



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

**DEBATES
and
PROCEEDINGS
(HANSARD)**

40 Elizabeth II

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

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

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	LIB
ASHTON, Steve	Thompson	ND
BARRETT, Becky	Wellington	ND
CARR, James	Crescentwood	LIB
CARSTAIRS, Sharon	River Heights	LIB
CERILLI, Marianne	Radisson	ND
CHEEMA, Gulzar	The Maples	LIB
CHOMIAK, Dave	Kildonan	ND
CONNERY, Edward	Portage la Prairie	PC
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	ND
DOER, Gary	Concordia	ND
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	LIB
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	ND
EVANS, Leonard S.	Brandon East	ND
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	ND
GAUDRY, Neil	St. Boniface	LIB
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
HARPER, Elijah	Rupertsland	ND
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	ND
LAMOUREUX, Kevin	Inkster	LIB
LATHLIN, Oscar	The Pas	ND
LAURENDEAU, Marcel	St. Norbert	PC
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, April 23, 1991

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

TABLING OF REPORTS

Hon. Linda McIntosh (Minister of Co-operative, Consumer and Corporate Affairs): Mr. Speaker, I have the honour to present the 1990 Annual Report of the Public Utilities Board.

Hon. Darren Praznik (Minister responsible for The Civil Service Superannuation Act): Mr. Speaker, I wish to table today the 1990 Annual Report of the Manitoba Civil Service Superannuation Board.

Hon. Bonnie Mitchelson (Minister responsible for the Status of Women): Mr. Speaker, I would like to table the Single-Parent Families Report done by the Manitoba Advisory Council on the Status of Women.

MINISTERIAL STATEMENTS

Hon. Gary Filmon (Premier): Mr. Speaker, it gives me great pleasure to rise today to announce that at this moment the Minister of Education, the Honourable Len Derkach, is in Portage la Prairie to participate in a \$6-million joint initiative involving the federal and provincial governments and Manitoba aerospace companies, which will enhance the development of a highly skilled work force for the Manitoba aerospace industry.

If Manitoba is to have a skilled, adaptable and productive labour force that can meet the challenges of the 1990s and beyond, it is vital that we develop strategies to do just that. When I speak about we, I refer to all the partners in the labour market—government, business and industry, labour, the educational system and the community.

In today's economy and facing increasing global competition, I cannot stress too strongly the importance of ensuring that the training programs our students enter are ones that are designed to meet market needs. They must be programs that will ensure they have a good opportunity for

employment upon graduation, employment that will keep them in our province.

The government is committed to move towards the development of such programs. Last week, as part of the provincial budget, we took a positive step in that direction by announcing a refocusing of programs at our three community colleges.

While that refocusing meant the cancellation of some programs, it more importantly meant the introduction of new and expanded training programs such as aircraft manufacturing and repair to better reflect the skills needed in the aerospace industry. Currently aerospace industry forecasts indicate up to 3,000 new jobs will be created in Manitoba over the next 10 years. That is good news.

In order to meet this demand, we needed to refocus our training programs in the colleges and in the workplace to ensure that Manitobans are fully prepared to meet these opportunities in high-demand specialized areas. To further enable us to meet those demands, I am pleased to announce that an ongoing, industry-based committee with provincial and federal support will be formed to identify human resource needs in the aerospace industry and to develop specific training initiatives to meet those needs.

* (1335)

We will also enter discussions on a joint venture arrangement with the successful bidder of the military flight training contracts for the establishment of a new aerospace training centre to be located at Portage la Prairie. The contribution of aerospace to the Manitoba economy is critical, not only in terms of value of manufacturing exports and level of employment, but also because it provides a high technology window for Manitoba companies. The ability of these companies to produce sophisticated, high-quality products at competitive prices requires a highly skilled labour force as a key selling point for economic development in our province.

Mr. Speaker, it is this kind of partnership and consultation that will ensure that we are able to continue to offer training programs that meet industry demands and provide career opportunities

for our young people in a growth industry right here at home.

Thank you.

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, the Minister of Finance (Mr. Manness) from his seat mentions this is all part of the economic plan. I hope the Minister of Finance is also, from his seat, watching the economic numbers as they appear across Manitoba's economy. Today's numbers, a 6 percent decline in retail sales; today's numbers, a 50 percent increase in bankruptcies in the province of Manitoba; today's numbers that show the lowest private sector revenue of any other province in the country of Canada.

