dropout rate, or 30 percent of the students who enter school at kindergarten or Grade 1 drop out before they graduate at Grade 12. There are some good reasons that this is happening. Our education system has not been flexible enough to address the needs of these students.

Over the next year my department will be taking a very close look at how we can better address the needs of students at risk, because the federal government has acknowledged that this is an important area, because many of these students are either ending up on welfare or indeed they are ending up in jail. Many of these students we have identified to be very bright young people when they are in the education system, but somehow the education system is not challenging them. It is not providing the needs that they have. This is going to be an important issue for us in education over the next year.

Mr. Speaker, we have heard a little bit about Workforce 2000, about that initiative that was embarked on by this government. It was in the throne speech, and indeed it is a program that is going to replace an old program which was called Job Training for Tomorrow, which really did not meet the needs of training those people who need some retraining or training opportunities in our communities.

Mr. Speaker, shortly we will be announcing a program which will address the training needs of

people who perhaps lack skills but are out in the work force already, or are perhaps on unemployment. I have said often, it is not Education and Training, it is not government that needs to do everything for these people, because industry and business is out there and is willing to contribute to the process, contribute to the training process through investing real dollars in training, contributing to the process by bringing in people who do not measure up in terms of their skills and have them learn on the job.

We have indicated that Workforce 2000 is going to allow a true partnership in terms of developing the skills of people who are perhaps in the work force, or out of the work force today, because it brings together the business community, government and the people who need the training to ensure that they are able to acquire the skills that will allow them to work within a field they are comfortable in, that they want to pursue a career in and, indeed, within their community. In that way, Mr. Speaker, I believe that, not only we, as government, are going to be providing the training needs, but industry itself will be providing the training that is required.

\* (1640)

If you look at what we as a province and what the industries in Manitoba contribute in terms of training dollars to the entire system and compare that to other provinces, you will find that we as a province do not contribute a great deal through our industries to train, and that is what Workforce 2000 is all about. It is the development of a partnership that will bring together businesses, industry, government to train and retrain people, so that they can take their place in our society, and contribute to society and to their communities.

Mr. Speaker, we are going through a phase of transition, a phase of change, a time when we have to take a look at how we have been doing things and change the things that are not working. I do not think there is anybody in this Chamber who would disagree with the fact that there needs to be some changes made. We would like to do more. We would like to have more students attend our community colleges. We would like to have more students attend all of our post-secondary institutions and training institutions, but we cannot do everything at once, so given the fiscal realities that we face, we are attempting to do as much as we can with the resources that we have. Education is still

a priority to this government, has been since we came into office and will continue to be.

Mr. Speaker, yes, we were called upon to contribute to the entire budget process, and I think that we have done as well as can be expected in this economy.

In concluding my remarks, I would simply like to say that indeed the Minister of Finance (Mr. Manness) has addressed the needs of this province in the best way that has been possible, given the fiscal reality that we are facing. Indeed, if we can contain our deficit over the next number of years, and as our revenues increase, we will emerge as a very strong economic entity in this nation. Thank you very much.

**Mr. Cliff Evans (Interlake):** Mr. Speaker, I welcome the opportunity to add my remarks with respect to this so-called efficient budget. I would like to begin by responding to the member for Steinbach (Mr. Driedger) who in his response asked and in fact challenged this side of the House to try and be positive about certain aspects about this budget. Well, I guess, as some of my members, my colleagues, on this side have spoken about somewhat positive things about this budget that have been put in, I can say that I can be somewhat positive about the five-cent deposit on aluminum cans. It may, of course, help with the environmental concerns. It may relieve some of the problems that our brewery industry is experiencing in competition from the southern breweries.

Mr. Speaker, I can agree that perhaps this is one of the so-called sound moves. I can be positive on this government's measures to complement the federal incentive program for exploration. Hopefully, we will see some mineral investments created in this province and whether in fact we do benefit from increased mineral explorations.

I can also be positive about the idea of changes in credit payments to welfare recipients, and hopefully, we will see a positive outcome to some of those who are on social assistance in this province, to help some of those that perhaps—and even the more that will be on social assistance and welfare after this budget gets through with them, Mr. Speaker.

**Mr. Enns:** At the same time, we will get rid of the zebra mussels.

**Mr. Cliff Evans:** That is right. The honourable member for Lakeside (Mr. Enns) makes a comment

about the zebra mussels. Well, I suggest to him that he prepare his budget pretty darn quick on the zebra mussels concern.

I suppose, Mr. Speaker, that there may be one or two other items in this budget that I can be moderately positive about, but I want to assure the Minister of Highways (Mr. Driedger), the honourable member for Steinbach, that we on this side, even though we do see some positive aspects of the budget, I can guarantee the minister that this side of the House is not about to do any cartwheels up and down the halls, cheering this budget and cheering some of the few positive issues that may be—

**An Honourable Member:** I am having trouble finding positive things.

**Mr. Cliff Evans:** That is right—trouble finding, but then he could always look over the side there with the Liberals if he wants to see positive reactions to their budget.

(Madam Deputy Speaker in the Chair)

The member for Steinbach stated that, in his opinion, he felt that, if anything, the budget presented by the Minister of Finance (Mr. Manness) was fair. Well, I ask, fair to whom? Is that fair to the 958 people who have lost their jobs in the last week alone? Is that fair? How about fair to the 54,000 jobless people we have now in this province, is it fair to them? The minister says fair; it is a fair budget. Is this budget fair to the rural and northern communities that have already received 13 percent cuts in grants to the municipalities besides other offloading?

Madam Deputy Speaker, this minister talks "fair" when his own department has lost 114 jobs. This minister says, well, that is unfortunate, but it had to be done. Cuts had to be done so that other issues and other concerns within the province could be provided. One concern, of course, is farmers. He says, well, you might as well cut in my department so that we could provide farmers with a grain program that would aid our farmers through this terrible crisis—perhaps a terrible crisis that, as far as I am concerned, was created by this Tory government. Now I could perhaps see fit to say, well, maybe so, but when this government is saying they are putting \$43 million into a program that loses money for farmers, a program that does not even give them their cost of production, a program that even their own cabinet ministers have not signed up for yet, then this government and this Minister of

Agriculture (Mr. Findlay) should admit that the program is a white elephant.

