

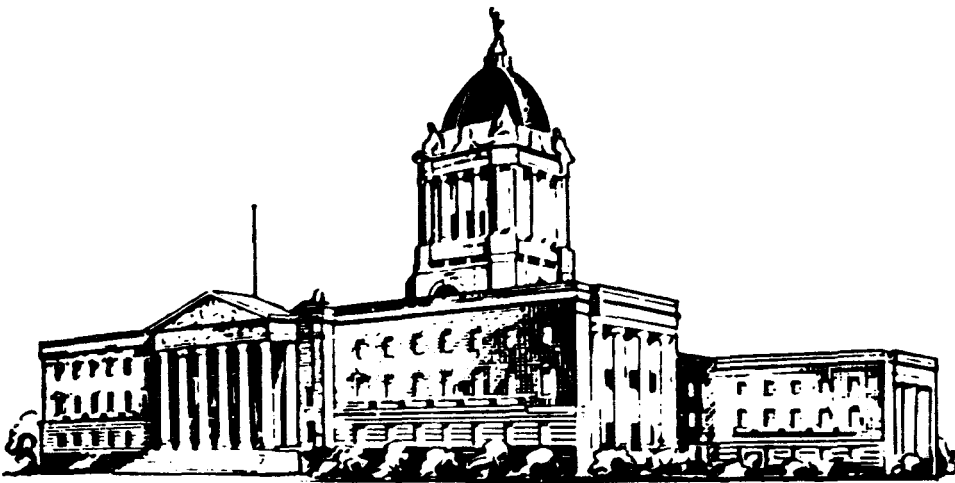


Third Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

40 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

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, Cliff	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
MALOWAY, 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

Tuesday, December 17, 1991

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Mrs. Louise Dacquay (Chairperson of the Standing Committee on Municipal Affairs): Mr. Speaker, I beg to present (by leave) the First Report of the Committee on Municipal Affairs.

Mr. Speaker: Does the honourable member for Seine River (Mrs. Dacquay) have leave to present the report which is actually 24 hours early? Does the honourable member have leave?

Some Honourable Members: Leave.

Mr. Speaker: Leave? It is agreed.

Mr. Clerk (William Remnant): To the honourable Legislative Assembly of Manitoba:

Your Standing Committee on Municipal Affairs presents the following as its First Report.

Your committee met on Monday, December 16, 1991, at 8 p.m., and Tuesday, December 17, 1991, at 10 a.m., in Room 255 of the Legislative Building to consider bills referred.

Your committee heard representation on Bill 35, The City of Winnipeg Amendment Act (2); Loi no 2 modifiant la Loi sur la Ville de Winnipeg, as follows:

Mr. Michael Mercury, Manitoba Trucking Association

Mr. Steve Childerhouse, Winnipeg Chamber of Commerce

Mr. Sydney R. Wolchock, Private Citizen

Councillor George Fraser, St. Charles Ward (City of Winnipeg)

Mr. Frank Pattie, Great-West Life

Mayor Bill Norrie, Councillor Greg Selinger and Mr. Bill Carroll, City of Winnipeg

Councillor Allan Golden, Glenlawn Ward (City of Winnipeg)

Your committee has considered Bill 35, The City of Winnipeg Amendment Act (2); Loi no 2 modifiant

la Loi sur la Ville de Winnipeg, and has agreed to report the same with the following amendment:

Motion:

THAT the proposed section 26 of Schedule D, as set out in section 5 of the Bill, be amended

(a) by renumbering subsection 26(4) as subsection 26(5); and

(b) by adding the following as subsection 26(4):

Appeal of notice mailed after November 1, 1991 26(4) Notwithstanding subsection (3), where the notice of application for revision referred to in subsection (3) is given or mailed between November 1, 1991 and the date on which royal assent is given to the Act by which this provision is enacted, the right to make application for revision for the 1991 licence fee in lieu of business tax is deemed to expire 30 days after the date on which royal assent is given to the Act by which this provision is enacted.

All of which is respectfully submitted.

Mrs. Dacquay: I move, seconded by the honourable member for Sturgeon Creek (Mr. McAlpine), that the report of the committee be received.

Motion agreed to.

TABLING OF REPORTS

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, I have three reports to table.

I have the Annual Financial Report for the year ended March 31, 1991, for Brandon University, the Financial Statements for the year ended March 31, 1991, for the University of Winnipeg and the Annual Report 1991 for the University of Manitoba.

Hon. Clayton Manness (Minister of Finance): I have some tablings, Mr. Speaker: the Manitoba Liquor Control Commission Three Month Report for the period April 1 to June 30, 1991; also, the Six Month Report for the period April 1 to September 30, 1991; and also, Manitoba Lotteries Foundation, both the First Quarter Report for the period April to

June 1991, and the Six Month Report for the period April to September 1991.

INTRODUCTION OF BILLS

Bill 41—The Manitoba Telephone Amendment Act

Ms. Marianne Cerilli (Radlsson): Mr. Speaker, I move, seconded by the member for Burrows (Mr. Martindale), that Bill 41, The Manitoba Telephone Amendment Act; Loi modifiant la Loi sur le téléphone au Manitoba, be introduced and that the same be now received and read for the first time.

Motion presented.

Ms. Cerilli: This bill will deal with the problem that I think everyone is aware of that the Manitoba Telephone System has been abused by white supremacist groups for distributing hate messages to a number of groups, minority groups and individuals. We feel that, by incorporating some of the same language that is in The Human Rights Code, The Manitoba Telephone Act can be strengthened to prohibit this kind of activity.

Motion agreed to.

* (1335)

Bill 40—The Human Rights Code Amendment Act

Ms. Marianne Cerilli (Radlsson): Mr. Speaker, I move, seconded by the member for Burrows (Mr. Martindale), that Bill 40, The Human Rights Code Amendment Act; Loi modifiant le Code des droits de la personne, be introduced and that the same be now received and read for the first time.

Motion presented.

Ms. Cerilli: Mr. Speaker, this is again to make sure that we can stop the use of the telephone system to discriminate, to threaten people, to promote racial hatred. What we were trying to do is to incorporate some of the language from the federal Human Rights Code into our Manitoba Human Rights Code.

Motion agreed to.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, may I direct the attention of honourable members to the gallery, where we have with us this afternoon, from the Darwin School, sixty Grade 9 students. They are under the direction of Mr. Tim Waters. This school

is located in the constituency of the honourable Minister of Government Services (Mr. Ducharme).

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

ORAL QUESTION PERIOD

Economic Growth Employment Creation Strategy

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, on three occasions this last six or seven days in Question Period, the Premier said that Manitoba will be performing at a rate of 4 percent growth and we will be above the national average. He said that on December 9. He said that on December 12. He said that again on December 6 in answers to questions in this Chamber.

Regrettably today, in spite of the fact that in the last week and a half we have heard of hundreds of further job losses in Manitoba, we hear some other bad news. The Toronto Dominion Bank has just put out its preliminary forecast for 1992. It totally repudiates the position the Premier has taken about Manitoba growing above the national average. In fact, it is calling on Manitoba's growth rate to be below the national average for 1992. It is also saying that Manitoba will have an unemployment rate of 8.6 percent all through 1992, which would be close to 52,000 Manitobans being unemployed.

I would ask the Premier today, in light of this crisis and in light of what is going on in the province of Manitoba where we are going to perform below the national average, Mr. Speaker, will he now bring in a new action plan to deal with the high unemployment rates in the province and to deal with the crisis that Manitobans are facing all across our province?

Hon. Gary Filmon (Premier): Mr. Speaker, because I knew that the prophet of gloom and doom opposite, the member for Concordia (Mr. Doer), would always be seeking out the worst possible economic forecasts because that lines up with his hopes for the future of this province, I did say very carefully here in this House that there are a range of projections and forecasts that are made. Indeed, I have the entire range if he wants it, in this book, some seven or eight different economic forecasts made by the major banks.

* (1340)

When the member opposite was in government, he traditionally used the Conference Board as the think-tank that had the most credibility and that was least involved with the economy in the sense that the banks are all customers of the province. I used the Conference Board. The Conference Board clearly did say—and I repeatedly referenced the Conference Board. I did not say everybody said that. I said the Conference Board was projecting 4 percent growth in 1992 for Manitoba, above the national average.

I might say he has said that there will be an unemployment rate of 8.6 percent. I just refer him to the economic forecast statement that was put out by his New Democratic soul mate in Ontario just a week ago today. It is the projection for the province of Ontario by Floyd Laughren, the finance minister. It suggests that throughout the period of time, 1992 to 1995, a four-year period, they are projecting 3.6 percent growth for that entire period of time. That is the best they can do, which is about half of the growth they experienced during the 1980s.

They are suggesting as well, Mr. Speaker, that unemployment for Ontario will be 9.3 percent under a New Democratic government.

Budget Introduction Date

Mr. Gary Doer (Leader of the Opposition): I am not even going to get into it. The growth rates are predicted in B.C. and Ontario to be much, much higher than Manitoba for 1992, but there is still a lot of misery in all our country. There is still a lot of misery now predicted in Manitoba, and this Premier is whistling past the graveyard.

In the Premier's own letter to the Prime Minister calling on the economic summit of First Ministers in Canada, he calls on an economic strategy that will encourage development and diversification of economies in all regions. He calls on a national industrial and economic strategy; ironically, he mentions things in that strategy that he has in fact cut in his own last year's budget.

I would ask the Premier: In light of the crisis, and it is very serious, will the Premier now bring in a budget in the early new year to deal and develop an economic strategy for Manitobans who are out of work, cannot find work and are predicted not to find work, consistent with the advice the First Ministers are giving the Prime Minister? Will the Premier do

this in Manitoba, bring in a budget the first week in January to get people back working in this province?

Hon. Gary Filmon (Premier): Mr. Speaker, we on this side of the House have been working very, very hard to move the timetable up from bringing in budgets so that, in 1990, for instance, we were not able to have a budget passed in this House until October of that year, about halfway through the fiscal year.

Last year, we were able to move that forward with a great deal of hard work and effort so that, in late April, we were able to pass a budget. As a result, again, of the hard work and effort that has been put in by Treasury Board, it is our expectation that we will be dealing with the new budget early in March and, with the co-operation of members opposite, will be well before the start of the next fiscal year. We will have an opportunity to have a budget on the table, Mr. Speaker, that will be our best efforts to address the very serious issues that are facing the country. Right across Canada, there is a recession that is ravaging provinces.

I repeat that, in the province of Ontario, they say in their statement: Although Ontario accounts for 38 percent of the national labour force, the province accounted for roughly 80 percent of the jobs lost in Canada during that period, under a New Democratic government.

In one year, Mr. Speaker, 80 percent of the jobs lost in Canada were lost in Ontario, despite the fact they are only 36 percent of the labour force. We are working very hard, Mr. Speaker, to bring in a budget that addresses the concerns that are out there—

Mr. Speaker: Order, please.

Economic Growth Public Consultations

Mr. Gary Doer (Leader of the Opposition): Unlike the Premier opposite, the Premier of Ontario, when he was in opposition, did not support the Free Trade Agreement with the United States, but this Premier went hand in hand with the Prime Minister, Brian Mulroney, in the last federal election -(interjection)- Free trade is working very well; just ask most Manitobans. That is the Minister of Finance's (Mr. Manness) response to the crisis.

Mr. Speaker, the Premier further states in his letter to the Prime Minister that we should be working closer together with business, labour and government, a partnership with government. We

thought, that is a good idea. In fact, we have been asking the Premier to have an economic summit that could be used in preparation of the next year's budget that should be brought in very soon so that we can deal in a co-operative and consensus way to deal with the devastation on our economies and our families of Manitoba.

I would ask the Premier to, one, bring in an early budget, and, two, use a summit with business, labour and government to get Manitobans working again instead of being on the unemployment line.

* (1345)

Hon. Gary Filmon (Premier): This government does indeed work with people in all sectors of the economy and from all parts of society. Indeed, tomorrow afternoon, our cabinet will be meeting with the executive of the Manitoba Federation of Labour, part of our ongoing commitment to consultation with people from all areas -(interjection)- Well, Mr. Speaker, the member for Thompson (Mr. Ashton) talks about things that are said about and by the people in labour. He and his friends, the union bosses, of course, have not necessarily said nice things about us.

I saw the president of the Manitoba Federation of Labour in her acceptance speech as she was re-elected president saying that her No. 1 objective was to get rid of my government, Mr. Speaker, which shows how politicized the labour movement has become in this province.

Mr. Speaker: Order, please. I would remind the honourable First Minister to deal with the matter raised.

Mr. Filmon: That is a regrettable situation but despite all of that, we put those issues aside and we deal with everybody in society. We are dealing with the Manitoba Federation of Labour; we are meeting with them tomorrow, their executive. We are meeting with Chambers of Commerce. We are dealing with economic development committees throughout the province. We are dealing with the Manitoba Association of Urban Municipalities, the Union of Manitoba Municipalities.

Anyone who has ideas to offer is welcome to give those ideas, Mr. Speaker, and to allow us to participate with them in rebuilding the Manitoba economy.

First Ministers' Conference Employment Creation Strategy

Mr. Leonard Evans (Brandon East): My question is for the Premier.

Manitoba's economy is stagnating. This is the worst recession since the Great Depression of the 1930s. We are performing below the national average in eight out of 11 key economic indicators including housing starts, manufacturing shipments and employment levels.

The average number of unemployed this year is estimated to be 48,300, which is the highest ever recorded by the labour force survey. At the same time, our labour force is shrinking. I ask the Premier, Mr. Speaker, why did the Premier of this province not place unemployment, the recession and growing welfare as the No. 1 item on the agenda of the forthcoming First Ministers' conference?

Hon. Gary Filmon (Premier): Mr. Speaker, I just want the member opposite to recall that in his days in office during the infamous Pawley regime, as they were in the recession of the early '80s, there was one particular year in which for almost half the year they had 54,000 unemployed people in this province, higher than the number that he is quoting today in Manitoba—54,000 people for almost half the year.

During that year, Mr. Speaker, we were dealing with a labour force that was at least 40,000 less in total than it is today, so proportionately, our percentage of unemployment and our numbers of unemployment are better. There are not as good as we would like them to be. We want to do better.

Mr. Speaker, that is what the programs we have put in place, that is what the economic foundation we have put in place, will do, is to improve the economy.

Mr. Leonard Evans: They are leaving the province, they are leaving the labour force, and I will be prepared to table this document showing that we have this year—

Mr. Speaker: Question, please. The honourable member for Brandon East, with his supplementary question.

Mr. Leonard Evans: Will the Premier reconsider this matter? Would he specifically advocate the establishment of job creation programs at the national level at the forthcoming First Minister's conference, given the fact that we have the worst

recession since the Great Depression. It is continuing. Indeed, unemployment may reach a high—

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

Mr. Filmon: Mr. Speaker, what we will do is ensure that we have control of the expenditures, the deficit level and keep taxes down in this province, unlike the New Democratic Party, when the member for Brandon East was in government, that drove up the deficit to obscene levels and at the same time raised every single tax in this province so that their taxes were the second highest overall in this country.

In addition to that, the money that they spent—and I will talk more about it when I speak today on the throne speech—on short-term, make-work jobs like cutting grass and clearing brush, Mr. Speaker, that the member for Concordia (Mr. Doer) when he was president of MGEA used to talk about, we will not put money into that short-term—

* (1350)

Mr. Speaker: Order, please. The honourable member for Brandon East, with your final supplementary question, please.

Social Assistance Alternative

Mr. Leonard Evans (Brandon East): What does the Premier expect the tens of thousands of Manitobans to do this winter with thousands exhausting their unemployment insurance benefits and thousands going onto welfare? What alternatives do they have besides going on welfare or leaving this province? Why do you not give—

Mr. Speaker: Order, please.

Hon. Gary Filmon (Premier): Mr. Speaker, the member for Brandon East persists on raising the issue of work for welfare recipients. Then he denies that he has raised the issue, and he runs as far away from it as he can.

Mr. Speaker, the fact of the matter is that nobody in this province should take delight in the plight of people who are regrettably unemployed. Nobody should take delight in the fact that we have a national and an international recession that is affecting negatively every single country in the western world. (interjection)-

The member for Wellington (Ms. Barrett) says we should do something here. Would she like us to do what Ontario is doing and that is to put 260,000 people out of work? Is that what she would like us to do? Well, Mr. Speaker, the province of Ontario with the New Democratic government has lost 80 percent of all the jobs that have been lost in this country. I do not believe that their policies are the way to go.

Social Assistance Provincial Tax Credit

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, in all the rhetoric, there is a human dimension here that seems to be forgotten. I am talking about people who are unemployed, people who are on social assistance. I met this morning, as did the member for Burrows (Mr. Martindale), and regrettably not the Minister of Family Services (Mr. Gilleshammer) although he was invited to the same meeting, with social assistance recipients. They have a number of questions, and I want to ask them on their behalf today.

The first question is: Why did this minister cut the provincial tax credit program in its essence of change so it is now going to be given \$60 a month instead of in a lump sum payment? Why did he do that without any consultation with the social assistance recipients who will be affected by that policy change?

Hon. Harold Gilleshammer (Minister of Family Services): Mr. Speaker, I welcome the opportunity to explain that to the honourable member.

I would indicate I met with the group at the West Broadway Ministry a few months ago, and we will be meeting again in January. I was not able to attend the meeting this morning, but we did have staff in attendance there. At that time I was meeting with the Canadian Paraplegic Association about the same issues, about housing, about social allowances. I can tell you that in the community there is a great recognition of the additional social allowances program we have put in place for the disabled, a program that was long overdue.

The question the member asked was about cutbacks. There was no cutback in the social allowances program. We enhanced that program to all recipients by some 3.6 percent. We changed the delivery of the tax credits to a more timely basis. They not only are getting their lump sum payment

this year, but they are getting the 1992 tax credit on a more timely basis starting with cheques that I believe will be in their hands this week.

I was pleased to have support on that initiative from the member for Brandon East (Mr. Leonard Evans)—

Mr. Speaker: Order, please.

* (1355)

Mrs. Carstairs: Mr. Speaker, they will now receive \$60 a month when they used to have received a lump sum payment.

The minister has said this will give them a choice, either to spend the money monthly or to collect it and spend it at one time. Unfortunately, there is a regulation in place which says that the maximum bank account which they can have is \$400. How can they save their \$60 a month to come up with their final sum when he will not allow them to have a bank account of more than \$400?

Mr. Gilleshammer: Just to finish my previous answer, when we passed that legislation last spring we did have the support of members of the Liberal Party who voted in favour of that bill.

There are many issues in the social allowances program. The social allowances program, of course, is a very complex one. We were able to increase some of the allowances for housing some 3 percent, on the basic some 3.6 percent, and make that change in the tax credits.

That is not to say there are not other initiatives we are looking at. There are many aspects to the social allowances program that we would like to give further study to and have further consideration of. We hope to be making some further announcements in the near future.

Special Needs

Mrs. Sharon Carstairs (Leader of the Second Opposition): I have a final supplementary to the minister.