An Honourable Member: You do not like this, eh?

Mr. Doer: We do like the announcement that has been made today, but we would note -(interjection)-well, you know, he is not the one in the unemployment lines today. The Minister of Finance can talk from his seat, but he is not one who is being laid off, he is not one of the 54,000 people today. Mr. Speaker, we will have to analyze this announcement in conjunction with the other initiatives from the Conservative government against the community of Portage la Prairie.

The one initiative, of course, the Free Trade Agreement has now closed the Campbell's plant, a food processing plant in Portage la Prairie. The second Conservative announcement for Portage la Prairie lost hundreds and thousands of jobs with the shutdown of the base. I thought it was rather ironic that yesterday the Premier was praising the new cabinet and the new federal Minister of Finance, Mr. Don Mazankowski, who in fact has picked Manitoba's pockets for the last four or five years.

Mr. Speaker, we would be a lot happier about this announcement today—because I think it is a good idea to train people in the aerospace industry—if we were not taking from the North and taking from other communities to put those jobs in Portage la Prairie. We believe we could have a win-win situation when we train our youth and our children all across this province, when we do not take jobs from one region and put it into another.

Mr. Speaker, I think it is important that Manitoba works very aggressively in the aerospace industry. The federal Liberals and the federal Conservatives have had a policy of making Quebec the aerospace centre of Canada in recognition that Ontario is the auto industry centre of the country. Manitoba has

had to work against that, and I want to assure this government in terms of training, manufacturing and value-added jobs that we on this side and all Manitobans join together to work to make Manitoba the aerospace centre of Canada. We think training is vital to that.

We think, therefore, that this announcement today is consistent with trying to make Manitoba the aerospace centre of the country where it belongs.

Thank you very much, Mr. Speaker.

* (1340)

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, I find it an interesting statement, because the actions taken by this government in their budget of last week are counterproductive to the announcement that the government has made today. For example, no one is going to disagree with the Premier's statements that our training programs our students enter must be ones that are designed to meet market needs. One therefore questions why this government has cut our community colleges and thereby is training fewer students. Fewer young people will get training as a result of the budget announcements last week.

As a result of the budget announcements last week, fewer students will have access to student bursaries and to student loans. That was the kind of announcement they made last week with respect to the future of our young people. To say that we need to have training which is appropriate is correct but there is no training announced here. What is announced here is an industry-based committee. What is announced here is an identification of human resource needs. What is announced here is a discussion of a joint venture agreement. Nothing in this announcement indicates that we will have training programs beginning in September to replace the training programs that have been cut, and therefore it is much too little, much too late.

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 Oakenwald School, twenty Grade 5 students. They are under the direction of Mary-Ann Mitchler. This school is located in the constituency of the honourable member for Fort Garry (Mrs. Vodrey).

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

ORAL QUESTION PERIOD

Northern Commission Establishment

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, during the last provincial election, on August 16, 1990, the Premier of this province in The Pas promised northern residents a commission that their government would establish to allow northern people to establish the priorities for northern people. The Premier made that promise in August prior to the election. Since that announcement, residents of the North are feeling the negative effects of the provincial budget trickling down on their livelihood and their opportunities every day.

I would ask this Premier to fulfill his promise and establish the northern commission that he promised in the North during the election and put on hold all the cuts that are going on to northern Manitoba residents, put that on hold until Northerners can have a say in their destiny, as the Premier promised in the election.

Hon. Gary Filmon (Premier): Mr. Speaker, when governments are running for election they obviously put forth a platform to be accomplished over a period of some four years, the expected length of a government. We are indeed committed to that northern commission. We believe that it has been a long time lacking by previous New Democratic governments, who operated in the North by simply doing short-term, make-work projects and never did any long-term investment in the North, never had a plan.

Mr. Speaker, that is what is needed, a long-term economic plan. We are committed to that proposal, and indeed I just invite the Leader of the Opposition to wait until the appropriate time for that announcement.

Mr. Doer: Mr. Speaker, now we know why we are in so much trouble in northern Manitoba.

Aboriginal Employment Training Programs

Mr. Gary Doer (Leader of the Opposition): The Premier just said that the ERDA agreements were a bad thing for Manitoba—\$250 million negotiated by the former government for mining, for tourism, for

resource development, for forestry, for training, for the ACCESS program for aboriginal people. That is not the vision of the Conservative government, Mr. Speaker. He has just now confirmed what we suspected for the last three years.