The Minister of Agriculture himself, when I asked him questions here in the House last fall about the GRIP and NISA programs, Madam Deputy Speaker, jumped all over me saying, well, there is farmer input, farmers from across Canada, farmers from Manitoba, the Manitoba farmers would benefit from the programs and that I did not know what I was talking about. I remember that. He said I did not know what I was talking about.

**An Honourable Member:** Actually, I remember that, too.

**Mr. Clif Evans:** Remember that? Well, Madam Deputy Speaker, I want to ask the Minister of Agriculture, does he know what he is talking about because, if he does, if this minister does, why did he not have the time to sit down with the farmers when they needed to speak to this minister, when they needed to talk to him about the deficiencies of the GRIP program? Where were they? Where was this minister then? Hiding. -(interjection)- Hiding.

Madam Deputy Speaker, the farmers from Arthur, the farmers from around southwestern Manitoba had to come and talk to somebody who knew perhaps what they were talking about, who was not afraid to talk to the farmers. They raised their concerns with us, confident that we would listen to them—confident.

**An Honourable Member:** All the farmers in the NDP caucus.

**Mr. Clif Evans:** Well, that is true. All the farmers in the NDP caucus. Just like good managers on that side, we will speak about that, but I guess, Madam Deputy Speaker, what the minister in fact—and I say, if he was not hiding, he was probably too afraid to face facts and to listen to the farmers about their concerns about the GRIP program.

Madam Deputy Speaker, the money had to come from somewhere. Where did the \$40 to \$50 million come from? How is this agricultural budget going to suffer to make up some of this money that is put in the GRIP program? Well, let us start with the 51 jobs that are cut in the Department of Agriculture. Let us continue with \$23 million in interest rate relief for farmers cut, MACC cut \$4 million, support to the soil testing laboratory eliminated.

\* (1650)

Farmers from my constituency have been calling me daily asking if any money will be available for interest relief. Farmers were led to believe that money would be made available this spring as a cash advance on a deficiency payment. I have had to tell them what we have been told by this government, that there is no money for them, and if they do go into the program, there will not be any money for them there.

In the meantime, this Tory government is using and has used the financial plight of many of our farmers throughout this province. I suppose I can use the word that the farmers themselves came to speak to the honourable member for Arthur (Mr. Downey) and the honourable member for Springfield (Mr. Findlay), that they had to be blackmailed, that they were blackmailed into signing up, forcing them to join the program—forcing them. "Blackmail" is the word they used. The member for Arthur himself would not listen. I am using words that the farmers are using.

#### Point of Order

**Hon. James Downey (Minister of Northern Affairs):** Madam Deputy Speaker, I would think that the member would want to check very carefully what he has said. I think he is coming very close to unparliamentary language being used in the Chamber, and I would expect the honourable thing of him and have him withdraw those comments.

**Mr. Dave Chomlak (Kildonan):** Madam Deputy Speaker, I believe the member was referring to comments that were made to him on a secondhand nature, and I believe that reference to facts are not unparliamentary.

**Madam Deputy Speaker:** I would caution all honourable members to ensure that their language does not lead one to assume that it could be interpreted as unparliamentary.

\* \* \*

**Mr. Clif Evans:** Then, Madam Deputy Speaker, what other effects will cuts in this budget have on our farmers? The increase in gas and diesel tax, more cost to the farmer; the offloading of 2,000 kilometres of roads onto municipalities, that is going to affect the farmers if a municipality cannot afford to take care of the roads that the farmers travel on; and with the elimination in the Highways and Transportation of the Municipal Bridge Assistance Program cut, these farmers are going to have to

travel on deplorable roads and bridges to get their grain to the elevator, risking damage to their vehicles, and that is more costs to them.

What of cuts in Agriculture to such programs as Farm Vacations, which offer farm vacation and farm tours to school groups; 12 jobs in feed and drug testing, which will be turned over to the private sector, the government's favourite sector; Agriculture communities branch cut to four from nine; and Natural Products board losing three jobs.

Madam Deputy Speaker, the merging of the Interlake and Eastern Agriculture District Offices results in the closure of the Arborg office. This will take revenue from the Interlake, take services away from the farmers of the Interlake; and local residents have now lost jobs. This will create hardship on the people and on the farmers of the Interlake, and the Minister of Agriculture (Mr. Findlay) points out to say: I think we came out of it pretty well. -(interjection)- Well, the Minister of Highways (Mr. Driedger) says: Fair. This minister should look up the word "fair" and see what the proper meaning of the word is because his meaning and mine on this side are totally different.

The day this government presented this budget, Madam Deputy Speaker, we saw that youth, seniors and rural Manitobans were to be one of the hardest hit. What has this government's budget done to the young people of Manitoba? Probably very clear to all of us, while the budget's rhetoric emphasizes a stronger Manitoba for our children, in reality it is an assault on children and young people, an assault. Where? The child dental program reduced so that children only to the age of 10 will receive coverage. Health promotion programs for children cut by \$700,000. Health promotion and disease prevention cut. Programs, Madam Deputy Speaker, that are probably the most cost-effective way of maintaining good health for our young and for our children. Cuts in these programs eventually will end up costing this province more money in the future years.

Cuts to community colleges: Education, to the tune of \$4 million; \$1.4 million taken out of BUNTEP and ACCESS; Northern Youth Corps eliminated; and CareerStart cut by \$3.6 million; more cuts to Education, cuts to the high school bursary program and the Student Aid Program. This government states that our children and their well-being and education are an important part of the commitment to our future and to our children.

Madam Deputy Speaker, I say to the members on the opposite side, wake up. A little over a year ago I had the opportunity to hear the then Minister of Rural Development say how important it was to assist and keep our seniors near their homes—

**An Honourable Member:** Who was that?

**Mr. Clif Evans:** Who was that? The honourable member for Emerson (Mr. Penner), I believe.

**An Honourable Member:** Oh, yes, bring him back, bring him back.

**Mr. Clif Evans:** Bring back Jack—that we could keep our seniors, Madam Deputy Speaker, near their homes, that we in the different areas and municipalities should create housing, should create personal care homes, seniors' lodging so they could stay in their communities and be near their families.

Now, what has this budget done to our seniors in Manitoba? Madam Deputy Speaker, this government has eliminated the Seniors RentalStart program, made cuts in the 55-Plus program, made cuts to the Manitoba Housing Authority, leaving not only more jobs lost but support and services needed by our seniors in this province. These actions—and there are more—alone I feel are ruthless and insensitive to the seniors of this province.