Mr. Speaker, a number of recipients have informed us they are being told by welfare workers that they do not need special needs because they can use their GST rebate, they can use their tax credit rebate, neither of which was to replace special needs.

Will this minister today issue a memorandum to all those working in provincial welfare that they are not to tell claimants they are to use monies from their

GST rebate and monies from their tax credit rebates for special needs?

Hon. Harold Gilleshammer (Minister of Family Services): Mr. Speaker, we have some 26,000 or 27,000 clients and cases in the social allowances system that the province is responsible for, and we certainly will advise and say publicly that recipients will get fair treatment according to the guidelines that are in place.

College Louis Riel Admission Policy

Mr. Elijah Harper (Rupert's Island): Mr. Speaker, my question is for the Minister of Education. Yesterday afternoon, I met with Mr. Fred Kelly and his son, David Kelly, the student who was being denied admission to a St. Boniface school. I have some information, some correspondence here, that I would like to table that they gave me concerning the school division's policy.

I would like to ask the minister: Why will this minister not meet with Mr. Fred Kelly and his son to tell the story and learn the side of the story why his son is being denied admission to the school?

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, as a matter of fact, it was the honourable member for Rupert's Island who came to me yesterday late afternoon and asked whether or not I would meet with the Kellys. The member for Rupert's Island came to me at about 3:30 and asked whether I would meet with him immediately. I had to decline because of the fact that my afternoon had already been booked, and it was impossible for me to meet with them at that time.

I am not opposed to meeting with them, Mr. Speaker, but let us understand the issue here. It is unfortunate that the parents of David Kelly do not qualify under Section 23 of the Charter of Rights and Freedoms to have their child in an FL1 school. Nevertheless, that is the responsibility of the school division, if they wish to waive the policy. The school division has made its decision on the matter, and it is one which lies with the school division and not with the government.

Mr. Harper: Mr. Speaker, my supplementary to the minister is that the minister is responsible for the legislation and also has the constitutional responsibility to uphold the interests of every student—

Mr. Speaker: Question, please.

Mr. Harper: My question to the minister is: Why is this minister not meeting with the school division and also the student on this matter?

Mr. Derkach: Well, Mr. Speaker, it is a fact that Mr. David Kelly does have access to a French immersion school within that school division. He has attended that school for some 10 years, but under the Charter of Rights and Freedoms under Section 23, Mr. Kelly does not qualify to attend an FL1 school. It is under that particular policy that the school division is operating and has denied access to Mr. Kelly to attend that particular school.

Mr. Harper: Mr. Speaker, my final supplementary is: This is a public school and the minister responsible—

* (1400)

Mr. Speaker: Order, please. The honourable member, kindly put your question, please.

Mr. Harper: Yes. Will this minister table in the House appropriate matters and procedures for a minister to intervene in the school board since the school board association has asked for these changes?

Mr. Derkach: Mr. Speaker, the regulations regarding rights under Section 23 of the Charter are very specific and very clear. I would be happy to make available to the member, the section which the school division has made its decision under. I will send that to the member.

Child Day Care Funding Formula

Ms. Becky Barrett (Wellington): Mr. Speaker, the child care system in Manitoba was once the envy of North America. It is now in tatters, thanks to the shoestring budget, the government's disastrous funding formula changes have forced on child care centres and family daycares.

Will the Minister of Family Services, in light of this overwhelming evidence, do the right thing and put back into place the funding formula that was once in place that included a legitimate, adequate operating grant for child care centres and family daycares?

Hon. Harold Gilleshammer (Minister of Family Services): Mr. Speaker, the daycare portion of the Family Services department has seen an increase of some 61 percent in the last four budgets. When we came to office in 1988, daycare was accessing

a budget line of \$27 million. That has increased by some 61 percent to \$44 million.

Opposition members are frequently talking about cutbacks. I say to you that this is an overwhelming increase in the amount of funding that daycares are able to access. What the member is referencing is a change from giving grants to daycare centres which tend to be a subsidy to all, to using taxpayers' money to target those dollars to those people most in need and who want to access the system. Our subsidy levels are higher this year than they have ever been before.

Centre Licensing

Ms. Becky Barrett (Wellington): Mr. Speaker, will the Minister of Family Services listen to the entire child care community throughout the province of Manitoba who are urging the government through their string campaign and their letters that have gone on since last July, in addition, to not license new spaces in areas where there is already a vacancy rate, as the government has the authority to do?

Hon. Harold Gilleshammer (Minister of Family Services): Mr. Speaker, I know the member speaks for the MCCA and I would remind her that they are one of the advocacy groups in the child care community. I would not only listen to them, but I would listen to all of the groups that represent the daycare community, including the parents.

I wonder if, in putting forward this new concept, the member has caucused this with, for instance, the member for Interlake (Mr. Clif Evans) who has written me a letter to license more spaces. There seems to be a little divergent thinking on the part of the NDP on this issue.

We will consult with all of the people involved in the daycare community, including the parents, when we make daycare changes.

Point of Order

Mr. Clif Evans (Interlake): The letter that the minister refers to supporting a daycare in the community—I would like to remind the minister that there is no daycare in that community.

Mr. Speaker: Order, please. The honourable member does not have a point of order. This is a dispute over the facts.

Federal Funding

Ms. Becky Barrett (Wellington): Mr. Speaker, why has the Minister of Family Services chosen, through funding private daycare spaces, not to access federal funds which are cost shareable with the province only when they go to nonprofit daycares? Why is he not taking advantage of those available federal funds?

Hon. Harold Gilleshammer (Minister of Family Services): I indicated that we would listen to all areas of the community in terms of daycare, and I would say to you that we are accessing more CAP recovery dollars with our daycare program this year than we ever have before. So the member need not worry about us not accessing federal funds. The CAP recovers this year under the daycare line would be higher than they were in previous years.

Environmentalists Minister's Position

Mr. Paul Edwards (St. James): Mr. Speaker, for the Minister of the Environment (Mr. Cummings).

Reaching an all-time low in this government's attempt to rationalize, ignoring the environment and the environmentalists, the Energy minister stated yesterday: If we are going to listen to these environmentalists, we should not have any mines, we should not have any electricity, we should not have any thermal stations or any industry that is going to pollute.

He then went on to question: If we are going to let environmentalists stop every project we have in the works, what is left for us?

Mr. Speaker, for the Minister of the Environment (Mr. Cummings), will the minister indicate to members of the House whether or not he agrees with those sentiments and how they fit with this government's many dozens of press releases outlining their commitment to sustainable development?

Mr. Speaker: Order, please. The honourable member's question seeks an opinion and is, therefore, out of order. The honourable member for St. James, kindly rephrase your question, please.

Mr. Edwards: Mr. Speaker, will the minister indicate what the policy of this government is, given their many dozens of press releases outlining their commitment to sustainable development and their inclusion of all the stakeholders in that quest?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, I think there are numerous examples of the process that we are prepared to undertake in this government to make sure that all stakeholders are heard, to make sure that the issues are raised, and they are either mitigated or eliminated where they are apparent at the prior hearing process. We are committed to the concepts of sustainable development and environmental protection, and it stays that way.

Conawapa Dam Project Environmental Delay

Mr. Paul Edwards (St. James): For the same minister, can the minister indicate whether or not it is the government's policy that, as the Minister of Energy and Mines (Mr. Neufeld) further stated, environmentalists will not be allowed to unduly delay the construction of Conawapa, and the Minister of Energy's further conclusion that, I would have to say that all our plans are that it will be built?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, the process has been laid out. The process is widely accepted as being a fair and open one, and that is the way it will continue to be.

Economic Viability

Mr. Paul Edwards (St. James): Mr. Speaker, will the Environment minister ensure that the economic viability of Conawapa is part of the scoping for the upcoming environmental process, given that the economic principle of Manitobans' need for that power has now been questioned and that need in fact has been confirmed by both the minister responsible for Hydro and the Premier (Mr. Filmon) as not being what it was stated to be in front of the PUB?

Hon. Glen Cummings (Minister of Environment): In the review of the project, we are going to be looking at the environmental impacts. We will make sure that they are properly mitigated and properly handled prior to any construction beginning and make sure that any recommendation from the Clean Environment Commission and the joint panel in the case of Conawapa are followed. There has been a prior review of the economic factors. The economic factors will continue to be part of the studies that this government goes through and that Manitoba Hydro goes through, but we have laid down the guidelines for the Conawapa review, and I believe they are fair.

* (1410)

Immigrant Credentials Working Group

Mr. Conrad Santos (Broadway): Mr. Speaker, my question is directed to the honourable Minister of Education.

No one who has lit a lamp puts it in a secret place or under a basket but on a lamp stand so that everyone who comes in may see the light. Since 1990, and all of '91 is now almost over, there is a 10-member working group on immigrant credentials under the Department of Education and Training of the Department of Education. They have been consulting with professional technical groups, ethnocultural groups and post-secondary educational institutions in order that they may assess qualifications—(interjection)—I am laying the groundwork—so that they may assess the qualifications of students whom they brought with them into Manitoba and into Canada in order that the government may develop some mechanism by which these skills, training and experience can be recognized and be put to good use in this province and this country.

I now ask the honourable minister: What has ever happened to the result of that consultation and the—

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

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, it is in fact true that we have established a working group on immigrant credentials, and we had established that within the Department of Education and Training about a year ago. That group has been actively working with organizations that are affected by this kind of an issue. It is not an issue that can be handled overnight, but indeed I know that the work is still ongoing. Now that the responsibility for that has been transferred over to the Department of Culture, Heritage and Citizenship, I will take the question as notice on behalf of my colleague.

Mr. Santos: Now that the honourable minister has passed the buck, can this government enlighten this House and the people of Manitoba, what are some of the salient findings and recommendations that are now ready for their consideration that came out of this study? I direct—

Mr. Speaker: The question has been put.

Mr. Derkach: Mr. Speaker, once again I will take that question as notice for my colleague.

Mr. Santos: If the honourable minister takes everything into consideration, would the honourable minister at least tell this House and the people of this province what specific actions they have in mind in order to deal with this problem of unusable skills and technical training that are not being useful at all because of lack of recognition?

Mr. Derkach: That is an issue that has been before this province for many years and indeed, Mr. Speaker, I think it is very evident by the remarks that have been made within this House, that all of us would support—that people who come to this province from other countries would be given an ample opportunity to use their skills in a very productive way within our society.

In terms of the findings of the report, I am sure that will all be made available once the minister is ready to table that, and I will take the specifics of that as notice.

Crow Benefit Government Position

Mr. John Plohman (Dauphin): The Minister of Agriculture (Mr. Findlay) is a participant in the massive federal campaign involving 125 meetings in western Canada to change the method of payment of the Crow benefit. Clearly, this is an attempt to divert attention away from the real crisis in agriculture at this time to divide the farm community which has come together in an unprecedented way. The Minister of Finance (Mr. Manness) knows it, perhaps to convince farmers that the Crow had to be given away at the GATT talks, and on that point, Mr. Speaker, it is part of transportation talks which is the discussion document.

I ask the Minister of Agriculture, what precise action has this minister taken, or will he take to demonstrate that he is firmly opposed to any Canadian position that would see the historic Crow benefit given away at the GATT talks?

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, the member says that we are having 125 meetings. That is right—to let the rural public of western Canada know what the costs of transportation, elevation and handling are for grain so that they can make some of the decisions as to where this industry is going to go in the future.

With regard to whether it is a negotiating point at GATT, basically my understanding is no, is it is not a negotiating point at GATT.

Mr. Plohman: Can the minister explain what action he has taken to call to the Prime Minister's attention in recent days that farmers need immediate cash pursuant to the Ottawa lobby that took place, and the rallies that took place this summer, not a divisive debate at this time to divide and conquer on the Crow benefit?

Mr. Findlay: Mr. Speaker, the major issue of talking about transportation is a very simple fact of life. Over the last number of years, the costs of handling and transporting grain have gone this way, and the value of the product that the farmers are producing is going the opposite way. That is the crisis. That is the absolute crisis, and there is a grain trade war going on that has made the situation even worse. But, the actual costs of handling and transporting grain have continued to go up, and farmers are paying that. That is why at the farm gate, the value of grain has gone down, down, down, and farmers have got to ask some challenging questions of the people in that system of why the costs are going up and value of the end-product is going down.

Mr. Plohman: Mr. Speaker, the minister knows that it is the price of the commodity that is the crisis.

Public Hearings

Mr. John Plohman (Dauphin): Can the Minister of Agriculture tell this House, since he is now committed as a willing partner to this process, whether he will personally attend the 24 meetings that are being scheduled for Manitoba on the Crow so he can learn first-hand from the farmers their priorities and the issues that are of concern to them in this province of Manitoba?

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, we have set up 24 meetings in Manitoba so farmers probably will not have to drive any more than 40 or 45 miles to reach a meeting. They can go to more than one meeting if they so choose. The process is to allow them to ask questions of the facilitator, to keep the politics out of the system, so we can talk about the facts of the system. I will have officials of my department in attendance to hear what is said at the meetings so I get feedback that way.

Conawapa Dam Project Renegotiations

Mr. James Carr (Crescentwood): Mr. Speaker, I have a question for the minister responsible for Manitoba Hydro.

In posing the question, I realize that it may be the last one I have a chance to ask this minister. On behalf of all members on this side of the House, I would like to thank the minister for his complete, thorough and candid answers that he has given—and he did not write the question for me.

For the past number of months we have been asking the minister responsible for Manitoba Hydro to renegotiate the Ontario power sale in part because Manitoba will not need its portion of the Conawapa energy until 12 years after initial projections. Today, we have learned that Ontario Hydro is cancelling projects for new construction and purchases from co-generation companies because it will not be needing power in the year 2002 as it earlier predicted. Not only does Manitoba not need Conawapa power, but Ontario Hydro does not need it either. Ontario is banking on cheap Manitoba power instead of locally produced co-generation. Manitobans will be subsidizing Ontario producers.

My question for the minister is very simple. Will he now go to his Ontario counterpart and renegotiate this deal given that neither Manitoba nor Ontario needs the power?

Hon. Harold Neufeld (Minister responsible for The Manitoba Hydro Act): Mr. Speaker, let me make this absolutely clear. On December 7, 1989, when we entered into an agreement with Ontario Hydro, it was thought by Manitoba Hydro that by the year 2000 we would need it for our own use. Ontario Hydro thought they would need it.

We entered into an agreement and today we have an agreement that has to be met. We have a commitment that has to be met, and Manitoba does not intend to back down from a commitment.

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

Nonpolitical Statements

Mrs. Shirley Render (St. Vital): Mr. Speaker, I was just going to ask whether I had leave to make a nonpolitical statement.

Mr. Speaker: Does the honourable member for St. Vital have leave to make a nonpolitical statement? Leave? It is agreed.

Mrs. Render: Mr. Speaker, oftentimes Manitobans are slow to rise and to tell others about their accomplishments. I think we fail to realize that news

of fellow Manitobans' achievements serve to motivate and encourage others. With that in mind I would like to commend the students and the staff of Glenlawn Collegiate, a school within my constituency of St. Vital.

* (1420)

Glenlawn Collegiate has much to be proud of lately. On December 7, the Glenlawn Varsity Girls Volleyball team, coached by Mrs. Heather Bradshaw, won the Manitoba Provincial Girls Varsity Championship. This feat is particularly noteworthy for Glenlawn, because the last provincial victory for the Varsity Girls in volleyball was exactly two decades ago in 1971. I congratulate the players and coaching staff for their fine team performance.

Now another team, Mr. Speaker, that performs well is the Glenlawn Collegiate Senior Stage Band. These young people, under the direction of Bill Kristjanson, were a big hit at the Canadian Stage Band Festival in May of this year, so much of a hit that they were invited as the sole Canadian stage band performing at the International Jazz Educators Convention next month in Miami, Florida. I salute these 18 students, together with the music staff at Glenlawn, for their excellence in music.

Now, excellence in teaching was recently recognized from Glenlawn Collegiate. Mr. Boyd Speer teaches art to Grade 10 through to Grade 12 students and computer graphics to Grade 11 and Grade 12. He was recently honoured as the recipient of the "Marshall McLuhan distinguished teacher award." To quote Roger Hill, a reporter from The Lance community newspaper, "Boyd Speer teaches a computer animation program that joins art with technology and sets his students at the leading edge of the image-intensive communications field of the late 20th Century."

Spinoffs, Mr. Speaker, from Mr. Speer's program will become a series of lesson plans to be made available to Manitoba Education upon completion.

Mr. Speaker, cross-country running is a sport that 17-year-old Cosette Taylor, a Grade 12 student at Glenlawn Collegiate, excels at. This young athlete, talked about as a possible Olympic competitor, has had an impressive showing in 1991. Working with coaches Karel Nemetceh and Pearl Dixon, Cosette won her second consecutive Manitoba senior girls high school cross-country championship in The Pas in October of this year.

She also entered and won the women's crown at the Manitoba cross-country championship. On November 23, Cosette competed for Manitoba at the national cross-country championships in Halifax where she captured the bronze medal. Miss Taylor has recently been invited to an international meet in Hawaii. I salute Cosette Taylor for her accomplishments and wish her continued success.

Mr. Speaker, before I close my remarks, I would just like to pay a final tribute to the teachers and the staff at Glenlawn Collegiate. Parents, students and motorists alike have recently noticed a special message on the marquee sign at the collegiate. It congratulates 165 students for attaining an 80 percent or better grade average on their recent report cards. I commend these teachers and students and hope that this accomplishment will motivate other students to continue to do their best.

Glenlawn Collegiate is one of many high schools located in Manitoba. They have much to be proud of this year, and I hope that their accomplishments will inspire others throughout the province.

Thank you.

* * *

Mr. Speaker: Does the honourable member for Inkster have leave to make a nonpolitical statement? Leave? It is agreed.

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I want to thank the Chamber for allowing me to make a nonpolitical statement. Earlier this morning, I was at the Youth Parliament at Sisler High School. Like, at the beginning of our throne speech debate, there was a great deal of concern expressed about domestic violence. One of the topics for discussion at this morning's conference was domestic violence. I just wanted to read the two WHEREASes—very short—from the Youth Parliament in which they had debate for over an hour.

It reads, WHEREAS the crimes of child abuse and spouse abuse are increasing dramatically, and WHEREAS society has a responsibility to guarantee protection to persons under the age of 18 and abused spouses. They go on to have a few resolutions, Mr. Speaker, as to what they believe might be necessary in order to prevent abuse or violence against spouses, children and so forth.

I just want to take this opportunity to commend them for the work that they have put together in putting forward a debate of this nature.

Thank you, Mr. Speaker.

House Business

Hon. Clayton Manness (Government House Leader): Mr. Speaker, in Orders of the Day I would ask if you would canvass as to whether or not there is leave of the House that might be granted to consider Bill 35 starting at Report Stage?

Mr. Speaker: Is the House prepared to grant leave to the honourable government House leader so that we can deal with Bill 35, Report Stage right on through to Third Reading?

Mr. Manness: Report Stage and then into Third Reading.

Mr. Speaker: Report Stage and into Third Reading, is there leave of the House? Leave? It is agreed.