My question to the Premier is: Will he follow through on his election promise and place money into training programs for northern Native youth as he promised during the election again at the aboriginal debate, which I attended with the Premier? Will he fulfill his promise that he made at that debate for northern aboriginal people, or will he continue on with the 860 spots that have been reduced in the northern job corps by his government's budget in northern Manitoba?

* (1345)

Hon. Gary Filmon (Premier): Mr. Speaker, this administration has entered into an agreement with Repap whereby \$1 billion will be invested in The Pas and surrounding areas during the course of the next number of years. This -(interjection)- well, we will find out whether or not the members opposite want to oppose Repap's proposal for expansion. We will find out whether they want to continue to oppose that investment of \$1 billion and where they stand when it comes to real long-term investment for Northerners.

Under this government, Inco has announced an expansion of some \$232 million in Thompson, Mr. Speaker. This government has entered into an agreement for a long-term power sale with Ontario that will trigger some \$6 billion of investment in Conawapa and the transmission line. All of these things are being tacitly opposed by New Democrats in subtle ways. These are the kinds of long-term investments, not the kind of government-created programs that disappear when the government money disappears. Those are the kinds of things—ACCESS funding continues from this government. BUNTEP funding continues from this program. These are all of the things that this government is committed to, and they continue to be.

Our proposal in this was that we would have a long-term view, unlike the short-term, make-work view, the green and white signs that the member for Concordia derided when he was the president of the Manitoba Government Employees' Association, that now are his only answer to development in the North. We reject that short-term view, and, yes, the

long-term view of the proposal for the economic commission will indeed be implemented.

Northern Commission Establishment

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, notwithstanding the fact that there is a major layoff at Repap, there are major cutbacks to the provincial public service all across northern Manitoba, during the provincial election again the smiling Premier in the canoe said that the best way that we can invest our money is to spend our money on northern access to post-secondary school and education programs, the exact same thing he criticized just a second ago. That was at the aboriginal election debate.

Mr. Speaker, his government has moved 16 students into Thompson for civil engineering in October and then cut the programs in April. His government had a number of students take ACCESS and training programs and then is cutting those programs.

I would ask the Premier: Will he put on hold all the cuts in training and education programs in northern Manitoba, the job opportunities for our youth in the future in northern Manitoba, and put in place the commission that he promised in the North, he promised in The Pas, put that commission in place prior to any decisions being made, so the Northerners can have say in their own destiny as the Premier himself promised in the election on August 16, 1990?

Hon. Gary Filmon (Premier): Mr. Speaker, I invite the Leader of the Opposition to read Hansard. I said that ACCESS and BUNTEP are programs for the development of our human resource capital that we support and continue to support. Where there are cutbacks, they have been done as a result of federal funding being withdrawn, and he knows that.

He need not misrepresent it here in this House because, Mr. Speaker, you cannot negotiate when people on the other side of the table simply are not there, simply walk away with their money. He knows it, and he knows it full well.

We continue to have our commitment to the human resource capital development, and it will continue to be there in northern Manitoba.

Rural Manitoba Municipal Reorganization

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, my question is to the Minister of Rural Development.

The Minister of Urban Affairs (Mr. Ernst) has stated publicly that the government wants to slash school trustees and elected rural representatives in Manitoba. This will result in larger rural municipalities and more difficulty for rural people to meet with their councillors. This seems rather strange when this government had suggested that we increase the number of rural MLAs.

Is it the position of the Minister of Rural Development to do this cutting? Can he tell us whether he is in favour of reducing the number of elected officials in rural Manitoba? Is this a priority with his department?

Hon. James Downey (Minister of Rural Development): Mr. Speaker, let me make it very clear that the minister was responding to a resolution that was brought forward from the Manitoba Association of Urban Municipalities in which they are going to be asking the government to look at the boundaries. It is very clear, as that is what the response was.

* (1350)

It has not been decided or even discussed, Mr. Speaker, as it relates to the changing of any boundaries as it relates to municipal Manitoba. However, as we have consulted on many issues, we are prepared to discuss with those individuals. It is a major decision with the urban associations or the Union of Manitoba Municipalities, Mr. Speaker. We have always been very open and very straightforward in our discussions on issues, unlike the cutting of the RCMP and three municipalities like the former administration did.

Ms. Wowchuk: The honourable member should consult with his backbenchers and also the people in rural municipalities, because this is not the wish of rural municipalities.