Madam Deputy Speaker, let us discuss rural Manitoba and the effects that this budget—along with the 231 jobs lost in Natural Resources, the jobs lost in Education, in Rural Development and others. What are these cuts and losses going to do for rural Manitoba? What they are going to do is destroy, Madam Deputy Speaker, the will of rural northern Manitobans throughout this province and put the burden on the shoulders of our municipalities, villages and towns.

Let us discuss this budget showing no plan for job creation or economic stimulation. All we get are cuts and layoffs in the departments that serve rural Manitoba, Madam Deputy Speaker. Let us ask this Minister of Finance (Mr. Manness) why he and the Premier (Mr. Filmon) complain so much about federal offloading, zero revenues for this province, and then they turn around and show absolutely no support for the people in municipalities by cutting municipal grants by over 13 percent, plus offloading other costs onto municipalities.

This government sees fit to cut \$640,000 to local government districts, has frozen grants to school boards forcing layoffs, offloaded from the



Department of Highways, as I have mentioned before, 2,000 kilometres of provincial roads, perhaps costing the municipalities \$6 million—but that is okay for them—cut rural services in water management and engineering services that will again cost rural Manitobans more—more perhaps to the tune of \$7 million.

\* (1700)

I would like to ask the members on the other side, how are these municipalities going to pay for these cuts and offloading? They are going to have to increase the taxes to rural Manitobans to provide these services, to keep up the road maintenance, gasoline taxes as well as other taxes for education and roads, increase taxes to rural Manitobans as a direct result of the cutbacks and offloading of this Tory government.

Well, Madam Deputy Speaker, over \$60 million has been cut by this government from programs affecting rural and northern Manitobans. At the same time, this government brags about how this will foster growth in rural Manitoba, saying that \$4 million is going for drought proofing and sewer and water projects and, of course, \$4 million for a failed decentralization program.

The Minister of Rural Development (Mr. Downey) yesterday stated in the House that we will be pleased with the results from the proposed program. Well, we shall see, Madam Deputy Speaker, we shall see, because in the past year, this program has been a failure. It has been a failure to the people in rural Manitoba.

How else is this government helping rural Manitobans? Well, they have decided, Madam Deputy Speaker, to cut \$800,000 to rural housing repair, cut \$2.6 million from Northern Affairs and \$76,000 from winter road construction. Winter roads are an important part of my constituency, in my area, where the people from places like Berens and Bloodvein are able to cross the lake during the winter, come into Riverton, into Gimli and come into Winnipeg so that they may get the services and the shopping that they so greatly need, but this government feels it is not necessary.

These cuts do not include the millions of dollars rural Manitobans will lose out of the rural economy as a result of jobs lost in forestry, parks and other areas in Natural Resources, Agriculture, Highways and other departments. Madam Deputy Speaker, when plus and minus are tallied, the people of rural

and northern Manitoba are being choked—all these cuts without even any consultation whatsoever to the municipalities, to the northern people, to our aboriginal people, none whatsoever.

Madam Deputy Speaker, I must continue this question regarding the budget, and that is the handling of the fishermen throughout Manitoba and at taking away or cutting of the loan program from MACC and transferring, supposedly transferring, the program to CEDF. Why? Why take something away that is working very, very well in one position? Why?

**Mr. Downey:** I can read you a letter saying it is not working very well.

**Mr. Cliff Evans:** Well, the honourable Minister of Northern Affairs (Mr. Downey) says, it is not working very well. Well, then why did this minister not in fact go to the fishermen and say, well, the program is not working with MACC, and we will set up another program. We will tell you about it, and we will help you out. The fishermen are saying that it was working fine. This program was just fine under MACC. Over the years, thousands of fishermen have been able to obtain up-front money to prepare themselves for the upcoming fishing season.

Now, Madam Deputy Speaker, the fishermen with the low market prices and high costs are waiting for this minister to put this program through, to revamp it, to do whatever, at a time when the fishermen need the loans to be available today. Why should this government take such action at this point in time? Why was it such a secret? Why were the fishermen not consulted and informed before the April 16 budget? Why did anyone not know about it? -(interjection)-

Well, Madam Deputy Speaker, I repeat the words of the fishermen that this government perhaps had no intention of taking care of the fishermen of Manitoba and perhaps had no intention of continuing a loan program for the fishermen of this province—more failed management, Madam Deputy Speaker. -(interjection)- Good management, we hear from the other side, but they failed there.

One would think that if this government had good intentions, they would have been preparing for the switch from MACC to CEDF long before they announced that MACC would no longer be administering loans to fishermen—some more good management.

I ask this government, where is its commitment to a hundred-year-old industry that is on the verge of collapse when they betray fishermen about their loans and cutfreight assistance at a time when costs are high and prices are down. Again, Madam Deputy Speaker, this government choking the lifeline of fishermen and out of the people of the province.

Madam Deputy Speaker, this government calls itself good managers, and that a good management move is if you give tax breaks to big corporations, they would then create more jobs through the private sector. Well, this so-called good management has been led down the garden path by their corporate buddies. Where are their corporate buddies now? Where have they been the two or three years? This love affair that this government has with big corporations has cost this province millions in revenues. Private sector investment has dropped 47 percent in tax revenue, and where are the jobs that these breaks were to create? Well, let us ask the 54,000 people who are out of work now.

Madam Deputy Speaker, the Finance minister says, help is on the way, and the economy will grow with the help of big corporation investment. Perhaps this minister should take his head out of the sand, wake up and smell the coffee. There is no economic growth for this province, not under this Tory government, not when we lose some \$84 million and have the people of Manitoba making up the difference. This government has been betrayed by its corporate buddies and, in turn, is betraying the people of Manitoba and slowly choking them into submission.

Every day, Madam Deputy Speaker, we hear the government say, we cannot do this, and we cannot do that because of zero revenues, because of the big dollars they are paying on interest—all kinds of excuses. Well, when there is no confidence in this province created by this government, no confidence from the people, from small businesses, big corporations, of course there will be zero revenue. This government has had three years in government, four budgets, to bring the revenues to this province, but this good management government has failed again and let down the people of Manitoba.

Speaking of small businesses, I too am a small businessman, and I have learned to be a good manager. Not only do I have to invest properly, but have to work closely with my employees in the public

sector. Small business people are probably one of the best creators of jobs for our young people, and I have, as well as other small businessmen, invested along with government assistance to create summer jobs, to help the students through the summer, to help the people who need the jobs for two or three months and with the help through the CareerStart Program.