ORDERS OF THE DAY

REPORT STAGE

Bill 35—The City of Winnipeg Amendment Act (2)

Hon. Jim Ernst (Minister of Urban Affairs): Mr. Speaker, by leave, I move, seconded by the Minister of Energy and Mines (Mr. Neufeld), that Bill 35, The City of Winnipeg Amendment Act (2); Loi no 2 modifiant la Loi sur la Ville de Winnipeg, as amended and reported in the Standing Committee on Municipal Affairs, be concurred in.

Motion agreed to.

THIRD READINGS

Bill 35—The City of Winnipeg Amendment Act (2)

Hon. Clayton Manness (Government House Leader): Mr. Speaker, with leave of the House, I move, seconded by the Minister of Energy and Mines (Mr. Neufeld), that Bill 35, The City of Winnipeg Amendment Act (2); Loi no 2 modifiant la Loi sur la Ville de Winnipeg, be now read a third time and passed.

Motion presented.

* (1430)

Hon. Jim Ernst (Minister of Urban Affairs): Mr. Speaker, I rise on third reading of this bill to firstly thank the members of the opposition parties for their co-operation with respect to this particular bill. It is

a difficult circumstance. It is one that I think all of us had some concerns about, some trepidations about when we gave consideration to having this bill before the House.

I think all of us also recognize the very awkward and difficult position the taxpayers of the city of Winnipeg were being put into by virtue of their business tax roll having been struck down by the Appeal Court. I do thank them for their co-operation in this regard.

Mr. Speaker, I want to say, notwithstanding the fact that this bill will in fact validate the 1991 business tax roll for the City of Winnipeg and in fact validate for 1992 the same circumstance that created the 1991 roll, no one I think is very happy with the entire business tax situation. Notwithstanding the fact if passage of this bill and Royal Assent is given, the City of Winnipeg will have the opportunity during 1992 to address the major concerns as voiced during the public hearing process by the business community.

Many members of the business community came forward and told us of their frustrations, their concerns, their anger, with the way they feel they have been treated by the City of Winnipeg. Mr. Speaker, it behooves the City of Winnipeg to proceed quickly, and I believe they have started already this morning, but proceed quickly with a task force to meet with those members of the business community.

The business community is very wide and varied. It is not just the banks and Great-West Life, nor is it just the barber shop or the dress store on the corner. It is a whole myriad of businesses within the city of Winnipeg that have to have their concerns addressed, that have to have their opportunity to have some input related to the question of business tax and how a fair and reasonable business tax arrangement can be arrived at.

So, Mr. Speaker, I encourage the city, I urge them at this time to continue with that process, to move it along quickly, to give those businesses an opportunity to have that input, and hopefully together they will come up with a solution to this very vexing problem and one which has caused considerable hardship upon many businesses in this particular time of economic downturn.

Mr. Speaker, at the same time, the city has to address other questions, the questions that brought them to the decision to raise the amount of revenue

from the business community that they had to raise, that brings them to the decision that they have to raise the amount of property tax revenue from the homeowner and the renter and the condominium owner and so on. They have to recognize that unbridled, if this kind of progression of 5 percent, 6 percent and 8 percent increases in taxation continues on into the future, in six or seven years the property tax load on the homeowner of Winnipeg will double.

Certainly their incomes are not doubling. Certainly their other expenses are rising, some disproportionate to the amount of income that they receive. That is something that is unconscionable. It will drive people out of their homes in this city if that continues. The city must, Mr. Speaker, address the question of taxation in—

Mr. Speaker: Order, please. If certain members and the Clerk of Committee want to carry on a conversation, you can do so outside the Chamber.

Mr. Ernst: Mr. Speaker, the question of taxation in general has to be addressed by the City of Winnipeg because it is not reasonable, not fair and very improper that homeowners should be driven from those homes by high rates of taxation.

Everyone agrees that services are required. Certain services are required more than in other cases. Nonetheless, everyone I think wants to contribute their fair share of taxation. I do not think anyone wants to escape the net—oh, we all might dream about that, but I do not think anybody really thinks that they would want to escape the net of taxation. The common good as evidenced by governments who create service levels and models for all of the people of a municipality, a province or a country require the input of the public through their tax dollars to see those things happen.

The whole question of fair taxation, reasonable taxation is one, Mr. Speaker, that is beginning to escape, if it has not already, those people who are in public office and who are custodians of the public tax dollar.

I urge the city that, notwithstanding the fact that we will, by virtue of this bill, validate their 1991 tax roll and protect the taxpayers from a \$44-million loss this year, they are to be given an opportunity during 1992 to reach out to the business community to discuss with them what is reasonable, what is fair and how a system can come together that will serve the needs, desires and expectations of both the

business community and the city of Winnipeg as a whole.

Mr. Speaker, I do not want to add many more words except to say that during the public hearing process last night, the mayor indicated to members of the committee in that public forum that he would advance to the City of Winnipeg Council the proposition that the City of Winnipeg as the beneficiary of the tax should at the very least, under a moral obligation, pay for the legal fees of those people who challenged the legislation and who in fact won in the Court of Appeal.

It seemed reasonable I think to all members of the committee. It seemed reasonable I think to all of us that as the major beneficiary of the tax, if it is going to be validated and if in fact, by virtue of the validation, reverses the decision of the Court of Appeal or the effect of the decision of the Court of Appeal, then it is only fair and reasonable that those costs—and those costs again, legal costs, should be fair and reasonable, and they should be taxed by the authorities in the court to ensure that both the fees charged by the solicitors for the appellants are reasonable and at the same time are paid for because they did in fact win. They did in fact succeed with their course of action, so they ought not to bear the double whammy of both the large increases in business tax and the legal costs associated with taking the matter to court.

Mr. Speaker, I would hope that all members will consider carefully the bill before them and that we will succeed in passing the bill through third reading and on to Royal Assent. Thank you.

Ms. Jean Friesen (Wolseley): I rise in general support of this bill, the remedial legislation for taxation in Winnipeg, but there are two reservations that I would like to speak about first of all.

One of these is that it is retroactive legislation. I do not know if this is the case for other members of the House, but I think retroactive legislation is something which any Legislature should look at extremely carefully. It always brings to my mind the taints of the infamous War Measures Act, makes me very uneasy about any kind of retroactive legislation.

It seems to me, Mr. Speaker, that in this case there are mitigating factors. The purpose of this legislation is to clarify the intent of earlier legislation, and it is a result of a court decision on which the Legislature must act.

At one level of the courts, indeed the earlier legislation was understood and accepted. The Court of Queen's Bench argued that it was mandatory that the city reassess all assessable property within its boundaries, and that the rental values for the year 1985 be used. The city had a discretion as to whether it would enact a bylaw establishing a rate of tax to be levied. It chose rather to apply the prior variable rate, obviously not to the advantage of the applicants, but apparently to some business taxpayers.

* (1440)

The higher court, Mr. Speaker, indicated that other interpretations were possible and thus it seems to me that it is mandatory on the Legislature to act and to clarify the intent of the minister and the legislation. For the Legislature to reintroduce this bill to clarify the intention of the earlier act is not, it seems to me, as the Chamber of Commerce argued last night, the denial of rights, but it is the clear responsibility of the Legislature to legislate. It is the responsibility of the courts to interpret.

It is our view, Mr. Speaker, that the earlier legislation and the minister's intent was to enable the city in a transition period to have a choice of several variables of assessment and taxation rates.

My second reservation, of course, is that the government's intention is in the end to move to a flat taxation rate. We would prefer to maintain the option of variable rates, one particularly which bears some relationship to the ability to pay. We do prefer variable rates in this case because it gives the opportunity to the city to soften the impact of long-overdue reassessment on small businesses, by far the greater number of businesses in the city of Winnipeg.

The timing is important, Mr. Speaker. It is particularly important at this time of a recession and of the imposition of the GST which has affected small businesses quite adversely, it is appropriate in these particular circumstances that the city have the option, and continue to have the option, for a variable taxation rate.

I have noted the minister's openness to a task force of the city and businesses which would introduce new proposals for other possibilities for taxation, and last time I spoke I mentioned the options that were available in the kind of taxation systems which are present in the City of Edmonton and in some Ontario municipalities. I hope that the

city and business task force will be looking at these, and I hope that there will be some new proposals that are brought to the minister.

I very much welcome his openness, both in committee hearings and in the Legislature today, to accept some of those new possibilities. It is still open, I think, in the long run that the city may be given options which are different from the flat rate tax. We certainly hope so on this side of the House.

Mr. Speaker, one of the basic problems that people faced in this 1991 tax year was that after 17 years a new reassessment had been conducted in the city of Winnipeg. This was a long time without reassessment, and so it inevitably led to large changes, large increases for most businesses, and this was in some cases added to with the use of a variable taxation rate. But 17 years is a long time to go without any reassessment, and I think there must be some responsibility borne by the members of the other side of the House who formed City Council in those days for the absence of any kind of reassessment over 17 years.

It was obviously with some understandable surprise that people did look at their tax bills in 1991 and see that there were large increases over the previous year, but certainly not necessarily large increases over 17 years.

I do not doubt, Mr. Speaker, that the management of the large corporations in Winnipeg look to the future on a constant basis, that they regularly, as they would say, scan their external environment, that sound management practices indicate that they look at the taxation processes in the cities in which they are operating.

It would seem to me that the sound management which exists in many of the large corporations in Winnipeg would have prepared for a change of some magnitude after having recognized that, for 17 years, they had not been reassessed, particularly when many of these large corporations also do business in other cities across Canada and in the United States where the business taxes are much larger than they are in Winnipeg and where they perhaps might have received some indication that there would be considerable changes coming in the city of Winnipeg. Indeed, there was no indication from Great-West Life or other large companies that they do not want to pay their fair share of taxes.

Indeed, they said specifically, they do want to pay their fair share of taxes. They reiterated that at the

hearings. Nor did they indicate that there would be a hardship to pay their new tax bill. Although, on one occasion, they were not able to tell us what the increase in their income had been last year, they certainly did not indicate that it was a considerable hardship for them.

For some small businesses, the flat rate would have indicated considerable difficulty, and perhaps many members have had representations from their constituents, as I have, indicating the difficulties they would have had if the city had been forced by the courts and without remedial legislation to go to a flat-rate tax.

The Canadian Federation of Independent Business recognizes this as well. They, too, I believe, had made representations to members on the other side in support of the maintenance of these variable rates, although I should indicate quite fairly that the Winnipeg Chamber of Commerce itself does not support the introduction of variable rates.

Mr. Speaker, at the hearings, there was much talk by people who presented and by the members on the opposite side of city expenses, that the city had the option of cutting expenses. Some members indeed had specific advice for the city to cut services and wages. One would presume perhaps not cutting services in their own back yards, but certainly they did suggest to the city that there were some cuts they could make.

In return, the city replied, I think, quite fairly, that they have one of the lowest, in fact the second lowest, per capita expenditures of any city in the country. I am concerned when I hear this government talk cuts. When this government talks cuts, it is the inner city which bleeds.

This government has cut the inner city representation on the new City of Winnipeg Council. They have cut grants to inner city schools. They have cut ESL programs. They have limited their support for public transport and for the Winnipeg Education Centre or for inner city tree programs. They have been silent but hopeful on any kind of commitment to a new core area program. They have been silent, and they should be deeply ashamed of the absence of any kind, any mention of an urban aboriginal strategy.

When members opposite moved from the Council Chambers to the Legislature, they left behind a city with a large capital debt. They left behind a city which had very rapid growth in its outer suburbs and

consequently was left with a very expensive public transit system. They left behind a city whose governance had fallen into deserved disrepute with its back-room government, its back scratching, its deal making and the swaggering of gang politics. They left behind a city with an increasingly polarized population of wealth on the edge of the city and poverty in the core. They left a city with a deteriorating infrastructure of roads, sewers and polluted rivers. They left a city which had not and would not face up to the major structural changes in the economy of Manitoba and in the composition of Winnipeg society.

Now that they are in government, their attitude to the city is to reduce the tax base by encouraging separation such as that in Headingley, to offload the increasing costs of education and the renewal of the city of Winnipeg onto a declining city tax base. They are offloading the taxation, now to be borne by individual homeowners. They are moving the business tax to a flat rate which in the long run is advantageous to the larger businesses, the banks and trust companies who have been less affected by the GST and the recession. They have allowed the lapse of the Core Area Initiative which offered some hope to the inner city, and they have completely been unable to deal with a federal Tory government which continues to transfer, not cut, transfer, deliberate transfer of thousands of jobs out of this city.

Mr. Speaker, in the short term this government bill will enable a fairer tax system. In the long term, the city of Winnipeg will continue to be ill-served by a government which chooses to stand aside while the invisible economic hand and the very visible federal Tory strategies define the future of our metropolis.

* (1450)

Mr. Daryl Reid (Transcona): Mr. Speaker, I am pleased today to stand and add my comments to those of my colleague from Wolseley (Ms. Friesen) on Bill 35, The City of Winnipeg Amendment Act. The purpose and the intent of this bill is to retroactively assess or give the authority to the City of Winnipeg to assess for the purposes of taxation the businesses in the city of Winnipeg and to levy and collect the business taxes for the taxation year 1991.

The City of Winnipeg, of course, has found itself in an unenviable position of having to ask the provincial government to take these steps to bail

them out for decisions that should have been made in the past, Mr. Speaker. What we find is that in past years the large businesses in the city of Winnipeg have, I believe, not been paying their fair share, and that has gone on as a result of actions that have been previously taken by many members in the government benches today who were sitting on City Council at the time. Had they taken those necessary steps to ensure that the proper tax structure was in place, they would not be faced with the task that they are right now of having to levy or give the City of Winnipeg the power to levy taxes upon their big business friends in this city.

If this bill was not to go forward, it would mean disastrous consequences for the people in my community of Transcona. The people in Transcona and other communities in the city of Winnipeg would then have to pick up the \$44 million shortfall for the year 1991 and for subsequent years beyond that.

Mr. Speaker, faced with the horrendous tax increase that we had in my community of Transcona last year of 30 percent for the school tax, plus the municipal tax increase and the GST, as my honourable colleague mentions, the people in Transcona cannot afford another tax increase. I think that is why, for myself at least, I support Bill 35 in the way it is structured, in that it will allow the variable tax rate to remain in effect.

Transcona is in the unfortunate position where we have some 365 families who are making use of the food banks in the community. If we had more taxes on top of the small businesses in the community, it will force them to either close their doors or to lay off employees, forcing more people onto unemployment and eventually onto the welfare rolls. That is something that we cannot afford to undertake and to allow to take place. I believe that the small businesses in the province of Manitoba and the city of Winnipeg create some 60 percent of all the new jobs, and I think that we must undertake all the powers that we can muster to ensure that these small businesses are protected so that they can continue to create the employment opportunities for our communities and for the people who live in them.

We already have horrendously high unemployment rates in the city of Winnipeg and in the province of Manitoba, nearly 50,000 people on the unemployment rolls. I do not see any changes taking place there, Mr. Speaker, to bring down the unemployment. The government has taken no

action to do job-creation programs. If we allow the special interest groups to put pressure upon the municipal government and the provincial government to go to a uniform tax policy, then I believe that it will create undue pressures on the small businesses and they will not be able to survive.

I look at some of the comparisons of the 1991 business taxes, and it is using a 12-percent single rate versus the statutory rates. It is interesting to note that on the comparisons that were done—there are some half-dozen comparisons that were done, and two of the top firms that are listed on this list, Mr. Speaker, are trucking firms. They have shown that their tax rates under a flat-tax system or a single rate would decrease significantly. There are other ways to address the shortfalls or the difficulties that the trucking industry is presently finding itself in, in this province. I think that the government should undertake opportunities to address those concerns other than giving them the opportunity to have a flat-tax system which would indeed offload taxation onto the residential homeowners and property owners in the city of Winnipeg.

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

One of the other areas in this document, Madam Deputy Speaker, that I find quite interesting is the section that shows a graph. It is quite explicitly laid out in that auto dealers in the city of Winnipeg are one of the groups that stand to profit the most by a flat-tax system. With that, it calls to mind a particular individual in the city of Winnipeg who happens to be the key bagman for the Tory party in this province, and that this individual happens to stand to gain the most by a flat-tax system and has made representation in the committee process on behalf of the auto dealers. Of course, it is no secret to members opposite that Bob Kozminski is the individual, Keystone Ford, who happens to be one of the companies, one of the many auto companies that stand to profit by this system. I believe that they should not take those interests and offload those taxations onto the residential property owners.

The gang members who have since moved from City Council, Madam Deputy Speaker, onto the government benches could have 17 years ago taken the necessary steps to address this problem. Instead, they allowed, I believe it was, 17 years of freezing the rates in the tax structure for their big business friends in the city of Winnipeg. In the

meantime, the residential property owners have continued to escalate beyond all reason while the big business sector rates have been frozen in this city. I do not think that is the right way for this government to deal with the problem nor the municipality of Winnipeg to deal with this problem.

I believe that the City of Winnipeg has the responsibility to ensure that there is a fair taxation system applicable to all areas, and that is why I support the statutory rates as they currently exist. Had this government taken those steps, they would not be faced with this problem now. I think that they have sown the seeds of their own problems by their past inactions in years before. Unfortunately for themselves now, they find themselves in an extremely difficult position.

That is why I find myself supporting Bill 35, because of the impact it is going to have on the small businesses in the city of Winnipeg. We do not have to look very far, Madam Deputy Speaker, when we see the small businesses that are putting signs in the windows of the shopping malls and the shopping areas in our city. Going out of business seems to be a common sign that we see nowadays.

An Honourable Member: Tory times are tough times.

Mr. Reid: Tory times are indeed tough times, and there is no action being taken to address those very serious problems that we have in this city and this province. Had this government not just thrown its hands up in the air—

Some Honourable Members: Oh, oh.

Madam Deputy Speaker: Order, please.

* (1500)

Mr. Reid: Madam Deputy Speaker, I find it somewhat strange that the honourable members opposite are taking offence to some of the remarks I have been making here today. The honourable members opposite think it is unusual that I am a supporter of small business. It is not unusual, because we on this side of the House recognize the significant role that small business plays in the developing of employment opportunities for the people in this city and the province of Manitoba.

If the members opposite cannot understand that, then they should not be in the government benches. If they cannot make those proper decisions, then maybe they should sit on this side of the House and we will take over the government roles and we will

bring forward the policies that will improve the job opportunities for the people of this city and the province of Manitoba.

The minister talks in his comments that the business community is outraged by the 200 percent to 300 percent increase. When he was in the City of Winnipeg as a councillor he, himself, along with his many colleagues who now sit here with him, could have addressed that problem at that time and his big business friends would not be faced with the huge tax increase, as he calls it, that he is imposing upon them now or giving the City of Winnipeg the power to impose upon them.

Some Honourable Members: Oh, oh.

Madam Deputy Speaker: Order, please. I would remind all honourable members that the debate is on Bill 35 and the honourable member for Transcona is attempting to conclude his debate.

Mr. Reid: Thank you, Madam Deputy Speaker. It is unfortunate that the members opposite do not realize the folly of their ways. They were the ones who brought forward the policies that they now find themselves in. Had they not changed that and addressed those problems in the past, they would not be faced with the problems they have.