This government has offloaded many responsibilities onto municipalities. Does he think this is going to be a cost saving? How can the minister entertain at this time having cutbacks when there are so many difficulties in the rural communities right now and you have offloaded additional responsibilities onto these councils?

Mr. Downey: Mr. Speaker, I am not aware of any major offloading to the communities. I can tell you that there is no plan at this particular time to do anything further.

As far as the cost-saving measures that this government is having to embark upon, it is because her government, the New Democratic Party, buried this province in debt with a \$500-million annual interest charge on the backs of all the people of Manitoba.

That is the reason these decisions had to be made. They are tough decisions. They are necessary decisions. I can tell you, we will work our way through it, and the municipal people will work with us.

Ms. Wowchuk: There has obviously been some discussion with the Urban Affairs minister.

Considering the problems facing rural Manitoba, decline in population and lack of initiative by this government, is the reorganization of rural municipalities a major priority with this minister, or is he prepared to address the real issue out in rural Manitoba, the lack of economic development?

Mr. Downey: No, the subject matter which the member raises is not a high priority and is not even part of decision making with this government. Let me further add that the \$30 million that the member for Dauphin spent on a bridge without a road to it would go a long way to help rural development, that the \$27 million that went to telephones in Saudi Arabia would go a long way to help rural economic development, that they frittered away.

4-H Clubs Program Funding

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, "Learn to do by doing" is the motto of 4-H clubs. Hundreds of rural Manitobans will not "learn to do" under this government, because they have cut the bone of the education system. As a result, teachers are being laid off, schools are being closed. Secondly, they cut CareerStart, which will mean many of those young people will not have job opportunities this summer. They have cut, tragically, high school bursaries and post-secondary education funding in terms of student loans.

Now this government has even taken a stab at 4-H. On November 6, 1989, the Minister of Agriculture said, and I quote: 4-H helps our youth

meet the challenges of today and trains them for being the leaders of our community in the future.

I am glad to see the government of the day applauding that statement, because now of course they will support me in urging the Minister of Agriculture to not do the cuts which he has done to all the program assistants in the 4-H program, therefore wreaking havoc in the 4-H program in the province of Manitoba.

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, the 4-H movement is an excellent movement for the youth in rural Manitoba. The 4-H movement is delivered by full-time members of the Department of Agriculture, particularly ag reps or home economists. It is delivered to some 5,000 to 6,000 people, students or young people, by some 2,000 volunteer leaders. Those volunteer leaders, in conjunction with the full-time staff, can and will deliver that program.

* (1355)

In the past, a number of per diems have been in place to help assist that process. We believe it is time to get back to more of the voluntary commitment of the leaders, who can and will deliver that program in a very cost-effective way for the young people of the province of Manitoba, so that all of them will have available that program which has done such a good job in developing leadership for the future of Manitoba.

GRIP Program Information Line

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, another question to the Minister of Agriculture.

Nursing students at the Selkirk Mental Health Centre have been told, do not talk about your program having been cut. Educators at Red River Community College actually refer the phone calls to the Premier's Office. Now, we have one of the drafters of the GRIP program saying that he staunchly supports the use of a 1-800 information line to be used as a spy network so that farmers can report on other farmers.

Will the Minister of Agriculture assure this House that the 1-800 GRIP information number suggested by Mr. McAuley will not be used as a Orwellian Big Brother substitute and that this government will not apply yet another intimidation tactic upon the people of Manitoba?

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, the GRIP program has been supported by the farm community, by the farm organizations that are responsible for these farmers in the province of Manitoba.

Mr. Speaker, the 1-800 number is designed to give farmers information, but I will tell the House that some of the people who have been detractors of crop insurance and detractors of GRIP are saying, we want everybody to play by the rules. We want everybody to play by the rules, and I will say to any farmer that is concerned about that, if he plays by the rules he has absolutely no concern whatsoever.

Deadline Extension

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, obviously we have a new dictatorial big brother concept available in the province of Manitoba. We use it in China, you know, report on your neighbour about what your neighbour is doing. Surely to God this is not what is acceptable to this government.

Mr. Speaker, in light of that kind of statement from the Minister of Agriculture and in light of the fact that the federal government has recently made changes to GRIP, the provincial government has made changes to GRIP, will this Minister—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please.