Now, Madam Deputy Speaker, with the \$3.6 million cut, what am I and other small businessmen going to tell the students who are going to come to us in the next month looking for work? I will have to tell them that there is no summer job, because this government does not believe that they should invest in you and help the small business person create a job for you. Good managers? My 10-year-old son has a better understanding of management and investment than the members on the opposite side.

Madam Deputy Speaker, this manager of finances has failed, failed the people of Manitoba, failed the thousands of unemployed, failed the young, the seniors, our aboriginal people, small businessmen and rural and northern Manitobans, failed them drastically.

\* (1710)

My colleague from Broadway, in his speech to the Throne, compared this Minister to a "Jason," wielding his axe left and right—mostly left I am sure. The honourable member for River Heights (Mrs. Carstairs) compares this minister to the character "Scissorhands," snipping away here and snipping away there.

Well, Madam Deputy Speaker, this minister has axed and snipped, failed and betrayed the people of Manitoba. He has choked the people into total submission and he has choked the confidence and desire to survive.

Madam Deputy Speaker, this minister's budget reminds me of a character who, through certain powers, could slowly cut off the air supply of people who went against his wishes and will until they succumbed. This minister has cut and choked Manitobans, the "Darth Vader" of Manitoba.

Madam Deputy Speaker, this government has failed, ignored, cut, jeopardized and choked the people of this province; this government, indeed, has lost the confidence of the people of Manitoba. I thank you for the opportunity.

**Hon. Eric Stefanson (Minister of Industry, Trade and Tourism):** Madam Deputy Speaker, it is with a great deal of pride that I rise today to speak in support of the budget. I believe my colleague the Minister of Finance (Mr. Manness) delivered a very forward-thinking budget in this Chamber last week, a budget that is taking the lead all across Canada and hopefully provides a model for what is required in our country as a whole.

The goal of our budget is very straightforward, to lay a solid foundation for economic renewal. We must ensure that Manitoba emerges from the current national recession in the best possible fiscal position. Our government is determined to meet this fiscal challenge for a very fundamental reason: our future depends on it.

This budget emphasizes fiscal responsibility, not just as a goal in itself, but as a means to a greater end, the long-term economic strength of our province. Our budget was brought forth as part of our solution to some of the problems facing Manitoba and indeed all of Canada. It is not a magic formula, Madam Deputy Speaker, we all know the options are either to raise taxes or to reduce spending. The key is in the realization that Manitobans have all the government they can afford. It is time for us to live within our means.

In order for true growth to occur in Manitoba, with true investment and true job creation, we as a province must have our fiscal house in order. We have taken those steps in this budget, we recognized the challenge facing us and we made the responsible, unavoidable decisions we had to make.

Our province faces an unprecedented onslaught of reductions in planned federal transfer, recession-induced revenue stagnation as well as rising costs on past borrowings. This combination of circumstances threatens the progress we have made over the past three years in managing the deficit and creating a more competitive taxation regime. We have mounted a three-tiered approach to responding to the fiscal challenges, internal reform, revised Estimates process and public sector wage restraint.

We have set our priorities, priorities which include protecting our essential services of Health, Education and Family Services. In fact, each of these program areas received an increase in funding totaling \$160 million in this budget. Health

received an increase of \$90 million, bringing their total budget to \$1.76 billion or \$1 out of every \$3 government will spend. Again, we are backing up our commitment to health care for all Manitobans with actions.

The areas receiving major increases include hospitals with an additional \$47 million, personal care homes with an additional \$21 million, Home Care receiving \$6 million more and an extra \$5 million for Pharmacare. Our commitment to Family Services is also a very tangible one. The Department of Family Services saw an increase of \$36.8 million in this budget. These increases will go to social allowance benefits, Child and Family Services agencies and community living programs.

Our government's commitment to education is demonstrated by a funding increase of \$23 million. These funds will take our level of spending for education and training even closer to the billion dollar mark of \$956 million. Schools and universities will benefit from this increase.

Internal reform meant finding new and better ways of delivering services that government provides. To determine if in fact government should provide a given service, important questions were asked throughout the process. Is government the best provider of the service? Is government providing the service because they can do it best? These are fundamental questions, Madam Deputy Speaker, which must be answered.

We moved forward through the entire spectrum of departmental and sectoral spending to ensure that measurable results are being obtained for the dollar spent. Again, it only makes sense to have a yardstick to measure progress by. To simply believe, *assomodo*, that more dollars spent in itself will yield better results is foolhardy. That was the approach of previous NDP governments, which have left us a legacy of high taxes and high debt.

We are asking provincial government employees to share the challenge with us. By keeping wage settlements to an affordable level, we can protect more jobs and services. As honourable members in this Chamber know, we have all accepted the same zero percent wage increase we are asking government employees to accept.

During these difficult times, Madam Deputy Speaker, you would like to think that the common objective of all Manitobans would be to retain as many jobs as possible. This internal reform coupled

with innovations, program delivery, reductions in overhead and administration aimed at protecting our priority services did unfortunately result in the reduction of 958 positions within the Civil Service. Much effort was directed at minimizing the number of actual permanent layoffs through vacancies, expiring term positions and less weeks worked by seasonal employees.

In addition, as a result of a combination of early retirements, normal attrition and work force adjustment incentives, we are hoping to reduce the actual number of layoffs to between 375 and 450 people. While it has not been possible to avoid layoffs and the human costs associated with these decisions, we are taking steps to mitigate the impacts on our employees and their families. Employees affected by program reductions will be provided with enhanced severance assistance and support. Voluntary severance incentives are being offered to employees not directly affected in order to maximize re-employment opportunities within the Civil Service. -(interjection)- You will get one tomorrow.

As part of this budget, Madam Deputy Speaker, my department is seeing the elimination of some staff positions and a savings of about \$580,000 in funding as a result of internal reorganizations and workload adjustments. In addition, we are saving approximately \$200,000 by eliminating some grant assistance to some tourism industry associations, but I hasten to point out to the honourable member for Charleswood (Mr. Ernst) that this move will still leave tourism marketing and promotion initiatives to continue intact. In fact, as well, we are now in the process of negotiating a five-year agreement with the federal government for tourism development in Manitoba.