The city chose to reverse the policies of those former councillors who had permitted the business tax portion of the city budget to decline since 1972, from the level of 10.6 percent of a total revenue to approximately 5.9 percent of 1990 revenues. In other words, the large businesses in the city of Winnipeg have not been paying their fair share. It is about time that they did start to pay their fair share so the residential property owners and the small business people in this city do not have to continue any longer to carry the unfair burden of supporting infrastructure in the city of Winnipeg.

That is why, Madam Deputy Speaker, I find myself supporting Bill 35, and I thank you for the opportunity to add my remarks to the record.

Mr. Jim Maloway (Elmwood): Madam Deputy Speaker, I am very pleased to rise at this time to speak to Bill 35 and very happy to be supporting this bill.

I will be very interested to see whether there is full support on the other side. I would be very interested to see whether the member for Portage la Prairie (Mr. Connery) and other members over there actually support this bill, because let us recognize what this bill is doing.

It is in fact restoring equity to the system, because without it big business would be getting away with \$42 million that the taxpayers of this city would have to pay. My constituents would be having to subsidize the big business in this community. We know how difficult this is for this particular government to deal with, particularly from the beginning they have to admit they made a mistake initially with the bill, but then to have to go and take action against their bosom buddies I am sure is very difficult on a lot of them and very hard for them to accept.

I know the Chamber of Commerce was saying some very interesting things a few months ago. They were putting forth a proposition that they would like to eliminate grants to businesses, because they thought that that would be a responsible thing for them to say in view of the deficit situation that we are in. I started to have a renewed respect for them on that position, although when it came to the Jets, they were unsure as to whether they would be sticking to that position, but nevertheless, they were talking a fairly good line there.

Who came to the surface supporting the businesses' efforts to get out of paying this tax? None other than Bob Kozminski, a guy whom I would have thought, being a good Conservative, would be highly supportive of business paying their tax, reducing the deficit, because after all, that is what business likes to talk about. They spend tremendous effort and hours talking about how we have to all pull together to reduce the collective burden of the deficit on society. Then, every once in a while, one of them rushes to the surface and he is demanding reduced taxation, is demanding concessions to business.

I do not know how members opposite can square that with their philosophy and their affinity to these so-called principled business people, like Bob Kozminski and his Maple Leaf Fund. Here is a man who takes whatever he can in terms of government grants and government breaks. He supports that. Here is a man who is at the front of the line to get tax reductions wherever possible, but here is also a man who comes to the fore to preach fiscal conservative virtues and paying one's taxes. Let us get together and reduce the deficit because it is crippling the country. There is an inconsistency there.

Madam Deputy Speaker: Order, please.

Point of Order

Mr. Marcel Laurendeau (St. Norbert): I do believe, Madam Deputy Speaker, that we are dealing at this time with Bill 35, The City of Winnipeg Act, and I do not think that this honourable member should be getting into the other jurisdictions that he is reaching out into, and I am not going to get into what he is talking about.

Madam Deputy Speaker: The honourable member for St. Norbert, I think, was attempting to indicate that perhaps some of the debate has not been extremely relevant to the bill under discussion and debate, and I would remind all honourable members that the debate should be relevant to the Bill, which is The City of Winnipeg Amendment Act (2).

* * *

Mr. Maloway: Madam Deputy Speaker, the honourable member for St. Norbert is obviously a little touchy on this issue and does not want to offend his good friend Bob Kozminski and others in the business community. He may think that he may be earning Brownie points getting up on points of order, but he will never make it into the Cabinet, as far as I can see from over here. In any event, if I may continue on my remarks regarding Bill 35, I think that all of my remarks have been pertinent to the bill and consistent with the bill.

I think that this whole situation reminds me of Robin Hood in reverse. Rather than taking from the rich and giving to the poor, what we have is a situation where the rich are in fact, at every opportunity, trying to take from the poor in this situation.

Now, another element of this bill that I do not particularly like is the retroactivity situation. That bothers me a little bit in a sense because there have been inconsistencies in this House with respect to that. I recall a couple of years ago bringing in a couple of bills with a retroactivity clause to assist in the Brick situation, and at that time we were told that retroactivity was an impossibility and not something we should be dealing with when these people were certainly being put at risk and retroactivity would have helped them in their case.

In this particular case we are making a decision, we are making a judgment that retroactivity is something that we are going to live with and support. I think that perhaps we have to go along with that because this is a very serious situation that has

developed, and if we allow the haves in our society to essentially rip off the have-nots by in this case \$42 million, it just means that the poorer people are going to be poorer as a result of the court system.

We do support this bill with some reservations and with some observations, some of which I have outlined. There is a major problem with the whole idea behind business getting taxpayers' money and in fact not being held accountable. I guess a recent example—a not so recent example actually because it has been going on for something like three years now whereby a company known as Linnet Graphics International are in essence helping themselves to the public trough, and the whole situation is being kept extremely secret by this government. In fact the minister responsible did not respond last—

Point of Order

Mr. Ernst: Madam Deputy Speaker, I have been sitting and listening attentively to the member for Elmwood. He has mentioned, I believe, in the 10 minutes or so that he has been speaking, references to Bill 35 perhaps twice but not more. I think you should call him to order.

*(1510)

Madam Deputy Speaker: Order, please. I would remind all honourable members that the debate is to be relevant to Bill 35. I would sincerely request that all honourable members attempt to keep their remarks explicitly relevant to Bill 35.

Mr. Maloway: Thank you, Madam Deputy Speaker. If it were not for the interruptions, I would be finished by now. I am about to conclude on Bill 35.

Another element to this bill, and the minister covered this ground when he spoke earlier, is that now we are expected, I believe the taxpayers are expected to pay the legal fees, within reason, for the people who took the challenge to court. On the surface of it I guess we should not have a lot of problem with that, but I do not know how big an element that is. I do not know that I actually support that, but I assume that that is not part of this bill—(interjection)— The minister is saying that there is going to be a mechanism whereby the lawyers' fees and so on will be covered by this legislation—(interjection)— Well, the minister himself did not know to what extent the legal fees would or would

not be covered. I mean, he did not know, so what is he talking about that it is not specified in the bill as to how much of the legal fees will be covered?

Nevertheless, the bill is something that we are presented with and faced with at this time, and it is something that we have taken in stride and are going to be supporting when it is passed today. Thank you.

Mr. Dave Chomlak (Kildonan): I welcome the opportunity of rising to speak on this particular bill because I think it is something that is very fundamental to what we do here in this Chamber, which is fundamental to the citizens of Manitoba, and that is namely matters of taxation and matters as to how we deal with the revenues we derive from the hardworking dollars of the people whom we represent. At the onset, I want to deal with the comments of the minister with respect—(interjection)— If the member for Portage (Mr. Connery) would only pipe down, I would continue my comments. I do not know what the member for Portage's view is on this bill. I will be anxious to see what his position is—

Madam Deputy Speaker: Order, please.

Mr. Chomlak: Madam Deputy Speaker, the minister indicated in his comments that we would be dealing with the concept of perhaps paying for the legal costs of the victorious parties somehow in the court action that was taken.

I frankly have great difficulty with that concept. If anyone in fact should be paying, at least the province should be paying part of the costs. It was the province that screwed up in the first place with respect to the drafting of this legislation.

I am not entirely certain, when I have constituents who cannot get Legal Aid, cannot get their legal fees paid and are in very desperate situations, why we should necessarily be paying for the legal fees for organizations and corporations that frankly have the resources and, in our system, have the ability and other avenues in order to redress the cost of the court costs entailed in launching an action of that kind.

There are people in my constituency who have property taxes and pay property taxes that are in the thousands, \$6,000, \$7,000, and there are people in my constituency who pay property taxes in the hundreds of dollars. The one thing they have in common is the fact that they do not want to bear the

increased burden that could result if this bill was not passed by this Chamber.

They cannot stand it after bearing the burden of the GST this year; they cannot stand it after bearing the burden of the constant three to four years of offloading of this government at the municipal level and at the school board level, the constant offloading onto the local taxpayer. In fact, this year the Minister of Education (Mr. Derkach) indicated that the increase in local property taxes averaged 10 percent alone, and these taxpayers, the taxpayers in my constituency, in the constituency of Kildonan, cannot bear increased cost as a result if this bill was not passed by this Chamber. On that basis I do not see any other alternative but for members of this House to support this legislation.

Madam Deputy Speaker, it is proper that bills of this kind should come before this Chamber. We are the body that is charged by our representatives with dealing with matters of taxation. I take with exception some of the comments that came out of committee yesterday as somehow suggesting that this body did not have the right or did not have the authority or indeed the duty to deal with matters of this kind, to deal with taxation. It is a fundamental right of our Parliament in a democratic system, and I could only assume that those comments were taken out of context or taken out inappropriately. We are the body elected by the citizens of Manitoba. We are charged with the responsibility of dealing with taxation.

Madam Deputy Speaker, this bill and the difficulties that have occurred are as a result of a number of factors. Firstly, as indicated earlier, quite clearly there was a responsibility on the part of the government to draft and to deal with it properly, and that has not taken place.

Secondly, we are the individuals charged with the responsibility of determining matters of taxation. Thirdly, while the Court of Appeal has reached a decision about the legislation it is my opinion that probably, in my opinion alone, the decision of the Court of Queen's Bench was probably more appropriate in interpreting the intentions of this Legislature. In fact, I agree that the minister also indicated in his comments that he thought the legislation that was enacted had a broader interpretation than was ultimately determined by the Court of Appeal. Nonetheless, Madam Deputy Speaker, the fact remains that the Court of Appeal has reached a decision and we are now doing our

duty in this Chamber in order to rectify the situation and to proceed with it. Most fundamental to this bill is the question of fair taxation and the question of how you allocate fair taxation.

I find it unfortunate as a starting point with respect to this bill that City Council through its wisdom or lack thereof has allowed business tax portion of the city budget to decline from its 1972 level of 10.6 percent of total revenues to approximately 5.9 percent of the 1990 revenues. Members who have gone previous have already talked about the sins of the predecessors at City Council, many of whom have graduated to this Chamber.

* (1520)

We all make mistakes and now we are doing our best and I hope that members opposite will continue to do their best to deal with the issue that is fundamental to what we are talking about here, and that is the ability to pay, the concept and the principle of ability to pay which is something that we on this side of the House strongly support. If the concept had been enacted perhaps back in 1972, Madam Deputy Speaker, we would not be in the unenviable position of dealing with what members have suggested earlier, dealing with questions of retroactive legislation, something that all members in this House do not take lightly and are not something that we normally appreciate having to deal with. Nonetheless we are faced with this particular situation. We support the concept of the ability to pay because in principle it is the fairest approach to taxation. It is unfortunate that while many levels of government and many jurisdictions and all members of this House on occasion voice their approval for the concept of ability to pay, it is very rare and indeed that in fact it occurs.

I note that the federal government, since it has been in office, Madam Deputy Speaker, since 1984, has not dealt with it. If a family has an income of \$25,000, their taxes have risen by 73 percent since 1984. However, if we have a family income of \$80,000 to \$100,000, their taxes have risen only by 3 percent. This is unfair, and this is what has been happening across the board on all levels of government in all jurisdictions.

It has amounted to a squeezing of the middle class. It has amounted to a squeezing of the average taxpayer, and that is one of the difficulties of Conservative regimes throughout the country and throughout the province. It is something that we on

this side strongly oppose, and it is why we support the concept. I hope that members opposite will come to their senses and support the concept of ability to pay, because frankly it is the fairest approach, and it is the direction that we should be moving in, Madam Deputy Speaker. That is why members on this side of the House are supporting this bill.

There are many small business owners and many small business operators in my constituency, in the constituency that I have the honour of representing, Madam Deputy Speaker, and that is Kildonan. Clearly, they are going to be faced with some difficult times if an unfair tax regime is ultimately put into place. Indeed, if we did not enact this legislation, they too would be faced with the prospects of an increased, unfair tax burden on them at a time when they are already suffering the ill effects of the ill-fated—now supported by the Liberals—GST, as well as the numerous offloads that have occurred by this government on businesses at all levels.

As the member for Transcona (Mr. Reid) very eloquently expressed, we on this side of the House recognize the importance of small business in generating much in our economy. The taking of this tax burden and placing it on the backs of small business would be another nail, unfortunately, in many coffins that are being created out there with the lack of direction in this economy and the lack of initiative by this government with respect to getting action in the economy and seeing some development, Madam Deputy Speaker, in this province.

One only needs look at the “for lease” signs, the “for sale” signs all around this province and to talk to individuals to see that businesses are in very major difficulty and that even the retail trade this year, at this time of year, suffer greatly from the lack of direction and lack of initiative of this government and the callous, inhumane treatment by the federal government in Ottawa.

So, Madam Deputy Speaker, the tax burden would unfairly fall on the backs of small business. It would unfairly fall on the backs of the local property tax owners if we did not do our duty in this Chamber and enact this legislation and put this legislation in effect in order to prevent these individuals and these businesses from bearing a disproportionate amount of taxation unfairly manned.

Consequently, I can indicate to you that we on this side of the House, not only on this particular bill but on other bills dealing with taxation, will be urging and stressing the government that it looks at the concept of ability to pay and stop the offloading that is occurring on a daily basis around the province.

This is only the tip of the iceberg. We are seeing it over and over and over again. Indeed we have seen a new education funding formula that has been announced, the no-name formula that has been announced by the Minister of Education and Training (Mr. Derkach) that will do nothing more than continue this horrendous offload on local taxpayers.

Madam Deputy Speaker, local taxpayers simply cannot bear the burden. We have before us, therefore, a bill that seeks to prevent further offloading, to prevent further unfairness creeping into the tax system, something that has occurred over the years, particularly at City Council where we had, in my humble opinion—my opinion, Madam Deputy Speaker—very poor management of the resources of this city to the extent where we have had an urban sprawl and services being put into place and the deterioration of the core all resulting in a decrease in services to homes and to individuals and to an increased tax burden, a tax burden that is increasingly difficult and hard. Taxpayers and ratepayers are finding it difficult to bear this burden.

Good management would take care of it, would do a large part to reduce the burden on taxpayers. We now see this government is falling, even its long-stated ability to manage. Even the Auditor yesterday downgraded the government's management ability by giving it a B-minus. So the scale is going down on the government every year. Every month in office they go further and further away, and they slide deeper and deeper.

We see this lack of management in the fact that we have to introduce a retroactive bill. We are forced to deal with this legislation. We see it over and over again in this Chamber. The government that was somehow elected to be good managers in fact are not doing so. The Auditor has said so and it is clear by virtue of the fact that we have to deal with legislation of this kind that that is not occurring.

Madam Deputy Speaker, it is quite enjoyable to have the opportunity to debate something that is so fundamental to the residents of Kildonan constituency, things they have been telling me on the door over the past year, no matter where I have

been, in the apartment blocks or no matter what street I have been on. On a regular basis they have been telling me over and over again the burden, the offload, their feelings in terms of taxes.

I do not know how I could return back to my constituency now and say I did not support a bill of this kind that would prevent the unfair, unmanageable offload onto their local property taxes if we did not act, if this Legislature did not take a stand and say, yes, this is what the bill intended to do. This is what our intention is. This is the kind of legislation and the kind of taxation regime that we in fact envisioned initially putting in place.

I regret the Court of Appeal said otherwise, but that is in fact their role. I respect that role. We in this Chamber are now saying, Madam Deputy Speaker, our intention was that tax regime should have been, was put in place and is the appropriate one. On a philosophical note, I urge members opposite to consider the fact of ability to pay and any tax measure that they ultimately deal with, because we do not get the impression, in fact we know that members opposite do not believe in that concept. We have seen it happen at the federal level. We are seeing it happen at the local level.

Members opposite have to realize that the local taxpayers simply cannot bear the burden any longer of their mismanagement, and that the ability-to-pay concept as recognized in this particular action, in this particular bill, is something that we support strongly on this side of the House, both not only for the good of the taxpayers and local residents, but by virtue of fairness, something that is near and dear to the hearts of all members on this side of the House.

With those comments I will conclude my comments on this bill and I will be strongly supporting it. Thank you, Madam Deputy Speaker.

* (1530)

Mr. Gary Doer (Leader of the Opposition): We could call the question, Madam Deputy Speaker. I think -(interjection)- No, if it was something that was fairly important to us, I think this is because it is important to all Manitobans and Winnipeggers. I think it would be very inappropriate, but it is pretty sloppy of the government House leader (Mr. Manness). I think we are giving you a very big hint to get your members in, a real big hint. -(interjection)- Well, you know the member -(interjection)- Let us be honest, we are trying to

co-operate here and part of co-operation is it is a government bill recommended by Lieutenant-Governor-in-Council and one would think you would have the numbers to pass the bill of this importance and so in the spirit of co-operation we are going to say a few things.

Now, Madam Deputy Speaker, because this affects close to 600,000 residents of the city of Winnipeg, we are putting a few things on the record. It is a fairly important process. We have had this bill only for 30 hours and we are going to make very short speeches about this bill because it is important to those of us who represent city of Winnipeg constituencies and that is a fairly important issue, I would think.

Madam Deputy Speaker, our Urban Affairs critic, the member for Wolseley (Ms. Friesen), has already commented on the reasons for supporting this bill and the need for the bill. We are going to support the bill very, very reluctantly. We say "reluctantly" because obviously legislation that is drafted and passed in this Chamber and is not upheld by the courts is a serious matter for all of us. To pass retroactive legislation on any matter, any matter, Madam Deputy Speaker, really means that groups in our society who are fighting for their democratic rights, whether it is fighting City Hall or other institutions, and win, then have decisions reversed that are made in the courts of the land.

I happen to believe fundamentally in the parliamentary system and the fact that we are responsible for making ultimately those decisions, and not the courts; but having said that, we should use retroactive legislation with great caution. It should never be used to pass mistakes and correct mistakes. It should be a very, very serious matter when that happens.

Now, it has been used in the past and it has been used in the speech from the throne in the past. On Sunday shopping, when all parties collectively disagreed with the decision of the courts, we passed the bill in a very short order of time to deal with the confusion that was left with that court decision. So when we say that retroactive legislation should be used sparingly, we are saying it for all of ourselves, not just for the sponsor of the bill, being the Minister of Urban Affairs (Mr. Ernst) and the government. I would say that this is always an important issue when we are passing retroactive legislation.

Madam Deputy Speaker, we have always supported the ability to pay in taxation policy. That is why, when we were in government trying to deal with the 35-year lag in property assessment in the city of Winnipeg and trying to bring it up to 1985 values, we did introduce both the phasing in of the new assessment and we brought in a differential mill rate so that a senior citizen in Transcona would not get hit by about \$120 extra and that large downtown businesses in Winnipeg would get a real bonanza in terms of cash relief for purposes of taxation.

We worked actually very closely together with former city councillors and some present city councillors to deal with the 1985 assessment.

Unfortunately, after we had the system of differential mill rates and we had developed the system of phasing in, the city then decided to go to '75 values after they had really given their commitment to the province to go to '85 values. It was very unfortunate because, later on in the courts, the differential mill rates were upheld, but the '75 values of the city of Winnipeg, in terms of a case that was taken by the south St. Vital people and others, was not upheld, and that was the City of Winnipeg again not getting on with the issue of reassessment.