Mrs. Carstairs: Thank you, Mr. Speaker. Will this Minister of Agriculture follow his counterpart in the province of Saskatchewan and extend the deadline for GRIP to at least the 15th of May? If it is possible there, it is possible here.

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, it is unfortunate the member casts aspersions on the farmers of Manitoba. We assume that every farmer plays by the rules and honestly—

Mr. Speaker: Order, please.

Point of Order

Mrs. Carstairs: On a point of order, Mr. Speaker, the Minister of Agriculture is imputing motives very clearly. No one cast aspersions on the farmers; we cast aspersions on the Minister of Agriculture.

Mr. Speaker: The honourable Leader did not have a point of order. It was a dispute over the facts.

Point of Order

Hon. Clayton Manness (Government House Leader): Mr. Speaker, I do not know if you ruled on the original point. If you have, I would like to bring up a new point of order.

Mr. Speaker: Yes, I did. On a new point of order.

Mr. Manness: That is that the Leader of the Liberal Party has obviously cast aspersions directly and fully admitted it on the record as towards the Minister of Agriculture. I ask her to withdraw it, as every honourable member should.

Mr. Speaker: Order, please.

Mrs. Carstairs: Mr. Speaker, I will withdraw when the Minister of Agriculture withdraws.

Some Honourable Members: Oh, oh.

Mr. Speaker: On the point of order raised by the honourable government House leader, the Chair did not hear those remarks because there was apparently some lack of order in the Chamber at that point. So I will reserve my decision for a future date after I have had an opportunity to peruse Hansard.

The honourable Minister of Agriculture, to finish his response.

* (1400)

* * *

Mr. Findlay: Mr. Speaker, the member raises the question about extension of the deadline. We have repeatedly said, if there is need to extend that deadline we will. We are actively considering that right now, but I will tell the member, we have some 350 members of the Department of Agriculture and the Crop Insurance Corporation out there actively holding one-on-one meetings with the farmers so they can analyze the agreement and make the voluntary decision as to whether to sign it. We will respond in the next few days if it is deemed necessary to go beyond the end of this month.

Cross Lake, Manitoba Bridge Construction

Mr. Oscar Lathlin (The Pas): My question is to the Minister of Northern Affairs.

The community of Cross Lake has been requesting this government for some time now to construct a bridge at the east channel of the Nelson River, and they have given many valid reasons why

such a bridge is required. For example, people who were being employed outside Cross Lake are limited to the hours, and sometimes they are not being offered the employment outside Cross Lake. Accidents happen because people are hurrying to catch the ferry.

My question to the minister is: Will this minister tell this House why he will not listen to the people of Cross Lake?

Hon. James Downey (Minister of Northern Affairs, responsible for Native Affairs): Mr. Speaker, Cross Lake is a very important community, one which is well known in northern Manitoba and has gone without a bridge for 15 out of the last 20 years, when his government was in office.

He and his government could not see fit to give those people of Cross Lake a bridge. That problem did not develop yesterday. I will ask my colleague the Minister of Highways, who is the minister responsible for highways and bridge work, to further respond, but let the member not leave this House to think that problem just developed yesterday. His government, which was in place for some 15 years, did absolutely nothing for northern communities.

Ferry Operating Hours

Mr. Oscar Lathlin (The Pas): Mr. Speaker, my second question is directed again to the Minister of Northern Affairs.

If the minister is not willing to fund the construction of the bridge, will he at least consider the community's request for a 24-hour ferry operation in Cross Lake?

Hon. James Downey (Minister of Northern Affairs, responsible for Native Affairs): Mr. Speaker, again let me tell the member that Cross Lake was one of the five Northern Flood Committee bands that got some form of settlement in cash advance from this administration which were ignored by the former administration of which he sits.

As far as the operation of the ferry, I would expect for the community to put a resolution forward to the Minister of Highways, who is in control of the ferry operations in northern Manitoba.

Mr. Lathlin: My final supplementary is directed to the Minister of Northern Affairs again.

If this minister is not willing to consider a 24-hour ferry operation as has been requested, will he at

least reconsider the cutting back of the ferry operation and reinstitute the 8 a.m. to 10 p.m. operation, instead of the 8 a.m. to 8 a.m., as this government has proposed? Will this minister finally listen to the Northerners, northern Manitoba instead of punishing them all the time?