**An Honourable Member:** Oh, he mentioned tourism.

**Mr. Stefanson:** I mentioned it twice. -(interjection)- You missed your chance. Part of our internal reform in government means avoiding duplication and finding smarter ways to deliver services. We have noted that many services performed by the Manitoba Research Council, for instance, are available through provincial departments, the federal government or in the private sector. As a result, we are restructuring the council resulting in a reduction of positions and a corresponding reduction of \$715,000. At the same time, we are fulfilling our commitment to research and

development through establishment of the Innovations Fund.

My department also realized a significant saving as a result of asking the Manitoba Sports Federation to provide its own funding from their deferred revenue. The federation does in fact have sufficient resources to maintain the previous level of funding to support amateur sport. We remain committed to amateur sport, Madam Deputy Speaker, in Manitoba, but given the challenge facing all Manitobans today, we allocated all we could to sport in this budget. As for the Manitoba Sports Federation, we are in the process of negotiating an extended longer-term agreement starting next year to continue to meet the ongoing needs of sport in Manitoba.

\* (1720)

This government's budget is in keeping with our strong, proven track record of common-sense solutions to challenges, Madam Deputy Speaker. Our new approach is a straightforward approach. Rather than adding up all of the funding requests and then comparing that total with your projected revenues to see just how big the deficit will be, we put together a budget much like most Manitobans would do for their own household, as I am sure the honourable member for Crescentwood (Mr. Carr) would do.

We started with the question, how much can we afford to spend? That is the question we started with. Once this answer was determined, we subtracted our debt costs for the year; unfortunately, Madam Deputy Speaker, significant debt costs that we inherited from a previous government, much like a family subtracts the essential bills from the income they have coming in. What was left was the remaining money to fund all of the government programs.

Again, I repeat, we knew we had to live within our means just like Manitoba families do. Sure you may want to spend more, who does not; but if you cannot afford it, you cannot afford it. I am firmly convinced that we made the responsible unavoidable decisions we had to make for all Manitobans. We protected our province's essential services of health, education and family services. We asked ourselves, what services do Manitobans want government to provide as opposed to what services do Manitobans need government to provide?

Again, we set our priorities, and we made decisions with those priorities in mind.

Our new approach not only makes a lot of sense but consider the alternative. More debt—is that what the honourable members want? Higher taxes and a massive mortgage on our children's future—is that what the members of the opposition want? We say no to that alternative, Madam Deputy Speaker.

Our budget will help pave the way for the promise of economic growth and opportunity for Manitobans to realize their full potential. We believe in creation of the economic climate necessary to make long term quality jobs for all Manitobans, particularly our youth.

Manitobans, despite what some members opposite would have them believe, have a lot to be proud of and excited about. Far too often, Madam Deputy Speaker, I hear members opposite and indeed on occasion Leaders of both opposition parties spending a great deal of time relaying every scrap of bad news they can possibly lay their hands on. No matter what happens there are individuals from whom all we hear are bad news stories, doom and gloom, have-not province and so on.

Just as Manitobans know that there are good news stories happening in their communities and in their neighbourhoods, there is good news happening in Manitoba's economy despite the very difficult times.

**An Honourable Member:** Tell us the good news.

**Mr. Stefanson:** I would like to put some of that good news on the record, Madam Deputy Speaker, because I am proud of our accomplishments. I am also looking forward to the promise of an even better economic future through the kinds of initiatives that we have in this budget.

Manufacturing investment in Manitoba, in 1991, is expected to be the second highest in our province's history, even after adjusting for inflation. Average manufacturing investment for 1989, '90 and '91 is 69 percent above the preceding 14 years.

Further to that, I would like to tell you about some major manufacturing industries that are doing quite well in Manitoba. The fourth largest manufacturing industry, printing and publishing, increased the value of its shipments by 93 percent since 1983, increasing last year at the rate of 5 percent. The second largest manufacturing industry in Manitoba, transportation equipment, which includes aerospace and buses, has increased the value of its

shipments by 110 percent since 1983. The increase in 1990 was just under 9 percent. The third largest manufacturing industry, primary metals, has increased its shipments by 328 percent since 1983. The increase in 1990 was approximately 6.5 percent.

Madam Deputy Speaker, to put this into perspective, I would like to add that, over the same period 1983-1991, the total manufacturing shipments in all of Canada only rose by some 45 percent. I would also like to refer to some very specific initiatives that have occurred over the past one to two years in the province of Manitoba: companies such as Boeing coming to Manitoba, expanding and creating approximately 274 jobs; Hughes, another 30 jobs; MacLeod Stedman, the relocation of their head office to Manitoba and some 117 jobs; Trimel, the location of their pharmaceutical plant out in Steinbach and some 72 jobs; Western Glove with their recent expansion, the relocation of a division from Ontario and some 167 jobs; GE Aerospace announcement and the 70 jobs that that will create; the Gemini expansion recently, the confidence they have in the clothing apparel manufacturing sector and some 30 jobs; and the recent announcement just yesterday by the honourable Minister of Education (Mr. Derkach) with the aerospace training initiative taking place in Portage la Prairie.

While the recession is having an impact on all of Canada, Manitoba is faring better than others in many areas. No one is happy with what is happening all across Canada. I would like to think no one is happy with what is happening all across Canada during this recession, but it is important to put everything in perspective to see just how Manitoba is doing in relation to the rest of the country. In the most recent 12 months, the value of building permits was down 21 percent nationally. Manitoba, fortunately, saw a smaller decrease of some 12 percent. Compare that with Ontario—and we know what recent government that the province of Ontario has. Compare that with Ontario and the drop of over 30 percent.

In January, retail trade was up in Manitoba by approximately .7 percent year over year. Compare that with a decline in a province like Ontario with some 6 percent. As we all know, growth is propelled by investment, and Manitoba can be proud of its record. Manitoba outpaced the national average significantly in private, nonresidential investment,

rising 1.6 percent as compared to a national decline of 2.6 percent, a true sign of confidence by out-of-province investors. In fact, over the past three years, private, nonresidential investment rose by 22 percent in Manitoba. While no one likes to see unemployment, Manitoba continues to have the third lowest unemployment rate in the country. In fact, Manitoba's rate of job growth in 1990 was twice the national average.

During this recession, Manitobans have felt the impact. In the first quarter of '91, our employment was down by 2.2 percent, but again, if you keep things in perspective, what did you hear about Quebec? Down 3 percent. What do you hear about Ontario? Once again, down 4.6 percent.