That is a very important issue because, when we are dealing with this bill and with some of the problems that members opposite are having in supporting this bill, they also know that there has been a 17-year lag time in many of these assessments being dealt with in the city of Winnipeg for many of these commercial enterprises.

That is a problem because, when you look at the percentage increases on some of those tax bills, it goes—one of them was Great-West Life. It went from \$400,000 to close to \$800,000. Well, the problem is, how long has it been at that number of \$400,000 or approximately at that figure?

That is one of the problems in this assessment, and that is why we have some really disproportionate tax increases in percentage terms for some companies. Yet, if you looked at it over a period of time, you would find that from some of those businesses, not for all of those businesses, because some of those businesses are being clobbered with the GST now and the economy. Particularly, some of the larger retail businesses, auto industry, et cetera are being clobbered. Transportation with trucking is also an industry that

we have some sympathy with, with those kinds of percentage increases in this bill.

Madam Deputy Speaker, the advantage, of course, of differential mill rates is you do not have a separate realty classification of different rates, and you do have the value of a corporation with the mill rate that is established and the differential mill rate that goes to it. It really does deal with the true market value of the company, and that is, of course, we thought, a better way to go, but the government got rid of that in 1989.

I remember again we had a really hurried session to deal with assessment, dealing province-wide assessment. In fact, we were told in 1989 that there was no impact study of this reassessment province wide, there were no numbers province wide. We did not know who was going to gain and who was going to lose with the legislation that was introduced. We were told in fact we had to pass it before December 23 in 1989, and if we did not, there would be chaos again in the province of Manitoba. Finally, the then Minister of Rural Development or Municipal Affairs relented, and we had a week or two to look at it in the first two weeks of January of 1990.

Madam Deputy Speaker, I say that because one would have thought that we would have had legislation in that reassessment period, if we took those extra two weeks, that would not be part of a court challenge ultimately with The City of Winnipeg Act, that it would have been thrown out.

I do not agree with the philosophy of Michael Mercury, and I do not agree with all the points he raises, but I would suggest that some of the points he raises in terms of drafting legislation on this issue should be considered by the government. I mean, he has beaten the government twice in the Supreme Court of Canada. He has beaten the City of Winnipeg when members opposite were deputy mayors. He has been quite successful in taking legislation, bylaws, reassessment and rolls and defeating it. I do not agree with his philosophical perspective and his principles, but I would think that both the City of Winnipeg and the province, in dealing with reassessment, could not necessarily use his philosophical direction because he is representing clients, but certainly his technical expertise is something of merit in this province and worthy of consideration. I mean, he has won.

Finally, Madam Deputy Speaker, I want to comment on a couple of issues related to this act,

and that is, some of the comments made by the Minister of Urban Affairs (Mr. Ernst) about the kind of, we are going to do what you want to the City of Winnipeg after the court decision, but we are going to give you a little bit of a lecture at the same time, the lecture being, you have to get your fiscal house in order. Well, I suggest that the Minister of Urban Affairs—I guess that was good public relations.

One should look back through the last number of decisions the Minister of Urban Affairs has made and communicated to the City of Winnipeg dealing with financial matters between the province and the city, and consider the comments made by members opposite (a) when they were in opposition and (b) when they were deputy mayors of the City of Winnipeg calling for fair treatment to the City of Winnipeg in terms of funding. They declined; one of the grants went down 13 percent to the City of Winnipeg. This is after the province condemns the federal government for a 5 percent increase. In the education and medicare funding from the federal government, you decline it by 13 percent and then you call on Brian Mulroney today to have an infrastructure program in Canada. You better start looking in your mirrors, I would suggest.

Secondly, Madam Deputy Speaker, the government separates out the Handi-Transit grant to the City of Winnipeg and in essence freezes if not depletes that funding for those people who are most negatively affected in our economy, in a recession, in terms of the disabled in our city, in our communities. The city freezes the grant.

I can read chapter and verse back to the present Minister of Urban Affairs (Mr. Ernst). I can read him back from 1982, 1983, 1984, when he was deputy mayor condemning 8 percent and 10 percent increases with the former the New Democratic Party. I can read him chapter and verse when I was the Minister of Urban Affairs giving 4 percent or 5 percent and him saying how outrageous it was when we gave such little increases, and he then goes and lectures the City of Winnipeg. You would have to be very cynical to understand the logic of the Minister of Urban Affairs. I know that is what the communication strategy was, but you should be a little consistent with your own commitments and your own statements in terms of what you are saying.

* (1540)

Finally, Madam Deputy Speaker, I want to get at the root of the problem. The City of Winnipeg, the Minister of Urban Affairs has proposed when he was deputy mayor and has maintained the philosophy supported by gang members in the City of Winnipeg—there are two former deputy mayors in here. There are former chairpersons of many committees in the City Hall, a former Works and Operations chair is now the Premier of the province, and they expanded a city over the last 15 years for a population of 750,000 people. I mean, they have expanded the city through urban sprawl to a point where we cannot support the infrastructure with the taxation base. Every study dealing with the city of Winnipeg and its taxation base comes back, right back, to the Minister of Urban Affairs, to the former deputy mayor who is now the Minister of Industry, Trade and Tourism (Mr. Stefanson), to the former chair of Works and Operations.

Wherever a shovel wanted to go, wherever Genstar or Qualico, or wherever any shovel wanted to go, these people had just approved, sometimes before it applied, sometimes during the time it was applying, but always after the time it applied. We have built this city up to have an infrastructure for 750,000 for a population of 608,000.

Madam Deputy Speaker, in the act that the Minister of Urban Affairs (Mr. Ernst) tabled and passed last year in this Legislature, again there were no teeth in dealing with urban sprawl, to stop urban sprawl in terms of the social costs, the health costs, the medicare costs, the operating costs for transit, the operating costs for police, the operating costs for a number of other services in the city of Winnipeg.

When the Urban Affairs minister asks us to support him on this legislation, we say we are doing it reluctantly—very, very reluctantly. We do not like to pass legislation like this, and we only have to worry about whether this legislation will be withstood in the courts.

The member for Portage la Prairie (Mr. Connery) raises the question why. Because we do not think the homeowners can afford another \$44 million; that is why. We want to say to the Minister of Urban Affairs that if he is sincere in dealing with the real costs to the taxpayers in the city of Winnipeg, he would not have been part of a council and of a group that has expanded our city and urban sprawl well beyond our means. He would also bring in legislation and amendments that the member for

Wolseley (Ms. Friesen) has talked about and the members of this side have talked about in terms of controlling urban sprawl, so that we can finally get a handle on the taxes that urban members of the city of Winnipeg are paying.

If this minister is sincere that he will bring in a bill next session of the Legislature that is consistent with the recommendations of the Cherniack report, consistent with the recommendations we made in our white paper to control urban sprawl not only in the city of Winnipeg, but in the catchment areas outside of the city of Winnipeg, and we will finally get some intelligent planning in the city of Winnipeg, not development-led planning as we have had over the last 20 years in City Hall. Thank you very much.

Mr. Paul Edwards (St. James): Madam Deputy Speaker, we have had numerous discussions, albeit in a very short time period between all members of this House, all parties of this House, both at second reading and late last evening in the committee. I think it is safe to say that everyone has a lot of concern about this legislation and a lot of concern about the issues that it raises, and what it says about the City of Winnipeg and what is happening down at City Hall.

I think despite the desires of the Leader of the Opposition (Mr. Doer), we all have to realize that they have a job to do at City Hall, and they have certain jurisdictional rights and whatever we may feel, we are not city councillors in this House. We have to respect their jurisdictional integrity, whether we agree with it or not. If we do not, of course, we have at our disposal the same opportunity any citizen does, to participate in the democratic process which elects city councillors, and indeed, the mayor.

Madam Deputy Speaker, I am one who must resist wanting to impose my view of how much tax should be raised and how it should be spent, because I do, and I have to fight that urge. I think that most in this House do—to step in and indicate how we would do things differently. I say that leading up to the conclusion that I have come to, and I think that most members of this House have, and that is that the amount of tax that is raised and how it is raised, that is, whether it is residential taxation or business taxation, really is properly a matter for City Hall to consider in the setting of their budget and the spending estimates that they bring in. We have to respect that.

What our role is, is to enact an enabling process for them to embark on those taxation efforts. We did that in 1988 and '89. We did that in direct response to their request. They had a task force. They consulted and they determined in 1985, in keeping with the Weir report, that they wanted to move to a uniform tax. That was the conclusion of City Hall.

They came to the Legislature and asked for that enabling legislation, and they got it. I have read that legislation. I was not the critic at the time, but I have read it. It is pretty clear to me that it means one thing and one thing only, and that is, we are moving to a uniform tax and here is a transitional provision to help you ease the way to that tax.

I do not intend to go back to that debate at this time. I simply raise that as part of the history of how we have come to have this before us. The city, then, in its wisdom believed—and they submitted some correspondence from the provincial government which seems to indicate the provincial government supported them in this belief—that they still had an open hand. That is, they did not necessarily have to move to the uniform system. They could stay with the variable rates, or they could go to the uniform system.

They did, however, do the reassessment. After 17 years they did a reassessment. No one can argue that that was not an appropriate thing to do. It is important to bring the values of property into some sense of reality, and if you wait 17 years, the city dramatically changes. Values, rental values change with them, and it is important to bring some equity to the system.

The assessment process itself does not result in higher taxes, given the ability that we gave them in 1989 to set the uniform tax anywhere they wanted, and to bring in a phase-in program with no restrictions. They had full control over the ability to design, in any way they saw fit, a phase-in program. They had full ability to set the uniform rate anywhere they wanted to. We gave them that. They then took the assessment—much increased obviously, because it had been brought up to date after 17 years—and applied that, not a new uniform rate with a phase-in program, but to the old variable rates which go between 6 and 20 percent.

Let me just illustrate for the edification of members what that variable rate results in. Madam Deputy Speaker, I think it is important to note that there are literally dozens, if not hundreds, of little indications

of what rate this business gets taxed at or what rate that business gets taxed at.

It has got nothing to do with rental values. It has got nothing to do with where you operate your business in the city or who you are or how profitable you are. No, it has got to do with what you actually sell, what you do for a business. So we have drawn distinctions between chicken killers and towel supply and chicken ranches. We have drawn distinctions between gramophones and harness and saddlery and golfing schools. We have drawn distinctions in here between tombstone designers and sign writers. We have got hundreds, hundreds of specific types of businesses that, quite frankly, anybody reading this has to realize it is a relic from the past. We are dealing with all of these businesses and saying, you—not depending on how profitable you are, how big you are, how many employees you have, not your ability to pay. It has got nothing to do with ability to pay.

The NDP says they want the variable rate because it deals with ability to pay. That is absolute balderdash. This does not set out anything to do with ability to pay. It has to do with what you sell, Madam Deputy Speaker, an entirely different criteria.

* (1550)

In any event, we are now being asked by the city to ratify the continuation of that regime which, of course, when applied to the new assessments, resulted in a lot of new revenue, and they cut it back to \$44 million, only a \$7.7 million increase. It could have been much higher if there had been no phase in. I am led to believe it would have resulted in \$56 million as opposed to \$44 million. We are being asked to ratify that now.

Madam Deputy Speaker, I only have one comment that I want to leave for the City of Winnipeg, and that is we need some finality to this. We need to know what they want. They told us what they wanted. We did it. They then did not do it. Now they are back and saying, oh, we are going to lose \$44 million. Well, of course, as responsible legislators we are going to ensure that the City of Winnipeg does not lose \$44 million, but it is time the city came to grips with what they want. I thought, having looked at the legislation, that, frankly, we had been through that once already. The city tells us they want the door left open. So be it. The door is again going to be open for the short term. It is going to be open, in fact, for a year. In that year, they are

presumably going to revisit the question of whether or not to go to the uniform or stick with the variable rate or come to some combination therein.

I recognize the business community is split over this, Madam Deputy Speaker. I look forward to the city in good faith expeditiously meeting with the business community, big and small, saddlery and harness maker and drugstore owner and everyone else, and not picking and choosing and saying, small business should be pitted against big business, the saddlery owner should be pitted against the drugstore owner. That is ridiculous, and it is absolutely at odds with the consistent fair approach that is necessary for the future of this city.

The future of this city depends on many things. One of them is the viability of the business community, big and small. So I look forward to hearing from the city in short order what exactly they want. One hopes that when we have that conclusion for the second time, that we can then go forward with some regularity to this, and we do not have to have the odd emergency session as the former minister indicates he has had in the past. I was not here at that time, but I personally, even having been through this once, have found it fairly distasteful to have this kind of emergency legislation come into place. It is not good. We are sitting here—we received this yesterday afternoon. We have to rush into a committee. We have got to look at this thing. We have got to analyze it. We have got to run to the House today.

As one of the presenters said, this process really is not much better than the one we are criticizing at City Hall. We do not have much to be proud of in the way we are rushing through this legislation either, except for the fact that we do have to bail the city out.

Now, Madam Deputy Speaker, one other point that I think has to be raised is the very unfortunate taint which I believe is now left in the business community as a result of decisions made by City Council. Now, hopefully, in the course of their task force it is going to be worked out. That is the wedge, the division that has been manifested and, in my view, unnecessarily so, between big business and small business.

Let us, for heaven's sake, recognize that the business community, big or small, profitable or not so profitable, many employees or not so many employees, they are all important to the economic

growth of the province. Surely to goodness we are not going to help the province, future generations, our children, by pitting them against each other, by saying to the drugstore owners and the flower shop owners, Great-West Life is your enemy, or vice versa.

That, quite frankly, appears to me to have been at least one of the motivating factors in the phase-in program which resulted in tripling the tax bills for certain businesses, doubling them, over close to half a million dollars increase in one year for Great-West Life. That is not only a negative, but a very, very shortsighted approach if one is looking to the future economic development of this city—very regrettable.

Madam Deputy Speaker, before I close I do want to acknowledge that other colleagues of mine in this party will not be speaking in this debate at third reading, but we have come, obviously, to the conclusion that the \$44 million must be recouped. We must act. It is a necessity to act. We cannot foist that debt, which would end up on the homeowners. We know the homeowners in this city are already taxed to the brink, and the level of taxation on the homeowners is of great concern. We obviously cannot do that.

I note in particular, the member for Inkster (Mr. Lamoureux) has made that comment known, and he is going to, through me, express his concern to his constituents that the businesses pay their fair share. That is really City Council's decision.

We hope that in the coming year it is conclusively put to rest how the city wants to go about collecting their business tax. I look forward to that conclusive decision coming from them. Thank you, Madam Deputy Speaker.

Madam Deputy Speaker: Is the House ready for the question? The question before the House is third reading of Bill 35, The City of Winnipeg Amendment Act (2) (Loi no 2 modifiant la Loi sur la Ville de Winnipeg). Is it the pleasure of the House to adopt the motion? Agreed?

Some Honourable Members: Agreed.

Madam Deputy Speaker: Agreed and so ordered.

THRONE SPEECH DEBATE

Madam Deputy Speaker: On the proposed motion of the honourable member for Niakwa (Mr. Reimer), adjourned debate for an Address to His Honour the

Lieutenant-Governor in answer to His Speech at the opening of the session.

Mr. Jerry Storie (Flin Flon): Madam Deputy Speaker, this debate—

Madam Deputy Speaker: Order, please.

Point of Order

Mr. Kevin Lamoureux (Second Opposition House Leader): Madam Deputy Speaker, on numerous occasions, members of this side of the House have tried to gain attention from the Chair and have been unsuccessful, so at this point in time, I will move, seconded by the member for St. James (Mr. Edwards), that the member for Crescentwood (Mr. Carr) be heard.

Some Honourable Members: Oh, oh.

Mr. Lamoureux: We have to have an opportunity to speak, my goodness.

An Honourable Member: We put up one speaker on that bill.

Madam Deputy Speaker: Order, please. The honourable member for Inkster (Mr. Lamoureux) is clearly out of order. It is not in order to make a motion on a point of order.

Mr. Lamoureux: Madam Deputy Speaker, I withdraw it being a point of order and would ask that it be considered as a motion from the floor.

Madam Deputy Speaker: The honourable member for Inkster does not have a point of order. I had already recognized the honourable member for Flin Flon (Mr. Storie) and he had started debate on the throne speech.

Mr. Lamoureux: On a new point of order, Madam Deputy Speaker. I think there is the will of the House to allow the member for Crescentwood (Mr. Carr) to speak without relinquishing the member for Flin Flon's opportunity to speak, based on 20-20.

Madam Deputy Speaker: The honourable member for Inkster (Mr. Lamoureux) for clarification on your point of order. Is it my understanding that there has been a resolve between the two opposition parties to determine the speaking order, or were you requesting that the House has reached unanimous consent to allow the member for Crescentwood (Mr. Carr) to speak now?

Mr. Lamoureux: The latter. Madam Deputy Speaker, all I request quite simply is consensus from the House to allow us to proceed in the fashion

that we have done through the last eight or nine budgets and throne speeches. That is all I am asking, and I ask that, and if the NDP do not want to give it, fine.

Madam Deputy Speaker: Is there unanimous consent to allow the honourable member for Crescentwood to speak now? Agreed?

Some Honourable Members: Agreed.

Madam Deputy Speaker: Agreed.

* * *

* (1600)

Mr. James Carr (Crescentwood): Thank you, Madam Deputy Speaker, and thank you to members of the House. I will take out my watch just to make sure I am held to this little informal arrangement.

It is a pleasure to rise and speak to this throne speech. I would not say that the throne speech is a pleasure, but it is important that we get up and make our comments known and through us to the people of Manitoba. This is always a good chance to review and survey politics not only in Manitoba but across the country. Indeed, around the world we are seeing a whole host of political phenomena, the likes we have never seen before.

We are seeing the crumbling of the Soviet Union. Within the space of only a very few weeks, we see that one of the great empires is crumbling before our eyes. We see that the nations of Western Europe are giving up some of their own sovereignty for the sake of a European community. We see progress made in South Africa so that the apartheid racist regime can see its way into the dustbin of history. Here in Canada we look at a constitutional future which is vague, unclear and unsettling. There are many issues that we, from our perspective in Manitoba, have to view in order to come to terms with our own economic and political future.

Let me begin by talking a little bit about the Constitution. I think that we have here in Manitoba perhaps the best example of depoliticizing the national debate of any province in the nation. I want to put it on the record that a great deal of credit must be given to members of the Conservative Party and members of the New Democratic Party who were tempted, as we all may have been from time to time, to turn the national debate into partisan bickering, because, Lord knows, Madam Deputy Speaker, there were moments when that thing could have come unstuck. It did not come unstuck because of

the willingness of all three parties in this Legislature to look beyond and above the immediacy of a headline or of the political advantage that could be obtained by breaking away from a consensus in Manitoba.

The issues were not easy. I know that the member for Flin Flon (Mr. Storie) is going to speak after me so what I am about to say may be treacherous, but I remember giving a speech in this House about reforming the Senate. You know what the member for Flin Flon said: He said: Reforming the Senate was like reforming the Mafia. He said: You could not do it.