Mr. Downey: Mr. Speaker, I understand that under the previous administration prior to our getting into government, in fact, the hours which the member referred to were in place. There was an extension of those hours over the last three years under this administration, but again we are all faced with very difficult decisions. We have to maintain the health care for those people. We have to maintain the education system and the family services.

Tough and difficult decisions have to be made. I am sure the decision that was made will have to be lived with, and if there are further concerns that will be raised, the Minister of Highways will have to deal with them.

School of Psychiatric Nursing Selkirk Closure Delay

Mr. Gregory Dewar (Selkirk): Mr. Speaker, last night I attended a meeting of the Selkirk Town Council, along with approximately 75 others who were there to express their deep concern over the closure of the school of nursing at the Selkirk Mental Health Centre.

At the meeting, the Town of Selkirk passed a resolution which I will table in the House today which decries a lack of consultation between the town and this government in the decision and implores the Premier of the Province of Manitoba to reconsider the decision to close the Psychiatric School of Nursing in the town of Selkirk.

My question is to the Minister of Health. Will this minister reverse his decision to close the school of nursing or at least postpone it for a year?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, we have had since the budget some substantial discussions with those involved with government's decision to consolidate the two schools of diploma psychiatric nursing into one in Brandon and build on the strengths of the education program at Brandon University.

We are in the process of establishing an implementation committee so that that decision of government can be carried out with the least

disruption to those involved, and more importantly, Mr. Speaker, to the significant advancement of the education of registered psychiatric nurses in Manitoba.

Mr. Dewar: Well, I can see why they call Selkirk the gateway to the North, because I guess we do not vote right there either.

Selkirk Mental Health Centre Funding

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

Mr. Gregory Dewar (Selkirk): Can the same minister tell the House why \$43 million is being put into a new psychiatric hospital in Winnipeg, which has been described as a planning fiasco, seriously flawed and a white elephant, while the Selkirk Mental Health Centre, which has been recently commended for its high standard of care in a central role in the development of mental health care in this province, faces cuts?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, if I was the MLA for Selkirk, I would not be standing in the House saying they did not vote right. Maybe my honourable friend the member for Selkirk knows more than the rest of us in the House do.

I simply want to indicate to my honourable friend that the question on the new psych centre at the Health Sciences Centre is a question that has been posed on numerous occasions. I could, if you wish, elaborate on previous answers.

Mr. Speaker, I hope that as we proceed with the planning with the federal government to establish a high-security forensic facility in Selkirk that my honourable friend will not follow the advice of, no doubt, people in the community who say that Selkirk ought not to have that facility.

Rural Manitoba Civil Service Layoffs

Mr. Gregory Dewar (Selkirk): My final question is to the Minister of Rural Development.

Does this minister consider cutting a reported 25 jobs at Selkirk in health care, Natural Resources, and Highways and Transportation a fulfillment of election promises to move jobs to rural Manitoba?

Hon. James Downey (Minister of Rural Development): Mr. Speaker, I think it is very clear

that this government has made a policy decision where we would be in fact doing a major decentralization program of which there was a slowdown in that process during the Estimates process.

There were, as the Premier indicated recently, some 44 positions which were affected by the budget, leaving some in excess of 500-and-some jobs, of which 250 have already been decentralized. Additional announcements will be forthcoming very shortly as it relates to the overall decentralization program.

ESL Programs Funding

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, my question is for the First Minister.

Yesterday in the hallway, the Minister of Education (Mr. Derkach) told a number of reporters that while funding for the ESL training through the school division has increased by \$200,000 from '89-90 levels, the province saved more than \$270,000 by cutting support to ESL programs offered at Red River.

Mr. Speaker, that is a \$70,000 net loss to the ESL program. Shortly prior to this, the Minister of Culture, Heritage and Citizenship (Mrs. Mitchelson), before over 1,000 people who attended regarding a rally on ESL, had said, and I quote: We in the province are not cutting back on ESL training dollars and programming dollars.

My question to the Premier is: Which minister is telling the truth?

Point of Order

Hon. Clayton Manness (Government House Leader): Mr. Speaker, I ask you to have the member withdraw the imputation behind the question. When he calls into question truth, he is indicating in essence, somebody is not telling the truth. I say to the member, that is highly out of order and I ask him to withdraw it.

Mr. Steve Ashton (Opposition House Leader): Mr. Speaker, for the government House leader, I would quote from Beauchesne's, page 148, where it says that not telling the truth is parliamentary.