Manitoba's businesses and farms have fared better than in many parts of this country. While business bankruptcies were up dramatically nationally at 34 percent, Manitoba's increase was less than one-fifth of that. Manitoba's farmers, while still faced with very serious challenges, saw the lowest rate of farm bankruptcies in Canada in the province of Manitoba. In fact, Manitoba was the only province in the country to record a decline in farm bankruptcy, a decline of 38.5 percent compared to a national increase of 28 percent.

I made some mention of the province of Ontario, Madam Deputy Speaker, and I harken back to that because some of the doom and gloom stories seem to lose the reality that we are in a recession. The recession is occurring across our entire country.

A recent article in *The Globe and Mail*, headlined *Recession Batters Ontario*, refers to the 226,000 job loss from March '90, to March '91. Why do they say that Ontario is being so hard hit? One of the things they suggest is that the government, after the last recession in the early '80s, did not take the necessary steps to combat the requirements that would have to be taken if another recession were in fact to occur.

Madam Deputy Speaker, I would have to suggest that something very similar happened here in our province, unfortunately. While during the 1980s, with tremendous revenue growths occurring in our province, while those revenue growths were occurring in this province, what was the NDP government of the day doing? Increasing taxes dramatically, increasing debt dramatically and leaving our province, unfortunately, in the economic situation we were faced when we took power.

\*(1730)

In March, Manitoba's unemployment rate was up 2.3 percentage points over last year, but it was up 4.8 percentage points in Ontario and 3.5 in Canada. Once again, keeping it in perspective, while that is not good news, and nobody suggests for a moment that is good news, if you accept and understand the reality of what is happening across Canada, Manitoba is weathering the storm much better.

In 1990, business bankruptcies were up 6.4 percent in Manitoba—the lowest rate in Canada—but were up 73 percent in Ontario.

Farm bankruptcies were down, as I already mentioned, 38 percent in Manitoba—the only province to post a decline—but were up 100 percent in Ontario.

For the most recent 12-month period, the value of building permits was down by only 12 percent in Manitoba but down 30 percent in Ontario, and Canada was down 21 percent.

In January, retail trade was up in Manitoba by approximately .7 percent. Once again, it was down in Ontario, just under 6 percent.

Madam Deputy Speaker, this time, I would like to refer very specifically to a portion of the Finance minister's text, which I believe is particularly relevant. In the budget submitted by our Finance minister, part of the text suggests that: "This government believes in our province and its people. We are confident in the ability of Manitobans to compete with the best in the world and to do so right here in Manitoba." Those are powerful words, and they refer directly to the global nature of the economy today.

(Mr. Speaker in the Chair)

Manitoba's producers and manufacturers have learned this very real lesson over the past several years. Our excellent communication and transportation links have caused the world to shrink from a trade perspective. Our producers and manufacturers must, not only be able to compete with their provincial counterparts, they must now be prepared to compete nationally and even globally.

As a government, Mr. Speaker, our actions can either serve as an enhancement or a detriment to that trade competitiveness. The obvious direct impact is through taxes. In Manitoba we have a high burden of taxation that business must face. We have worked hard to remove some of this

burden to allow our businesses to be more competitive nationally, but we are still faced with a legacy of high taxes from previous NDP governments.

You have also left us with another unfortunate legacy, Mr. Speaker, a legacy of government investments and write-offs under the Venture Capital fund, for instance, the attempt at getting into equity and business by the previous government, write-offs in excess of \$5 million.

I am sure we all think back to a day or two ago when the honourable member for Lakeside (Mr. Enns) stood up and reminded us of some of the very—I will be somewhat sarcastic, Mr. Speaker—sound investments of the previous NDP government. He held up a package of matches, a \$52 million package of matches, from a previous sound investment of the NDP government, and that is just one of many in terms of the job creation activities of the NDP and the prudent spending of our taxpayers' money. The end result: high taxes, among the highest in our country; high debt, among the highest in our country; the legacy of the NDP in the 1980s.

During the past several weeks, during discussions which I have been fortunate to be a part of with people from across Manitoba on the Canada-U.S.-Mexico free trade, the most often mentioned concern of the people that are trying to do business in our province is taxation. I wish some of the honourable members would take the time to talk to those people, and then they would find cause and reason to be supporting the budget that is before us. You just need to talk to those people, talk to business people and ask them what the biggest deterrents are to doing business in our province: taxation, the overall cost of doing business, the lack of competitiveness throughout Manitoba.

The honourable member for Kildonan (Mr. Chomiak) talks about jobs. How does he think the jobs are created? Do they just all of a sudden appear overnight? You need people investing in your province; you need people with the confidence in your province to invest and create the kinds of jobs that we all want, long-term quality jobs, not the short-term, makeshift jobs of the NDP under their job creation projects, or their feeble attempts at business that are nothing but wastes of taxpayers' dollars.

I would hope that they would recognize that fundamental difference and come tomorrow—I am sure they will, and they will stand and support this budget, as they should, on behalf of all Manitobans. I am proud to note that this budget protects the gains that we have made in tax competitiveness. There is no increase in the payroll tax, no increase in corporate income tax, no increase in the corporation capital tax, no increase in the retail sales tax, and no increase in personal income tax. In addition, Mr. Speaker, we did not harmonize the GST in this budget. At the same time, we realize the GST is a reality, and we must ensure that our manufacturers are not facing a negative impact through competitive disadvantage. We have, therefore, committed to closely studying the full implications of harmonizing sales taxes.

This budget, Mr. Speaker, also contains specific incentives that I would like to talk a little about. In order to promote investment in mineral deposit, oil and gas exploration within Manitoba, we will provide a grant equal to one-quarter of the investment that will supplement federal income tax incentives for investors in mineral, oil and gas exploration. This will serve to keep more of these investment dollars right here in Manitoba. The budget also saw the announcement of the establishment—the honourable member for Kildonan, this is another part of the budget that he will gladly support, I am sure. The budget saw the announcement of the establishment of a government-labour sponsored employee ownership fund to help Manitoba employees take an ownership position in their company. This will allow for the preservation and/or creation of jobs. Where? Right here in Manitoba. This is a unique program that is already receiving very positive reaction. I notice the honourable member for Kildonan (Mr. Chomiak) nodding his head. I am sure that is all part of the positive reaction.

Once again, Manitoba is taking a leading role in the nation. We all know the importance and value of employee training, at least I like to think we all know the value of employee training. In order to assist employers committed to enhancing their worker skills through training, we are extending the provision for the payroll tax training credit. This credit reduces the payroll tax to 1.95 percent, the same level as Ontario and well below the Quebec rate, another move to make our businesses more competitive and create jobs for Manitobans.