I know that the member for Wolseley (Ms. Friesen), whom I respect a great deal, probably shared the same view with the member for Flin Flon. Through a long process of listening to the people of Manitoba, she realized and, to her credit, she was able to convince her colleagues that reforming the Senate was not such a bad idea after all. The Conservative majority, I am sure, had all kinds of questions in their own caucus about entrenching the principle of Native self-government, the inherent right to Native self-government, yet the leadership that was shown by the members on the constitutional task force brought the Conservative majority inside.

I do not second guess; I impute no motive. I congratulate them because it was that decision of the Conservative Party, along with the decision of the New Democrats to support the long overdue concept of a reformed and elected Senate, that led us to the consensus report that is now there for all to see, not only in Manitoba but as a model across the country.

Let us not think for a moment that the road ahead of us is going to be an easy one. It is fraught with difficulty, and there are potholes that we must steer around very carefully because the emotion of nationalism in Quebec is the No. 1 enemy of Canadian unity. We cannot think for a moment that it is going to be easy using the art of persuasion and the art of politics to take that emotional reality in the province of Quebec and convert it into some kind of renewed love of federalism.

It is going to take all of our ingenuity and all of our strength and all of our belief in a united Canada, to turn that political dynamic around. We, in this party, and I know all members of this Legislature, are committed to that task, and let us recommit

ourselves to do whatever is necessary to accomplish that goal.

Madam Deputy Speaker, this is not a very good throne speech. It is a very thin read. There is no innovative, creative or bold thinking in this throne speech. I know that there are likely members on the government's side who share that view. At a time when Manitobans are craving for a little bit of vision, a little bit of leadership, a little of economic innovation, what do they get? They get the stale, old, tired, clichés of the Tory agenda. That is not good enough. It is not enough for us to stand up in this Legislature and say, it is not good enough, but really, ultimately, it is the people of Manitoba who will decide that. I do not think that the government is laying out its election plans very cleverly, if the throne speech is what is going to be used to determine who wants to be given the mandate next time around.

If you look at all the economic indicators, where are we going? Retail sales tax down 10 percent; the land transfer tax down almost 20 percent. The only growth industry in Manitoba is equalization payments from Ottawa, and the reason that equalization payments from Ottawa are up is because we are doing so poorly, that all of the economic indicators are down; so while the government may say, well, it is a good thing that we have got this growth item in the budget, the reason it is a growth item is because our economy is growing by definition more slowly than most other provinces in Canada. The government should take only very cold comfort from that.

Madam Deputy Speaker, there are a number of issues that I want to address, but I know time is short, so I think I am going to move right to the issue of Hydro, so that I do not run out of time before I have dealt with it properly. Let me say that I was sincere in Question Period when I truly regretted that I had asked the last question of the minister responsible for Manitoba Hydro. The reason that I regretted it is not because of some kind of partisan advantage that one can gain from a minister, it is because this government has lost its most candid and its most honest member of the Treasury bench, because when that minister was asked a question, he gave an honest answer. Sometimes that answer was at odds with the Premier (Mr. Filmon), sometimes it was at odds with his cabinet colleagues, but he gave the answer anyway. It is not as if he backtracked the

next day or the week later. He stayed consistently with his principles.

I want to have a look at the Hydro issue in a little bit of detail and the reason that it deserves detail is because we spend a lot of time debating thousands of dollars in this House. We ask questions about tens of thousands, hundreds of thousands of dollars—this is a \$13.5-billion agreement with Ontario Hydro and a \$6-billion commitment by the government of Manitoba to borrow to build the Conawapa dam. Let us remember the reason that the Conawapa dam was given approval by this government, and in the words of the Minister of Energy (Mr. Neufeld) himself: I sold my cabinet colleagues on the idea that Manitoba needed the power by the year 2000, therefore we had to build Conawapa.

Then Manitoba Hydro argued that in front of the Public Utilities Board, the economic models were based on Manitoba's power needs by the year 2000, the minister agreed to sell his cabinet colleagues with that justification, and the Public Utilities Board said yes.

* (1610)

Three months later, not three years later, three months later, Manitoba Hydro said, oops, we were wrong; it is not really the year 2000, it is the year 2009. Then a few months after that it said oops again, it is not 2009, it is 2012. As a result, the entire justification given by the minister to his colleagues, given by Manitoba Hydro to the Public Utilities Board out the window. So what are we left with? We are left with a contract between Manitoba Hydro and Ontario Hydro, or are we?

We revealed in the House only a week or so ago that the Manitoba government actually may have a way out. What inspired us to look for a way out? You know what inspired us? It was the Minister responsible for Hydro (Mr. Neufeld), in another fit of candor, telling the House that if he knew then what he knows now, he would want to think twice about recommending the deal to his cabinet colleagues, and you know what, the Premier (Mr. Filmon) did not contradict him.

The Premier (Mr. Filmon) said, well, I think he, the minister, is being very open and honest and that is the way I think it should be, that there should be this kind of openness about the arrangements the government enters into.

What he said is, at the time that the agreement was achieved it was needed for construction of Conawapa for Manitoba's own energy purposes, and since then, two years later, things have changed and our projections as a result of perhaps the recession and other things say that we will need less energy than we had projected and therefore—this is the Premier (Mr. Filmon) talking, Madam Deputy Speaker—if you made decisions today with the benefit of two years of hindsight, you might not take that decision, but we did not have that benefit.

He goes on to say, given the information that we have today, it is quite possible that we would have arrived at that decision.

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

So you have got the Minister of Energy (Mr. Neufeld) and the Premier (Mr. Filmon) both saying if they knew then what they knew now maybe they would not sign the deal.

We went to the books, we did a little homework, and we reviewed whether or not there was anything in the contract that would give the government of Manitoba an opportunity to perhaps go to Ontario to renegotiate.

What did we find? We found a pretty large loophole. We found that the approvals that were necessary according to the contract may not have been in place. As a matter of fact, both of the original approvals occurred before the deal was signed. The approval from Ontario occurred on November 30; the approval from Manitoba on November 22; the contract was signed on December 7. The contract says that you need an approval. It did not talk about a prior approval. It said you need approval before January 31.

What did we find, Mr. Acting Speaker? We found that Ontario probably read the same thing we did and determined that it was necessary to pass another Order-in-Council, and it did on March 21. The only trouble was they were seven weeks late.

We brought this to the attention of the government and the government said, well, I do not know, we will have to consult our lawyers. Who did they go to for a legal opinion? They went to Manitoba Hydro, who after all has no vested interest in this contract at all. They said, what is your opinion of this deal? What is your opinion of this contract? Manitoba Hydro picked up the phone, called lawyers in Ontario and

said, what do you make of this proposed loophole? The lawyers from Ontario, in a very considered fashion, looked at the contract and, in its wisdom, determined that the Order-in-Council that was passed in November was sufficient. The only problem is in its legal opinion it got both dates of both Orders-in-Council wrong.

My advice to the Minister of Energy (Mr. Neufeld) and to Manitoba Hydro is that they ought not to pay 5 cents for a legal opinion that is full of errors of crucial fact. Mr. Acting Speaker, what is a contract if it is not words and if it is not the precision of words? The contract may not be valid. The legal opinion is full of mistakes.

Then what did we find out just today? We found out that Ontario Hydro may not need the power after all, that Ontario Hydro is trying to back out of contractual commitments. They are not establishing any new power projects. So we say to the minister, we are now giving you all the reason that you need to go back to Ontario Hydro and to say to the government of Ontario and the utility, let us sit down and see if we cannot negotiate a deal. It really is incredibly sloppy. It is not incredibly sloppy about \$1,000, or \$10,000 or \$20,000 which would be bad enough when you are talking about public money. It is sloppiness with the most expensive project in Manitoba history. Why ought we not to be given this incredible political scrutiny?

Just by the way, speaking of political scrutiny, the Crown Corporations Council, which was established by this government, reviewed the capital plans of Manitoba Hydro and said they were just fine. Have we in this Legislature had a chance to discuss it with them? Do you know that the Crown Corporations Council, which has been established for two and a half years, has not once appeared in front of a legislative committee, not once. This is the body that is supposed to oversee the mandates of the Crowns.

We have a Crown corporation, Manitoba Hydro, that is extending its mandate by building a dam for export only. The Crown corporation says that is fine and the people's representatives in this Chamber have had yet, to date, no opportunity to question them. What is more, the minister says the deal is a deal, there is nothing that can be done. That is shoddy, it is sloppy, it is irresponsible, and it cuts at the very heart of what this government prides itself on, and that is economic management.

They have mismanaged and bungled this issue horribly, and the auditor, who delivered his report only yesterday, says that the B-plus has gone to a B, has gone to a B-minus. I think the people of Manitoba will not be fooled by the rhetoric that comes from ministers from that side of the House. They realize that this pretence of financial management is on a foundation of sand and the sand is crumbling.

What should be done? We have been suggesting now for a number of weeks that what ought to be done is that the Premier (Mr. Filmon) or the Minister responsible for Hydro (Mr. Neufeld) at least pick up the phone and call Ontario and say, what do you think? We do not need the power. Your president of Ontario Hydro says you do not need the power. We have a little trouble with the validity of this contract. Maybe it makes sense to sit down and talk about it. Will the minister make that commitment? No. I do not know why he will not make that commitment. Members opposite probably do. The Minister of Health (Mr. Orchard) probably knows why the Minister of Energy (Mr. Neufeld) will not make that commitment. Maybe it has something to do with the electoral cycle and the short-term jobs created by Conawapa that may kick in somewhere around the time when this government wants to go back to the people. Now the Deputy Premier who, I think, was the chair of their political campaign—

Mrs. Sharon Carstairs (Leader of the Second Opposition): Not after their criticisms of the NDP on Limestone.

Mr. Carr: After all, the government was very, very supportive of the New Democratic Party's timetable on Limestone.

Mr. Acting Speaker, I could go on and on about the confusion, but I think enough has been said. I only have a few minutes left, and I wanted to make just a couple of other points.

My Leader has seen fit to ask me to look after our party's responsibility for education, K-12. I am going to take that very seriously, because I have three children who are either in or will be in the public school system. When I hear through meetings with educators and school trustees that our public school system is crumbling, is really being choked by the parsimony of this government, not only do I worry as a politician, but I worry as a father of three young children in the system.

We take no comfort at all from the musings we get from this Minister of Education (Mr. Derkach) about the future of our public school system. Let us put him on notice that, come February 17, the Liberal Party will be grilling him on decisions that he will have taken already in funding the system by then and watching his movements very closely. After all, if we are not prepared to invest in the minds of our children, what investment is worthwhile?

Mr. Acting Speaker, I also have the responsibility of Native Affairs in our caucus. I think that the Manitoba Constitutional Task Force did a terrific job, and that job has been commented upon by Native leaders across the country and, in particular, by Ovide Mercredi and others. I think when people examine the work that has been done on this issue across the country, they will point to Manitoba as a model. I think we can be proud of the work we have done. There is much more work to do.

I think it is probably unique in this Legislature that we have so many people of aboriginal backgrounds who are members of an elected Chamber. In spite of the fact that they are not of my political stripe, I think that enriches us all in this Chamber and that we are being led by leaders within the aboriginal community. We are very lucky to have them with us.

I see that my time is almost up. I am sorry, because I can only tell you what I would have said had I the time. I would have talked about cultural affairs. I would have talked about the fact there was not one half a line in the throne speech that talked about the richness of Manitoba's cultural life, I think the first time that I have read a throne speech in the last 10 years—and the member for St. Johns (Ms. Wasylycia-Leis) will know this to be true. She was a Minister of Culture. The government did not even pay lip service to the richness of our cultural life in Manitoba, an unbelievable omission.

We also would have talked about the fact that I think Urban Affairs got one line, and my colleague for St. James (Mr. Edwards), I am sure, addressed this in his response to the throne speech, that a city of 650,000, which is 65 percent of the province's population, got one line in the throne speech—no ideas, no sense of the way in which the economy of Winnipeg can be developed through initiatives taken in this Chamber.

* (1620)

Mr. Acting Speaker, I could go on for a long time. I do not have a lot of time. My watch says my time is up. Thanks for your attention.

Point of Order

Hon. Donald Orchard (Minister of Health): Mr. Acting Speaker, on a point of order, I think we should acknowledge that when we err in this House we do not err in that we set a precedent. I believe the member for Flin Flon has been recognized by the Chair and relinquished his speaking order. To recognize him again, I think, Sir, would require leave of the House, lest it set a precedent in future.

The Acting Speaker (Mr. Laurendeau): I would like to remind the honourable minister that leave was given for the honourable member for Crescentwood to speak. If leave had not been given the honourable member would have relinquished at that time.

* * *

Mr. Storle: Mr. Acting Speaker, this is an important debate. It comes to this Legislature at an important time and a critical time in the economic history of Manitoba.

When I say it is an important time, I reference the 52,000 Manitobans who are on welfare in the province of Manitoba, the 50,000 approximately other Manitobans who are on unemployment and facing the welfare lines. It is historic in another sense, in a less positive sense, and that is, we have had a government who in three and a half, almost four years has failed to produce any kind of economic agenda for the province of Manitoba.

When we were called back to the Legislature on December 5 and looked forward to the prospect of a throne speech from the government, we anticipated the government would be laying before the people of Manitoba a plan to help the province recover from the recession and to help some of those hundred thousand Manitobans who are unemployed or underemployed or not employed back into the economy and back into the work force. We were disappointed, to say the least, in the throne speech.

Mr. Acting Speaker, we have to try and understand the reasons for the lack of direction from this government. I think we, the government—and when I say we, I mean the government—have a number of very serious shortcomings. My colleague

from Crescentwood has identified a couple of those problems. I believe there are a number of others which need review in this Chamber.

Clearly, before the government is able to deal with any of the problems that face us as a province, they are going to have to recognize the problems. They cannot continue to deny those problems exist. They cannot turn a blind eye on them. They cannot continue to blame someone else, blame the previous government, blame the federal government. It is time the government acknowledged some of the real problems that confront our economy.

We heard earlier today in Question Period the First Minister ranting about the 280,000 jobs that have been lost in Ontario in the last year and a half. What we have not seen is the Premier acknowledge that, in fact, those job losses were predicted in 1988 by the very same Conference Board of Canada that this minister puts so much faith in.

In 1987, I should say, when we were debating the Free Trade Agreement and its impact on Canada, the Conference Board of Canada predicted that if the dollar went to 82 cents, we would lose 300,000 jobs in Canada. Mr. Acting Speaker, it is no coincidence that a Free Press headline of a few months ago heralded the fact that some 300,000 jobs had been lost across Canada in the last couple of years, 300,000 jobs lost because plants were closing and relocating.

This is not the phenomenon that is known only to Ontario. If this government and this Premier wanted to be honest about what is happening to our economic infrastructure, they would only have to look at their own back door, their own backyard. In Manitoba we have had the closure of the Tupperware plant in Morden. We have had the closure of the Toro plant in Steinbach, the Paulin's plant, Imperial Roadways, Campbell Soups, all of which can tie the roots of their despair into the Free Trade Agreement.

Mr. Acting Speaker, hundreds of thousands of Canadian jobs have been lost directly because the Free Trade Agreement promotes the movement of jobs from Canada to other parts of the world, other parts of the United States in particular. This government's track record when it comes to trying to support the infrastructure of this province, is equally as dismal. One of the companies that decided to pull the plug on Manitoba, to give up on

the province, was a group that this minister, this First Minister (Mr. Filmon) and his government, had identified as one deserving of support. Mr. Acting Speaker, I have seen an O/C passed by this Executive Council providing support to the tune of some \$2.5 million to a company called Fournier Stands. I saw an O/C that was released some time later cancelling the previous O/C.

We asked ourselves why has that O/C been cancelled? Why is the government prepared to commit this money, and the company for some reason obviously has reneged. We found out several weeks later when, to quote the Free Press: Firm cites free trade in move from city birthplace. Mr. Acting Speaker, Fournier Stands Manufacturing of Canada has informed its 50 employees that they will be laid off June 28. Where was this company going?—to the United States. Here, on the one hand, the government had tried to keep this company here by offering it incentives and money from the public purse and it said no, we are moving to the United States.

Free trade is devastating our economy, particularly our manufacturing economy. This government and this First Minister have refused time and time again to see the writing on the wall. Mr. Speaker, there is an old saying that we only see the writing on the wall when our backs are against it. Well, the backs of hundreds of thousands of Manitobans are against the wall. They have no jobs. They have no hopes of jobs. Their sons and daughters are leaving the province. We need a government which is prepared to recognize the very real problems that confront our economy.

One of the very real problems, Mr. Acting Speaker, is the Free Trade Agreement. You do not need any more evidence than what we heard from the co-chair of the Canadian trade negotiating team that negotiated the Free Trade Agreement, when he said today that the Americans were undermining the Free Trade Agreement. They were doing everything they can to make sure that, in fact, what we have sought in that trade agreement never happens, and that is fair trade.

This Free Trade Agreement is going to continue to cost us jobs for the next decade until all of the tariffs have disappeared, until we have lost control of every aspect of our economy. We need to recognize it, and we need to deal with it in a forthright fashion. Free trade with Mexico and the United States is equally as ludicrous, if not more so, than

the Free Trade Agreement that we signed with the Americans, but we have to recognize that problem.

Mr. Acting Speaker, that is not the only problem. We have some other serious problems that face the economy, structural problems that this government is refusing to address and, even worse, is denying exists. That is the most frustrating.

I wanted to spend just a minute on my constituency and the constituency that I have represented since 1981. Mr. Acting Speaker, if there is despair in the province of Manitoba, in rural Manitoba and, yes, in the cities of Winnipeg and Brandon, there is unrivaled despair in the communities in northern Manitoba. Why? Because in the last three years, three communities have been devastated by mine closure.

* (1630)

Today, three and a half years after this government took office, there are 450 fewer miners working in northern Manitoba than there were three years ago. Three communities have been devastated by mine closures, two of them have in effect been closed. The community of Sherridon, the community of Lynn Lake have effectively closed their doors, and the community of Snow Lake is threatened. As of February 1992, the community of Snow Lake will have lost one third of its work force—one third—a community that is devastated, a community that may not have any future because this government has ignored the pleas for the last three years to resolve the problems at HBM&S and to expand its exploration program to MMR.

Mr. Acting Speaker, I will be positive for a second in terms of the mining industry. I will acknowledge that the government recently agreed to provide some \$55 million through a loan authority to Hudson Bay Mining and Smelting which is an important contribution. Unfortunately, I have to say that the initiative of the government comes approximately three years too late, after the communities of Snow Lake and Leaf Rapids have been devastated, three years too late for the people in Flin Flon who were looking forward to the environmental improvements that the modernization would bring. So even when they try to do something right, they miss the mark. Three years too late is three years too late, both in terms of our local environment, in terms of the jobs that have been lost in Snow Lake and Leaf Rapids.