Quite frankly, I think we are going to be hearing a lot from the opposition members in tracing this government over the next period of time, and I

appreciate, Mr. Speaker, if the government would not try and get up on a point of order—

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

* (1410)

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Hon. Gary Filmon (Premier): Mr. Speaker, I invite firstly the member for Inkster and all members to get into the detail of the Estimates during Estimates, because as I indicated yesterday -(interjection)- the member for Osborne (Mr. Alcock) wants to debate it. He will have ample opportunity. He does not have the courage to stand up and ask questions. He sits and babbles from his seat. He will have the opportunity to debate it when we get into Estimates.

The reality of the issue is that there are funding implications from Ottawa. There are flow-throughs this year and direct payments this year that were not there in previous years. Other years we had to show both the federal and provincial funding. Because of all of that, I do not want him to get confused. I want him to have the opportunity to ask the questions thoroughly.

I will tell him and I will tell him very straightforwardly, Mr. Speaker, that between the '89-90 budget year and the '91-92 budget year, there has been an increase in provincial government funding to ESL, to the combined ESL of both the combination of Red River and Winnipeg No. 1, an increase in excess of \$200,000, in excess of 20 percent by the Manitoba government. That is fact. That is reality.

We will explain the numbers. We will explain the effect of federal government funding in each and every one of those years, but there is absolutely no question that the provincial government funding between '89-90 and '91-92 has increased in excess of \$200,000 and in excess of 20 percent.

ESL Programs Funding

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, talk about confusion. One minister says one thing; the other minister says another thing. I would suggest that the Premier is the one who is confused, and he should be sitting down with his two ministers and clarifying the whole issue.

Time after time, when I meet different multicultural representatives, the single biggest issue that they

bring forward to me is English as a Second Language.

Mr. Speaker, my question to the Minister of Culture, Heritage and Citizenship is: Does the minister support the comments today that she told over 1,000 students just over a month ago?

Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Citizenship): Mr. Speaker, absolutely. I will indicate to you that I said—I cannot believe that the member for Inkster would sit in his seat and indicate that there is going to be no ESL programming for adults in the province of Manitoba.

We have made a commitment of \$1.3 million from this provincial government for adult ESL programming in the province of Manitoba, and I am not ashamed of that.

Mr. Lamoureux: Mr. Speaker, I did not say that. I said what the Minister of Education said and what you said—

Mr. Speaker: Order, please. The honourable member is debating an answer that was previously given.

I would ask the honourable member for Inkster to kindly put your question, please.

Mr. Lamoureux: Mr. Speaker, given that communication is a basic tool to contribute to our society and by cutting programs they are denying citizens full participation, how can new Canadians contribute in an equal way when the ESL program is in fact being cut, according to the Minister of Education (Mr. Derkach)?

Mrs. Mitchelson: Mr. Speaker, I think it is absolutely despicable that the member for Inkster would stand in this House or would tell those new Canadians that this government is cutting funding to ESL funding when the records shows and the fact of the matter is that two years ago we put \$1.1 million into ESL programming in the province of Manitoba, and in this year's budget we have \$1.3 million for adult ESL programming.

It is absolutely unconscionable that he would indicate to new Canadians, who have difficulty understanding that there is more money in the program today, not less.

Churchill, Manitoba Regional Employment Services

Mr. Elijah Harper (Rupert's Island): Mr. Speaker, my question is for the Minister of Government Services.

Over a month ago I asked the minister to cancel the renovations to the Churchill high school, involving the move of Natural Resources and Employment Services into the space occupied by the school. I ask the minister, why did this minister proceed with the move, since his colleague has now closed the employment office, laying off an 18-year veteran and depriving the area residents of employment services?

Hon. Gerald Ducharme (Minister of Government Services): Mr. Speaker, I got back to the individual the next day. I gave him the information, that myself and the Minister of Education (Mr. Derkach) would be addressing the position with the local school board and the people involved. They have worked out a very good settlement amongst them in that particular area, and we have compromised and gone along with a solution that satisfies 99.9 percent of the people in that particular area.

Regional Employment Services

Mr. Elijah Harper (Rupert's Island): My question is to the Minister of Family Services.

We received a letter from the Premier indicating the—praising, of course, the move of the minister's. I want to ask the Minister of Family Services why he did not inform his Premier and the Government Services of the move, since it is going to cause unemployment and not provide the services to the people in Churchill?