New businesses will also benefit from this budget as a result of the announced extension of the new small business tax reduction. The regulations have been adjusted to ensure that only genuinely new small businesses benefit under the program. This program provides significant income tax relief for new small corporations and, once again, Mr. Speaker, creates jobs for Manitobans.

Competitive taxation is important to achieving Manitoba's full economic potential. Implementing the government's fiscal plan will provide the needed foundation for economic growth and prosperity and increased jobs for Manitobans. Manitoba's budget is, in my opinion, a well-designed document providing for the needs of Manitobans today while setting the stage for the promise of future prosperity. We must all do our part to ensure that we will emerge from the recession ready and able to take full advantage of the recovery and the rebuilding process.

Mr. Speaker, I would like to conclude my comments by repeating the Finance minister's words once again, because I believe that this budget demonstrates the very meaning of those words. This government believes in our province and its people. We are confident in the ability of Manitobans to compete with the best in the world and to do so right here in Manitoba. Thank you.

**Mr. Elijah Harper (Rupert's Land):** Mr. Speaker, I take part in this debate. I have been here for some time now in the Manitoba Legislature, and I have gone through some debates on the Throne Speech Debate and the Budget Debate both as a member of the government and also as a member of the opposition. When I look at the overall development that has taken place in the North and where I come from there has not been much development taking place in the North. I know that the Minister of Northern Affairs (Mr. Downey) has tried to say that he is doing great for the Northerners. When I look at the budget and some of the cutbacks, it is quite obvious that the government does not have any concern for the northern people. If I look at some of the cutbacks that they have made—

\* (1740)

**Hon. James McCrae (Minister of Justice and Attorney General):** Absolutely wrong about that.

**Mr. Harper:** I know the Minister of Justice, I do not know whether he had the opportunity to speak, but I am here to say a few words on the budget and I

wish that people would give me the opportunity. Usually I do not heckle or do not usually talk to other people, and I have great respect for this Assembly. As a matter of fact that is one of the reasons why I ran for office, to be involved in the decision-making process. Certainly we have to make decisions sometime that do not receive the approval of certain individuals. Of course you cannot please all people.

Some of the priorities in the North should have been the northern Native people. I see cutbacks being made to the northern people in the North, particularly in the area of education. I know the community colleges have been reduced by \$3.9 million and 95 jobs are being cut at the Red River College, 30 jobs being cut and eliminated at the Assiniboine and Keewatin community colleges.

We talk about providing education for our young people and our aboriginal people. Native education has been reduced by 10 percent, and this minister, the government has cut back on education funding to the aboriginal people and even eliminated the high school bursary program, 1.7 million, and these are usually given to the poorest students to encourage them to stay in school.

We have this problem in the North, and I would have thought the government would have placed a high priority in trying to educate our young people, because we say that our young people are the richest, our most precious resource in our lives and our future, and we should invest in that.

Today I asked the question in the Legislature—because of the announcement by the Prime Minister indicating that he is going to provide an additional \$345 million to education—

**An Honourable Member:** You are not supporting that announcement, I understand.

**Mr. Harper:** Do you trust the Prime Minister? I know the minister has tried to negotiate with the federal government, but he has absolutely failed the aboriginal people in the North, bungled the negotiations that we set up. We said that we had \$270 million provided in the Northern Development Agreement and this minister has totally failed, fooled the northern people, and we extended that so aboriginal people could be involved in the negotiations. This minister bungled that. This Minister of Northern Affairs (Mr. Downey) bungled the negotiations. He totally failed the northern people. He said they voted the wrong way; they did



not vote right. I do not think that is an appropriate statement to make.

We have a choice to make and the people have made a choice in the North, and you are not making a fine example.

I do not know whether you can be too partisan when you see people dying; unemployment is 90 percent. Is that being partisan? Is that being partisan when I say there is 90 percent unemployment in Red Sucker Lake, northern communities, having suicides of young children, people being imprisoned?

**An Honourable Member:** You spent \$270 million. How come the unemployment is so high?

**Mr. Harper:** Mr. Speaker, \$270 million, this minister has bungled negotiating with the federal government, totally bungled negotiations. Even the Winnipeg urban planning strategy, he bungled that too.

The people in the North have totally lost confidence in this government—

**An Honourable Member:** You too.

**Mr. Harper:** They have lost confidence in me, he says. You know, with the kind of results you get at election time, we will see where the confidence of the people is.

You know, this minister always blames the opposition for certain things. They are the government. When are they going to take responsibility for the decisions that they make, stand up and be counted?

**An Honourable Member:** Tomorrow night at 5:30.

**Mr. Harper:** I will be here. The people in northern Manitoba look for solutions for their problems and we take our concerns here to the Manitoba Legislative Assembly so that they can be addressed by the government.

As an aboriginal person, I know that even the Native communication funding has been cut. You know, the federal government also cut the communication funding; the grant was cut by 15 percent, and the Native media network also was cut. It was drawing I think about \$35,000.

When we are trying to consult or provide some information to the public about community activities or aboriginal issues, those are the kinds of things that we need.

You know, as aboriginal people, we are told that we should be consulting with the people, but we do not have the resources, we are the poorest of the poor and yet we are forced to pay the taxes. A lot of times there is misconception that aboriginal people do not pay taxes. That is not true. We do pay a lot of taxes.

I do not know whether the Minister of Northern Affairs (Mr. Downey) can tell me or tell the people in Manitoba how much an aboriginal person pays into the revenues of this province. I do not know whether he can tell me that. Also some of the federal transfers that are made into the provincial coffers, how much goes into the aboriginal communities, into the Northern Affairs communities, to the Metis communities, to the reserves? I do not know whether he can tell me that. How much did they actually receive into the coffers of the provincial Treasury? Whether we are getting a fair share?

I know that Northerners have to pay \$50 to use the air ambulance now, the user fee. You know, it is a user fee they have to pay to utilize that service.

**An Honourable Member:** Elijah is only speaking with forked tongue.

**Mr. Harper:** I have never spoken with forked tongue. I am just telling the truth. Well, they are not hearing; they are having selective hearing, I think, on the other side. You must have a hearing problem.