Mr. Acting Speaker, the madness continues. The forestry industry is in a shambles. This government

in 1989 signed an agreement with Repap that promised jobs, jobs and more jobs. What have we had? Layoffs, layoffs and more layoffs, communities disappointed, communities feeling jilted by this government's betrayal.

The tourism industry, probably the second most important industry in northern Manitoba—this year lodge owners in northern Manitoba report a 40 percent decline in bookings year over year. Many of them are now in the process of filing for bankruptcy. The only thing that could be of more insult to Northerners than the economic record of this government is the decision in August or September by the government to announce the formation of a Northern Economic Development Commission. Why is that an insult? Because it was promised in 1988, because after watching three communities virtually close, after watching hundreds of Northerners disappear because they had no jobs and no hope of jobs, this government has the audacity to say: We are going to create an economic commission; maybe it will spend a million dollars and it will report in 12 or 18 months. We need help now in northern Manitoba. We need help now.

It is not just in northern Manitoba. You can travel to any small rural community, whether it is Hamiota or Melita or Benito or any other small community in rural Manitoba and find little businesses on the main street going bankrupt. You can find farmers in the coffee shops going bankrupt. This government continues to whistle past the graveyard, as my Leader has said, ignoring the very real economic problems that confront us. Everything is fine. Mr. Acting Speaker, everything is not fine, and everything is not only not fine because the government has no agenda but because even when it attempts to set an agenda it fails.

We have talked in this Chamber on many occasions about the failure of this government's economic leader. What happened to the MacLeod Stedman deal, the economic cornerstone of this government, the pillar, the symbol of economic development from the Conservative government? The Conservative has shattered, crumbled like a cookie before the First Minister. There are no jobs. The \$1.5 million that was invested to bring the headquarters to Winnipeg and 117 jobs have disappeared.

What happened to Repap? What happened to all of the jobs that were promised in Swan River, the 250 jobs that were coming to Swan River as a result

of the Repap deal? The government promised, the Minister of Finance (Mr. Manness) promised this province the creation of untold jobs when they sold Manitoba Data Services. Mr. Acting Speaker, do you remember that? They were going to create 200 additional jobs. We were going to get a head office, and they were going to protect the confidentiality of the records of Manitobans. None of that came to pass.

What happened with Conawapa? My colleague from Crescentwood has identified the complete and unbelievable incompetence of this government when dealing with a contract of that size. Everything that they have tried to do when they did appear to have something positive they have fumbled quite seriously.

Apotex, Mr. Acting Speaker, the government announced in a great fanfare that it was contributing to the establishment of a pharmaceutical company in the city of Winnipeg. The government of Manitoba contributed \$8 million out of \$20 million to create 40 jobs. This even after the company announced almost seven months previously that it was intending to build this plant anyway.

Mr. Acting Speaker, my time is also running short. The First Minister (Mr. Filmon), I should say, some months ago announced with a great deal of fanfare that its new priority was economic development. That, the government announced, was its new priority. The government said, we have worked hard to put the government's fiscal affairs in order and to lay a solid foundation for the future.

Mr. Acting Speaker, I do not know what the First Minister calls a solid foundation, but I do not call 10,000 people a year leaving the province a solid foundation. I do not call a 14 percent decline in manufacturing shipments a solid foundation—the highest decline in shipments of any province in the country. I do not call an 8.5 percent reduction in retail sales a solid foundation. I do not call the highest level of bankruptcies in the history of the province a solid foundation for government. I do not call the lack of private investment, the lowest level of private investment since 1981, a solid foundation.

I do not call the deals at Repap and MacLeod Stedman, et cetera, a solid foundation. I do not call The Pines or the sale of Manitoba Data Services a solid foundation. I call that a dismal record of failure.

Mr. Acting Speaker, to top it off, the Tory managers have now moved down to a B-minus. It

was a generous B-minus. The provincial auditor was marking on a curve. He was marking on a curve and they got a B-minus. These are the good managers. They have turned to their political friends for political payoffs and political handouts. They have lost the initiative when it comes to controlling the spending of government, and now they are down to a B-minus.

I believe there is another agenda, there is an alternative, and we have to ask ourselves why this government has failed so badly. What is lacking in the government? Is it sincerity? Is the government lacking sincerity? That is a good question. I believe. The Premier looks like a sincere person.

An Honourable Member: He looks like you.

Mr. Storie: I think he does look like a sincere person—no reflection on the similarities in our appearance—I think he does look like a sincere person. He has a personality, but what the government does not have is any apparent economic agenda. If you ask the people of Manitoba whether this government has an agenda, they would say no. They not only have no agenda but, when people offer suggestions, they do not pay any attention.

I want to say, finally, that there are some things that we could accomplish together if the Premier would take some advice, either from the business community or the Union of Manitoba Municipalities or anyone else.

We have called for an all-party task force to identify some of the problems and potential solutions, and we have gotten no response. We have called for a federal-provincial economic agenda, and the First Minister continues to deny that he has any responsibility for it. We need a Jobs Fund type initiative.

Finally, we do need the government to recognize some of the problems that have been created by federal policies that they support, including the Free Trade Agreement and deregulation.

I appreciate that the First Minister wants to continue with his remarks. I have taken my 20 minutes, and I hope that the Premier will acknowledge that we are delayed here today because of the Premier's insistence that Bill 35 be introduced, and of course it was the government who failed in the first instance to do Bill 35 properly.

Mr. Acting Speaker, I apologize for eating into the Premier's time, but these things also have to be said

in the defence of Manitobans who cannot be here to defend themselves.

* (1640)

Hon. Gary Filmon (Premier): Mr. Acting Speaker, I firstly say as always that I am very appreciative of the opportunity to speak in this House on another throne speech. It always is an experience that I value. It does not matter how long I sit in this House, I will always believe it is the greatest privilege that any of us can have in our lives, to be able to speak in a free and open manner in this democratic process that we engage in throughout the course of every year in this Legislature. There is always a thrill for me to be able to address the throne speech and the start-up of new session.

I would like to extend my congratulations, Sir, to you as Acting Speaker, to the Deputy Speaker and, indeed, to the Speaker for resuming your responsibilities in this Chamber and in this Legislature. I know that you have a very onerous responsibility to maintain decorum, to maintain the workings of the House in an orderly fashion and to ensure that the democratic freedoms that we enjoy are at all times protected by the process that you are called upon to support and to guard.

I want to extend my congratulations to the table officers of the Legislature for their work that they do each and every day that we sit in this House and indeed throughout the course of the year for the work that they do in making sure that our Legislature operates well and efficiently and effectively. I thank them for their efforts as well.

I would like to congratulate the pages, the new pages, who have just joined us for this session. I hope that they find the experience to be a worthwhile one and certainly an enjoyable one. We appreciate their efforts as part of the process of democracy in this Chamber.

I also want to welcome all members back to the Chamber. I am happy to see them, and I said so very sincerely last evening as we gathered on a more social basis courtesy of the good offices of our Speaker. I am happy to see them back. I do not always agree with them and, quite honestly, I find it hard to get terribly angry at them because I do think that they are good people, each and every one of them. I know that they bring to their responsibilities a degree of sincerity that is to be commended.

I want to say as well, of course, that there has been a noticeable change in the decorum in this

Chamber—some would say not necessarily noticeable, but to me—

An Honourable Member: Barely noticeable.

Mr. Filmon: Yes, I think it has been said barely noticeable. As some are saying, it deserves a B or B-minus. I think that any progress toward a worthwhile goal is worthy of commenting upon. I do hope that the attempts at co-operation and decorum in this House are continued with, and I certainly hope that all of us will do our parts to move toward that goal.

I want to just take a moment, Mr. Acting Speaker. I do not think this is unusual. I think it is important, though, to thank members of my caucus for their efforts throughout the course of the past session and the time between the sessions, their efforts to ensure that a great deal of work and effort was done in preparation for this session and, more particularly, in pursuing very vigorously the Estimates process so that we can have a budget earlier this year than we have had for, I think, about a half dozen years. That has required a great deal of time and effort by Treasury Board and all of those who participate in that process, and I want to thank them.

I have said this before, and I think it bears repeating, that my caucus colleagues are the most talented and dedicated group that I have had the privilege of serving with, and I thank them for their continued efforts on behalf of the people they represent and, indeed, on behalf of all Manitobans.

I also, Mr. Acting Speaker, want to say that I appreciate the work of a very talented and dedicated group who are the senior support staff to government. They are political staff and, from time to time, they are not necessarily given the recognition that I think they deserve. Those members opposite who have had an opportunity to work with them I think probably recognize that—for instance, my own senior staff is probably the youngest, the lowest paid, the hardest working and, in my judgment, the most talented senior staff in the country. We have had to go to a lot of tough meetings over the course over the last few years in government, meetings on the Constitution, First Ministers' conferences, Premiers' conferences, and I have always felt that my staff have been as well prepared and provided as balanced advice as any First Minister has received, and they are very, very dedicated.

I know the Leaders of both opposition parties know how hard they work. The Leader of the Opposition (Mr. Doer) calls some of them the killer bees and others of them -(interjection)- yes, yes, other affectionate names that he has for them. I know that is said in affection, and I do appreciate the fact that they are recognized for being very talented and very hard-working people who have a job to do and do it very well, I believe. Just in case anybody does not accept that they are probably the lowest paid in the country, I—

An Honourable Member: We are all the lowest paid.

Mr. Filmon: That is true. Some might say that is what we are worth, but the fact is that I picked up some information about recent appointments in Ontario and, of course, I noted that Jeff Rhodes, the former head of CUPE who is now head of intergovernmental affairs, is getting \$150,000 yearly.

Some Honourable Members: Oh, oh.

Mr. Doer: He took a pay cut.

Mr. Filmon: Well, the Leader of the Opposition (Mr. Doer) says he took a pay cut, and Marc Eliesen took a pay cut as well. He was getting \$135,000 here, and he is getting \$260,000 there and a chauffeur-driven limousine and a possible bonus of \$100,000 for performance. He may perhaps even get paid for his eyeglasses from time to time. I am not sure about that.

Mr. Acting Speaker, I do say that in talking about these sorts of things that I would hope that the Leader of the Opposition (Mr. Doer) would reconsider some of the intemperate things he says from time to time about senior staff of mine. -(interjection)- Well, you know, picking out people such as Mike Bessey and saying that he should be fired, Mr. Acting Speaker, for having done what the Auditor ultimately concluded was a very appropriately handled deal on behalf of the Manitoba Data Services.

* (1650)

The kind of thing that the Leader of the Opposition (Mr. Doer) says, I am going to read back to him later and compare it to the kinds of things that were done under his administration when he was in government. When he talks about scandals, we will talk about MTX if I have enough time, I may run out of time; we will talk about the Manitoba Public Insurance Corporation and how one of his fellow

ministers, the minister responsible, changed his - (interjection)- Yes, to my horror, found that the evidence which was going to exonerate him had been shredded, mysteriously, in his possession, and talked about how he changed his position three different times on whether or not he knew and what he knew about the losses that had been incurred in the reinsurance schemes of MPIC, and talk about the various things that ministers did and were never considered by that member to be a scandal so to speak.

It is a scandal, presumably, that the Auditor has reported, and I quote: Our audit of the compliance with the terms of the divestiture agreement disclosed that improvements are required to achieve adequate monitoring of controls in place at Manitoba Data Services to ensure accurate and complete processing of information and appropriate safeguarding over confidentiality of data.

He did not say that the data was not properly safeguarded. He said that we needed to have adequate monitoring. That is all he said, Mr. Acting Speaker, and that in the words of the Leader of the Opposition (Mr. Doer) is a scandal. That is drawing a long bow as they say, and the credibility of the greatest spinner in this Legislature, the Leader of the Opposition, is I think to be taken from time to time with a grain of salt.

(Mr. Speaker in the Chair)

Speaking of—Mr. Speaker, I will just digress for one moment. He is not here. I was hoping that—and I should not refer to the presence or absence of a member who is in Treasury Board, but I was speaking of the talent and dedication of my caucus. I think the member for Rossmere, the Minister of Energy and Mines (Mr. Neufeld) deserves to be properly recognized in this House, as he was by the member for Crescentwood (Mr. Carr) earlier today, for his dedication and for his services in this Chamber and to the people of Manitoba.

Members opposite probably do not appreciate as much as those of us who have served in the same caucus in the same cabinet with the Minister of Energy and Mines, the member for Rossmere (Mr. Neufeld) just how capable an individual he is. The fact is that he has an analytical intellect that probably is unparalleled in this Chamber in looking at financial data and analyzing information on the various expenditures of government, the departments and their responsibilities, but I think what endears him

most to all of his colleagues is his sense of humour, which I think goes largely unnoticed in the parry and thrust and the fray of this Legislature, where we tend to stick to political knowledge and political answers. His sense of humour is probably I think the best kept secret in this Chamber.

On many occasions where we have had the opportunity to listen to him in more relaxed situations, I can recommend him to the members of the media and to the members of the Chamber as somebody whom they get to know a little better and enjoy, because he is indeed I think one of life's very capable people and one of life's very enjoyable people.

I can say very sincerely that we are going to miss his efforts and his contributions to cabinet, but I know that he will serve the people of Rossmere exceptionally well in the remainder of his term in office as he has committed to do.

Mr. Speaker, I want to go on to a discussion of the very important challenges that face us today, because I believe that every member of this House shares an onerous responsibility as well as a great opportunity at the same time. The responsibility is performance of our duties to the very best of our abilities, always in the best interests of all Manitobans, and the opportunity, of course, lies in our collective ability to make this little corner of the world a better place.

I am sure that the cutting remarks that have been made during the course of this debate as well as the alternatives that have been offered, although not very many by comparison, I might say, were all intended to fulfill our responsibilities and to capitalize on our opportunities. I am also convinced that it will take a great deal more than just the collective wit and wisdom of members within this Chamber to get Manitoba growing again.

I am sure that members opposite are very well aware of the dramatic negative effects of the international recession on Manitoba and Manitobans. I think it bears repeating over and over again that this is a national and an international recession and, as much as we are struggling here in Manitoba with many challenges before us, that indeed there are many provinces that are doing worse than we are, and that is nothing for us to take any glee in or satisfaction in. The fact of the matter is that everybody has a major challenge ahead of them, and that is one of the reasons why we are

getting together as First Ministers to discuss the important challenges of our economy on a broad national basis later this week.

Our government is well aware of the harsh realities that the recession has imposed. We have all seen the impact of high interest rates, sustained high interest rates leading up to this recession and the federal offloading on an already weakened economy. I have said before that that offloading has taken place throughout the course of the decade of the '80s.

Indeed, Mr. Speaker, the Leader of the Opposition (Mr. Doer) I think did what he does best earlier last week. He was on his feet trying to paint the gloomiest possible picture of Manitoba. He was a veritable fountain of doom and gloom. The king of the 10-second clip became the headmaster of hindsight. He proved that he was the Mick Jagger of the Legislative Assembly, showing that he could "paint it black" with the best of them.

An Honourable Member: I like Mick Jagger.

Mr. Fillmon: Well, I can understand that.

An Honourable Member: I can't get no satisfaction from you.

Mr. Fillmon: To the Leader of the Opposition, I would say that, rather than railing against the darkness, he might have taken a little more time to shed a little light on some things. Manitobans have seen the member for Concordia (Mr. Doer) and his colleagues before; only they have seen them before in another incarnation when they have been in government. They have had an opportunity to compare, Mr. Speaker, and I do not think that they want to have that experience again for quite a long time, despite the things that the member for Concordia (Mr. Doer) says that he has learned in the past couple of years. They certainly have lots of memories of what it was like in the bad old days under New Democratic governments here.

It occurred to me when I saw this story, Autopac rates driven up 2.7 percent—GST blamed, just a few weeks ago. Of course, the comparison is that they are going up by 19 percent in British Columbia. But the more valid comparison is that we have had four increases under this Conservative administration, which in total have not equalled the last increase in Autopac under the New Democrats.

All of this has been examined openly and fully by the Public Utilities Board. For instance, one of the strongest critics of Autopac this time, the head of the

Consumers Association of Canada, Manitoba chapter, remarked that this year the 2.7 percent was almost entirely due to the GST impact. So, in fact, Mr. Speaker, the kind of management, the kind of arm's-length, sound business operation of Autopac is one of those tremendous contrasts that people will remember between the bad old days of the New Democrats and what things are today.

Mr. Speaker, the members opposite and members of the media will probably have recalled during the Leader of the Opposition's presentation on the throne speech, he took great time talking about media, talking about the media—I guess he wanted to say—manipulation and influencing attempted by this government. He referred to pool lights; he referred to all of the strategies and the stage managing that was being done, he said, he alleged, by this government. I find it, as the Minister of Finance (Mr. Manness) would say, passing strange to hear the Leader of the Opposition accusing us of stage management, of spending a lot of time thinking about and being concerned about media coverage. He who talks about the spinners on this side is himself the best spinner in this entire Legislature. The king of the 10-second clip.

* (1700)

We all know the Leader of the Opposition and his involvement with stage management. The Leader of the Liberal Party (Mrs. Carstairs) and I remember full well standing there getting ready for the debate. -(interjection)- We are going to have to come up with a prize for the Leader of the Liberal Party for being right ahead of my notes, Mr. Speaker. She was reading me right all the way.

On television during that debate this stage-managed Leader was told by his stage managers that he would look much more aggressive, tougher and on the mark if he took his jacket off right at the beginning of the program, if he loosened his tie and showed himself to be a product of the working people.

We went to Ottawa with the Leader of the Opposition and he knew all of the media by first name, Susan Delacourt and Tom Wolkom—I had never heard of these people—and Michel Vastel. Michel Vastel came to the Premiers' Conference in Whistler a couple of months ago, and he was telling me things about Manitoba that he thought were accurate. As he repeated them, I started to think that

I had heard them before somewhere—his pipeline in Manitoba, the member for Concordia (Mr. Doer).

When I realized where I heard those incorrect facts before, I realized who Michel Vastel talks to all the time in Manitoba, absolutely. I said, where did you get that information from? The member for Concordia (Mr. Doer) had told him that the margins in the Legislature were only one seat. There was only one seat separating the opposition from the—and I said you have been talking to Doer again, and he got all flustered and he said, well, I just phoned him once. Talk about media manipulation. He talks about our killer bees. They have their own rat pack out there in the hallway. Only theirs is a combination of staff and members who are out there trolling, casting their stale political bread on the waters and hoping that somebody is going to bite.

When we were in opposition, we used to have one staff person out there, and that staff person used to try and monitor what 14 different ministers were saying. We tried to do our best. These days he has three and four staff people plus half of his caucus out there trolling the media and trying to get a chance to have their in. As soon as my interview is over, I have not only half of his caucus hanging out around the scrum, but I have all of these people taking notes. Then they jump in with their own spin on the thing.

I have no objection to this, Mr. Speaker, but at least be a little honest about it and recognize who is doing the spinning around here and who has all the media attention around here and who concentrates all of their waking hours on what the media might do if you did something. It is going to a ridiculous extreme, but here is their notice. I was, for the benefit of the Liberal Party, having a media reception today and all of a sudden there is a news release by Manitoba New Democrats, media notice communique, with a picture of me saying: A personal invitation from Terry and the Pirates, a we-try-harder Christmas party, after cocktails with the Premier.