With the federal funding increased in the education, I would assume that the provincial government would increase our spending to ACCESS, to BUNTEP programming. I know this minister had an opportunity to negotiate with the federal government, and what does he do? He announces a southern development initiative, nothing about the northern development. That is what this minister did.

You know, we set up the negotiations with the Northern Development Agreement. Aboriginal people had input, did not even follow the advice of the aboriginal organizations to increase funding, and this minister has bungled it.

The Urban Native Strategy was also bungled by this minister. You know, hired a private consultant to deal with aboriginal issues in the province and the city of Winnipeg, to deal with urban development strategy because we had a plan in place where all the agencies, the federal government, the provincial government and also the municipal government

were to be involved in the urban planning process. Of course, when this issue came, it was contracted out to an individual, a private consulting firm, to deal with the issues.

\* (1750)

When that happened, of course, the municipal government backed off, the federal government backed off, and as a result, nothing was accomplished. Today, we hear the complaints of the provincial government, complaining about the federal government transferring the responsibilities onto the province, and those were the very issues that we were trying to address.

You know, they are basically implementing the policies of the government, the 1969 white paper policy of the government, which was to transfer the responsibilities onto the provinces. Basically, if you look at the Nielson Task Force recommendations, they follow the same guidelines or the same policies, which is to transfer the responsibilities onto the provinces.

Of course, I would like to know where this provincial government stands on some of those policies, like some of the services that are provided to the treaty Indians off reserve.

We have always maintained that, no matter where you are, as a treaty Indian, you are the responsibility of the federal government. It is not necessarily written in the legislation but is a matter of policy of the federal government not to provide services to off-reserve Indians.

As a matter of fact, during the constitutional discussions, we tried to insist that the primary responsibility for aboriginal people is the federal government. Of course, many of the other provinces did not want to address that issue because they were busy talking about other issues, and now the provinces are beginning to feel the policies of the federal government transferring it onto the provincial governments.

I would like to know where this government stands on many of the other issues dealing with land claims and trying to settle the treaty land entitlement.

We know that the federal government refused to deal with the treaty land entitlement, which was passed by the Order-in-Council, and we sent the Order-in-Council to the federal government. It was, as a matter of fact, signed by the federal government, by the chiefs and by the provincial government. As a matter of fact, it was during the

Liberal government at that time, in 1984, just before the defeat of that government.

We had an agreement in place signed by all three parties. Then when we approved it here in the province of Manitoba and sent it off to Ottawa, the Minister of Indian Affairs did not even acknowledge a response until a year after the Order-in-Council was made, as a matter of fact, sometime in February 1987. He responded to me on, I believe, February 26 as Minister of Northern Affairs, saying that—I do not know what his problem was, but one of the things he said, he had problems with some of the wording, some concerns about the agreement.

He, as a minister, I believe it was Bill McKnight, never negotiated at all with the aboriginal people. It was done by Crombie, I believe, the minister. So he did not know they started the negotiations personally, and I was very disappointed at the lack of response that we have had from the federal government.

Today, of course, there have been announcements made that some of these land claims will be fast tracked. I hope this minister will take that issue seriously and get on the ball, because the negotiations are happening in Saskatchewan and the Treaty Land Entitlement process is ongoing and whatever agreement they come to will affect the province of Manitoba.

I do not know whether he is aware of that because he knows it is going to have an impact, and it would also set a precedence as to how the Treaty Land Entitlement negotiations will happen here because we have Treaty No. 5 extending into the province of Saskatchewan and the people are making a decision on it.

I do not know whether he has been informed of what has been happening. Certainly I do not know whether he agrees with the formula, or whether he agrees with the settlement in the province of Saskatchewan and whether he has spoken to the chiefs of Manitoba, to the Treaty Land Entitlement chiefs, whether they agree with it.

So there needs to be a lot of clarification of where this minister stands on many issues, whether he has actually been talking to the Department of Indian Affairs and the Minister of Indian Affairs to settle the Treaty Land Entitlement because we have a lot of land in northern Manitoba which needs to be settled.

Just to give you an example, there is Red Sucker Lake. We are running out of room; we only have

255 acres of land. We need to have more land because that is an outstanding land that is still due to the aboriginal people as a result of the treaties and we are not given additional land because of the inaction by this government and also by the federal government.

Those issues need to be resolved because they also would have an impact as to the development in the North whether it be forestry, whether it be mining, whether it be tourism. Those issues need to be settled so that people would start making definite and proper planning in the future, so that they will know what policies and what regulations need apply in certain areas.

As a minister, I have not heard anything coming from this government in regard to land claims. The minister needs to address those things because the aboriginal issues have become a priority across this country and, certainly, more of the public have become aware of these issues.

I do not know what role this government will play in, or if they have been consulted with, this proposed royal commission that is coming forward or being announced by the Prime Minister, whether he has been consulted, whether this government will have a say who sits on the commission.

I have stated that it should have a strong representation of aboriginal people and also a consultation of the aboriginal leadership in this country. Up to now, with this announcement in royal commission, no aboriginal leader seems to know anything about it. What I hear from the Prime Minister, he has been talking to individuals behind the scenes, sort of using that divide-and-conquer approach again. I mean, it has been used on us since time immemorial to divide the aboriginal people in this country.

I do not know whether this Prime Minister is sincere or not. When I talk to people across the country, he has certainly lost the confidence and the trust of the people. I do not know what kind of working relationship this minister has with the Minister of Indian Affairs. Certainly we expect some leadership from this government to address many of the aboriginal issues.

I know that the Minister of Northern Affairs (Mr. Downey) has responsibilities in dealing with land, with the northern flood issues, with the land claims and with those things. I know the Minister of Northern Affairs feels proud to say that he has advanced some maybe \$10 million to the northern flood bands, but the issue has not been resolved. If you look at how much money we have spent—I mean we have spent probably over \$30 million in the course of the Northern Flood Committee. What has he gotten out of the advance? Because you want to settle the issue not just throw money at it, you want to be able to define and come to a resolution to this outstanding issue.

It seems to me that this issue has to be resolved. I know that the minister has—

**An Honourable Member:** Time.

**Mr. Harper:** Well, I think my time is up and it is already six o'clock. I will just end the debate now and maybe I will have someone carry on. I know some members want to speak tomorrow, and we will give them the opportunity to speak tomorrow.

**Mr. Speaker:** I would like to thank the honourable member for Rupertsland (Mr. Harper).

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

# Legislative Assembly of Manitoba

Wednesday, April 24, 1991

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