Mr. Speaker, I just want you to know that we will not be doing any spinning at our reception, so do not get them too wound up when you get them in your possession, okay?

To get back to my topic, which is Manitoba and the future, I believe that members opposite, while professing to desire to work with Manitobans towards economic recovery, ignore the many

strengths that Manitobans bring to the task. Empty rhetoric from opposition benches does not take into account Manitoba's diverse talents, their ability to find innovative solutions to problems and their tradition of working together to overcome enormous challenges.

I thought it was very significant earlier this week when the announcement was in the paper about the University of Manitoba medical school ranking No. 2 in the entire country. That is just one of many, many examples of excellence in this province of ours.

The fact of the matter is, that was one of the things that when I met with the people from Medix in London, England, was one of the things that attracted them here. They are in fact coming here to commercialize medical and scientific research that is being done in this province, one of the foremost things to bring them here.

I might tell you that my wife phoned the president of the university, as a past president of the alumni association, to congratulate him on this matter. He said they have another survey very recently in which they compare the alma mater of CEOs of Canadian corporations. You know that the University of Manitoba ranks No. 3 in terms of production of CEOs of Canadian corporations, next only to University of Toronto and McGill University, both of which are huge in terms of resources, much larger in numbers and graduates and everything else—No. 3 in producing CEOs, leaders in this country.

Those are the examples we like to cite when we go throughout this country and beyond to tell people about the strengths of Manitoba. Number 1 are its people and its very talented people in this province who are going to help us ensure Manitoba rebounds strongly from the recession. We are going to join with them as a government in partnership in rebuilding this province's economy and making a stronger Manitoba.

Since 1988 we have been laying a foundation for that growth. We have kept taxes down. We have worked to control the deficit and we have made the difficult decisions necessary to keep government spending under control. I have to tell you, Mr. Speaker, this is very important. Members opposite scoff at that every time we talk about building that foundation of keeping the deficit down and lowering the taxes.

We are dealing with some corporations right now, through the Economic Development Board of Cabinet, corporations that are interested in coming here, and they know exactly what our tax rates are. If they are comparing an investment here versus an investment in New Brunswick, they know immediately that one of the things, if they have to purchase a lot of goods and services as part of their overall operations, is that they have an 11 percent sales tax rate in New Brunswick, 7 percent in Manitoba, and 4 percent, if you are making \$70 million worth of procurement annually, is a \$2.8-million difference in our favour in terms of purchasing the same goods in this province versus in New Brunswick.

* (1710)

They know all of these things. So members opposite had better know that all of these things that we are talking about are real and they are being evaluated every single day by anybody making an investment decision. You do not invest hundreds of thousands or millions of dollars without knowing what the competitive advantages are province to province.

That is why it is absolutely so essential to make the kinds of decisions that we are making to ensure that our foundation for economic growth and attracting investment is absolutely solid. The actions of our government to date have not been motivated by any kind of political dogma. The fact is that we are not driven by a philosophical agenda. Mr. Speaker, the reality is that when we took office in 1988, we found Manitobans were overburdened with the second highest level of taxes in the entire country.

The fact is that that, combined with a huge deficit that was ongoing, structurally in place as a result of the efforts through the '80s of half-billion, half-billion, half-billion-dollar deficits year after year, as a result of that, the government revenues were already beginning to decline, because the choking of the economy had begun to take place even back in 1988. We decided at that time that the best thing we could do was to make the economy more competitive by getting us out as much as possible of these deficits and, as well, starting to work on the taxation side, Mr. Speaker.

Faced with overburdened taxpayers and a very hamstrung economy, we chose the only reasonable alternative. We chose to freeze personal income

taxes, a freeze that does not exist anywhere else in this country and, in fact, has existed now for four straight years. Not only was it frozen, but it was reduced, the personal income tax rates, by 2 percent in the 1989 budget and, indeed, we added deductions for children and dependants that made the tax regime even more comfortable for individuals.

We also recognized that there were many, many realities out there that were coming upon us, economic realities that confronted not only our government in 1988, but economic realities that were being experienced in other provinces. Provincial governments from coast to coast have had to make important and indeed very difficult choices. The colour of the political stripe has mattered very little in terms of looking at the choices that have had to be made.

I do not think that I have to remind my colleagues in the Liberal benches the choices that have been made by the Province of Newfoundland, by the Province of New Brunswick, by the Province of Quebec, under Liberal administrations making tough choices. In fact, to date seven provinces and the federal government have introduced measures to limit public sector wage increases in this country. At least five provinces have embarked on significant staff reductions.

These restraint measures have struck at vital services like health care and education, and they have been undertaken by Liberal and New Democratic governments as well as Conservative governments. I should not have to remind any of the members opposite what is happening in these other provinces. In Ontario, where socialist dogma has met economic reality head on, they are now finally having to make difficult choices.

In the November 11 Globe and Mail, Mr. Speaker, the newspaper estimated that the difficulties facing the Ontario NDP government had forced the loss of 5,000 health care jobs and 3,500 hospital beds were being closed. Does that have a familiar ring to it? Hospital beds being closed under New Democratic administration. Five thousand health care jobs lost.

In that province of Ontario, they increased this year—announced for this coming year a 2 percent increase in welfare rates, almost half of the increase that is being given by this administration in Manitoba. At the same time, they are giving an allowance for housing costs to their welfare

recipients of 4.5 percent. Despite the fact that they have increased rent controls by 6 percent, they are only giving a 4.5 percent housing allowance increase to their welfare recipients, Mr. Speaker.

These are the kinds of headlines that are being run in Ontario papers these days: Toronto makes cuts in welfare programs; Metro Toronto's poorest residents will no longer be able to turn to Metro for help in paying for the necessities ranging from cribs for newborns to oxygen tanks for people with respiratory problems—NDP government doing that. Poor shout catcalls from gallery over slight Ontario welfare rate hikes—that is what they are doing. That is what they are doing there in Ontario, Mr. Speaker.

The government of Manitoba, on the other hand, has been able to mitigate the most severe effects of the recession by being prepared. We have made the maintenance of health care, of education, of family services a priority, a priority during our difficult times. We have brought government spending under control because we said our taxes were too high, our deficit was crippling us, and we had to do something about it.

Mr. Speaker, the fact of the matter is that members opposite are hurt by this discussion. I know that. They are hurt by it because they do not like to be told, they do not like to be reminded what things were like when they were in government and how at one time they gave a 3 percent increase to public schools, how they gave a 2 percent increase to welfare rates one year. They do not like to be reminded of all that.

Our government's efforts to put our fiscal house in order and to avoid tax increases and to help Manitobans help themselves are just being swept aside by the members opposite. They just do not want to participate in any rational discussion of the realism that is being faced by every provincial government in this country, and that has to make you wonder where they are coming from, or it has to make you wonder where they have been for several years, Mr. Speaker. Of course, where they have been is just exactly where the Leader of the Opposition (Mr. Doer) keeps them, and that is in the dark.

The Leader of the Opposition gives them all of the outdated rhetoric. He does not talk about reality. He keeps -(interjection)- Well, Mr. Speaker, I know that I am hurting the member for Flin Flon (Mr. Storie). The member for Flin Flon is feeling badly because,

of course, he knows that as long as he was in government, he could not do anything for acid rain reduction at Flin Flon, and it had to take this government to put a deal together with the federal government for acid rain reduction at Flin Flon. It had to take this government to put a deal together with the federal government for acid rain reduction.

The first environmental order on Flin Flon was issued in 1981, and throughout the period of his administration in office he did zero to bring Flin Flon under an acid rain reduction agreement. Now he is hurt by it, and so now he is heckling.

Of course, we have the constant rhetoric of the Leader of the Opposition (Mr. Doer). I just want to tell a little bit of the past of the Leader of the Opposition so people have some idea of where he is coming from. He is the individual who the Winnipeg Sun gave credit for snookering poor old Howard Pawley at the negotiating table. That newspaper, the Winnipeg Sun, summed it up pretty well in February of 1983 when it said, quote: He has insured a pretty comfortable depression for government employees, but what has he done for the rest of us?

Of course, our greatest fear that is shared by most Manitobans is not what the Leader of the Opposition and his union bosses will do for us, but rather what they will do for themselves and to the rest of the people of this province. That question is just as valid today as it was in 1983.

Members will all recall, I think, what was said by the king of the union bosses in this province, Mr. Bernie Christophe, on the eve of the election of the member for Concordia (Mr. Doer) to leadership. The machine works, he said on CBC, the machine works.

That leads to an even more important question. Can a leader with a strong commitment to, and relying on the support of union bosses, be counted on to make the often difficult decisions that are necessary to make Manitoba strong? Will the leader who sacrificed public good for union gain in 1983 serve all Manitobans, or will he be the intellectual, philosophical and financial captive of his union bosses? The answer to that one is the same as it has been throughout the past eight or 10 years, Mr. Speaker. No, we cannot rely on him to do—no, we cannot trust him to put the public good ahead of the good of the people who pay the freight.

* (1720)

Of course, we had that clearly demonstrated recently when the grain handlers went on strike at Thunder Bay. What did the Leader of the Opposition do? When it was costing farmers \$36 million a day because the grain was not moving, did he go to Ottawa? Did he fly to Ottawa and say to Audrey McLaughlin, his Leader, let us go out and get them back to work? Did he go and talk to his union boss friends and say, move that grain because it is important to the farmers of Manitoba because they are being killed by the international grain price war? Did he say a thing about it? No, Mr. Speaker, not a thing. He would not lift a finger. He would not lift a telephone. He would not talk to his friends in the union. He would not talk to Audrey McLaughlin. All he did was stand with the union bosses to kick the farmers.

Mr. Speaker: Order, please.

Mr. Filmon: Mr. Speaker, I know that I have touched a raw nerve and the member for Thompson (Mr. Ashton) is trying to shout me down, but the fact of the matter is that the people of this province know where they stand when it comes to being helped. The fact of the matter is they know where they take their orders from and it is not from the people of Manitoba; it is from the union bosses who pay the freight every day and tell them what to do.

Mr. Speaker, I was going to talk about another interesting divergence of opinion that is in the New Democratic caucus and that is the divergence of opinion over whether or not construction of Conawapa should go ahead. I was going to quote from the member for Rupertsland (Mr. Harper) when he said in February of this year: Aboriginal people in the North want the training opportunities and the improved standard of living that development will bring to our communities. We have been told to wait long enough. We can wait until hell freezes over, the time for action is now. The decisions should not be made by people down in the South.

But the Leader of the Opposition (Mr. Doer), of course, he did not necessarily agree with that and, in fact, just a matter of a month later, he was in Gimli with his caucus at a meeting and he is quoted by the Interlake Spectator as saying: We should adopt a policy of 10 percent conservation, a step that would save 500 megawatts and delay Conawapa for five to six years.

Interesting. Interesting split in the caucus, Mr. Speaker. I want to talk just very briefly about that

issue because it was raised by both opposition leaders: whether or not conservation can indeed put back all sorts of things in terms of construction of dams. I will urge the members opposite to read the Ontario Energy Board's assessment of the efforts of Ontario Hydro under both the Liberal government and New Democratic government to have conservation be a key force in their economic planning. This is what the OEB, an impartial regulatory agency, found in examining that utility's efforts.

Firstly, the board finds that the additional expenditures on conservation will not likely result in cost-effective energy management savings, but only in additional costs and lost revenue in the short-term. In fact, they say that over the decade of the '90s they will pay \$6 billion to save \$4 billion. They characterize this as short-term pain for little or no gain. That is what they say can be done. -(interjection)- That is what they say. Well, stopping the nuclear plants is not conserving energy, it is stopping billions -(interjection)- What has that got to do with energy conservation? That does not conserve any energy.

Mr. Speaker, they talk about this economic decision making that is attempting, for political reasons, to force conservation at a great, great cost, spending 50 percent more than you can save, just simply for political purposes. They also talk about the fact that as a result of this kind of policy, Ontario's hydro rates went up 10.5 percent this year while drawing from reserves, and they say if they had not drawn from reserves, their rates would have gone up 18.2 percent. Part of it is, I am sure, to pay the salary of Mr. Eliesen.

Mr. Speaker, I regret that I do not have a great deal of time to cover many items that I wanted to cover. I want to say that this government is committed to working with people from all areas of the province. We have commissioned a Northern Economic Development Commission to bring out the best ideas and the input of people from throughout the North, to work with us to develop an economic strategy for revitalizing the North.

We have brought forth policies such as not only decentralization of government jobs, but the rural Grow Bonds program to empower rural communities to create jobs and opportunities in their area. We have brought forward policies to ensure that economic growth and job creation are the No. 1 priority for this province in future. We have brought

forth a change to the Manitoba Research Council, to the Economic Innovation and Technology Council, to ensure that innovation and technology in the high-tech areas—whether they be in aerospace; whether they be in computers; whether they be in sophisticated communication; whether they be in medical research and technology development; or commercialization of all of those matters in pharmaceuticals and medical sector areas—are going to be one of the vital targeted sectors for economic growth in our province's future.

There is no quick fix. It is going to require a great deal of hard work. It is going to require a lot of co-operation, Mr. Speaker, and it is going to require a positive attitude.

I was asked recently, by a national news outlet, what were my objectives for this province in future? I said, No. 1, first and foremost, I want to ensure that Manitoba is the most attractive place to invest, to live and to work in of any place in this country. I believe that during this decade it will be.

Then they said, if you had one thing that you could change, in order to accomplish that goal, what would it be? I said, the attitude—the attitude of the people of this province to believe in themselves. I say that flows from the attitude that is displayed to them by their leaders, the people who are elected to represent them, the people who write for the media and respond for the media. Those are the people who dictate what the attitude will be.

If people preach gloom and doom—black, negative all the time—that is exactly what will happen. Things become self-fulfilling prophecies. When you tell people the sky is falling, people run for cover. The fact of the matter is that this administration is committed to a positive future, is committed to job creation, to economic growth and is committed above all to a partnership with people in this province, and that partnership includes people of all political stripes; that partnership includes people from all social orders; that partnership includes people from industry, people from the Chambers of Commerce, people from labour, people from all areas of our province, rural, urban, North.

Mr. Speaker, we will work co-operatively. We will work consistently and very, very hard just as we have in our first couple of years of government, in our first three and a half years of government, to ensure that Manitobans get back in the growth

pattern, in the investment pattern and in the pattern of economic opportunity for the future because we believe that is an achievable goal. We believe that the foundation that we built, the economic platform that we have to offer, and the opportunities with our central location, our resources and our people are unparalleled in this country and, we, working together with Manitobans, will be delighted to see that happen.

I support, obviously, the throne speech, and I urge all members to vote for it, Mr. Speaker.

* (1730)

Mr. Speaker: Pursuant to Rule 35.(4), I am interrupting proceedings in order to put the question on the motion of the honourable member for Niakwa (Mr. Reimer), that is, the motion for an address and reply to the Speech from the Throne.

We, Her Majesty's dutiful and loyal subjects, the Legislative Assembly of Manitoba, in session assembled, humbly thank Your Honour for the gracious speech which Your Honour has been pleased to present us at the opening of the present session.

Is it the pleasure of the House to adopt the motion?

Some Honourable Members: No.

Mr. Speaker: No, okay. All those in favour of the motion, please say yea? All those opposed, please say nay? In my opinion the Yeas have it. Order, please.

Mr. Steve Ashton (Opposition House Leader): Yeas and Nays, Mr. Speaker.

Mr. Speaker: Call in the members. The question before the House is on the motion of the honourable member for Niakwa (Mr. Reimer), that is, the motion for an address and reply to the Speech from the Throne.

All those in favour of the motion will please rise?

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

Yeas

Connery, Cummings, Dacquay, Derkach, Downey, Driedger, Ducharme, Enns, Ernst, Filmon, Findlay, Gilleshammer, Helwer, Laurendeau, Manness, McAlpine, McCrae, McIntosh, Mitchelson, Neufeld, Orchard, Penner, Praznik, Reimer, Render, Rose, Stefanson, Sveinson, Vodrey.

Nays

Ashton, Barrett, Carr, Carstairs, Cerilli, Cheema, Chomiak, Dewar, Doer, Edwards, Evans (Brandon East), Evans (Interlake), Friesen, Gaudry, Harper, Hicks, Lamoureux, Lathlin, Maloway, Martindale, Plohman, Reid, Santos, Storie, Wasylcia-Leis, Wowchuk.

Mr. Clerk (William Remnant): Yeas 29, Nays 26.

Mr. Speaker: I declare the motion carried.

ROYAL ASSENT

Deputy Sergeant-at-Arms (Mr. Roy MacGillivray): His Honour the Lieutenant-Governor.

His Honour George Johnson, Lieutenant-Governor of the Province of Manitoba, having entered the House and being seated on the throne, Mr. Speaker addressed His Honour the Lieutenant-Governor in the following words:

Mr. Speaker: May it please Your Honour:

The Legislative Assembly, at its present session, passed a bill, which in the name of the Assembly I present to Your Honour and to which bill I respectfully request Your Honour's Assent:

Bill 35, The City of Winnipeg Amendment Act(2);
Loi no 2 modifiant la Loi sur la Ville de Winnipeg.

Mr. Clerk (William Remnant): In Her Majesty's name, His Honour the Lieutenant-Governor doth assent to this bill.

(His Honour was then pleased to retire.)

* (1740)

Mr. Speaker: Please be seated.

Hon. Clayton Manness (Government House Leader): Mr. Speaker, I move, seconded by the Minister of Justice (Mr. McCrae), that when this House adjourns today it shall stand adjourned until 1:30 p.m. on Monday, February 17, 1992.

Speaker's Statement

Mr. Speaker: Prior to putting the question or moving the motion, I have a statement for the House.

As all honourable members are aware of the fact that it is a month ago today that my mother passed away, and I would like to thank all honourable members for their kind words and expressions of sympathy, but—excuse me, this is very difficult to give this—I have heard this prayer every Christmas Day, and it is on an old parchment piece of paper that my mother cherished. I would like to share it with all honourable members. It is a Christmas prayer:

Let us pray that strength and courage abundant be given to all who work for a world of reason and understanding; that the good that lies in every man's heart may day by day be magnified; that men will come to see more clearly, not that which divides them, but that which unites them; that each hour may bring us closer to a final victory, not of nation over nation, but a man over his own evils and weaknesses; that the true spirit of this Christmas season, its joy, its beauty, its hope and, above all, its abiding faith may live among us; that the blessings of peace be ours, the peace to build and grow, to live in harmony and sympathy with others and to plan for the future with confidence.

That is my Christmas message to all honourable members.

* * *

Mr. Speaker: It has been moved by the honourable government House leader (Mr. Manness), seconded by the honourable Minister of Justice (Mr. McCrae), that when this House adjourns today it shall stand adjourned until 1:30 p.m. on Monday, February 17, 1992. Agreed?

Some Honourable Members: Agreed.

Mr. Speaker: Agreed and so ordered.

The hour being 6 p.m., this House is now adjourned and stands adjourned until the time fixed.

Legislative Assembly of Manitoba

Tuesday, December 17, 1991

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