Hon. Harold Gillehammer (Minister of Family Services): Mr. Speaker, we have made some decisions with the regional offices, and in a number of cases, we have downsized those offices. The situation in Churchill will be taken care of out of the regional office in Thompson.

Social Assistance Northern Manitoba Statistics

Mr. Elijah Harper (Rupert's Island): My supplementary question is to the same minister.

Can the minister tell this House how much he anticipates the welfare costs will be in northern Manitoba as a result of the closures of the

Employment Services offices, cuts to the CareerStart Program and the elimination of Northern Youth Corps?

Hon. Harold Gillehammer (Minister of Family Services): Mr. Speaker, the member is no doubt aware that we have seen an increase in the budget to Family Services. The social allowance funding annually is reviewed, and we did put in place a 4.5 percent increase in social allowances. We have reflected that in the budget.

As for the details he seeks today, these will have to wait until the Estimates process, when we get into further detail on those areas.

Wards Boundary Review Committee Member Fees

Mr. James Carr (Crescentwood): Mr. Speaker, I have a question to the Minister of Urban Affairs.

We want to be among the first to congratulate the minister for changing his position completely and coming to his senses and withdrawing the task of drawing the electoral boundaries for the city of Winnipeg away from the politically appointed committee, invested now with the independent commission where it belongs.

Since the Ross committee's mandate has been reduced significantly, will the minister now cut the \$20,000 in fees he is paying to the members so that it will more accurately reflect their reduced workload?

Hon. Jim Ernst (Minister of Urban Affairs): Yes, Mr. Speaker.

Budget Wards Boundary Review

Mr. James Carr (Crescentwood): Mr. Speaker, I can hardly react to all of the co-operation coming from the Minister of Urban Affairs.

My supplementary question to the minister is: In light of the fact that there will be reduced fees paid to members of the Ross committee, can the minister explain to the House why there is a \$90,000 item in the budget tabled by the minister only a week ago for the Wards Boundary Review Commission?

Hon. Jim Ernst (Minister of Urban Affairs): Mr. Speaker, obviously the budget was printed some time ago. The Minister of Finance (Mr. Manness) tabled it in the House last week. The

announcement was made only yesterday with regard to the decision of the government with respect to the boundaries commission.

Mr. Carr: Mr. Speaker, the fees paid to the members of the Ross committee totalled \$20,000, and the budget item I referred to is \$90,000.

Could the minister explain the \$70,000 difference?

Mr. Ernst: Mr. Speaker, the \$90,000 figure in the budget, and we will get into that in Estimates if the member wishes, although it is somewhat redundant at the moment, the fact of the matter is, there are public hearings required, there are extensive advertisements in newspapers as prescribed for when the boundary changes take place, which would amount to almost \$50,000 of the \$70,000 he refers to.

Civil Service Layoffs Dauphin, Manitoba

Mr. John Plohman (Dauphin): Mr. Speaker, the minister responsible for decentralization announced proudly just a little over a year ago that communities across this province would benefit from a new approach, a decentralization, and then his program promptly collapsed like a house of cards around him, a good idea turned sour as a result of this government's bungling, mismanagement and incompetence insofar as the whole process of decentralization.

* (1420)

One year later we see, Mr. Speaker, less than one-third of the jobs actually decentralized across this province, and they are trying to salvage something in this budget by placing \$5 million as a PR budget for decentralization while spending \$20 million to cut 1,000 positions from the Civil Service.

I ask the minister of northern development, the minister responsible for decentralization, if he can give the precise figures for those positions that have been decentralized and how he can rationalize cutting 11 positions from the town of Dauphin when they have not even received the positions that he said they were going to get as a result of decentralization just one year ago?

Hon. James Downey (Minister of Rural Development): Mr. Speaker, let us put into context the whole difficulty that the government has to face because of the mismanagement of provincial

monies over the last six years of NDP government. Let me make it very clear that there was a commitment made to rural Manitoba. There is a commitment been lived up to to rural Manitoba as it comes to decentralization. There will be a continued ongoing process of decentralization announcements that will be made as the House progresses, and those commitments will be lived up to.

Mr. Plohman: Mr. Speaker, we have no answer from this minister. The fact is he has just cut 11 positions, and the Minister of Finance (Mr. Manness) said they would love it in Dauphin. That is what he is on Hansard yesterday, that they love it in Dauphin.

I ask this minister, will he now admit that the people of Dauphin would be better off if he would have kept his \$5 million and let us keep the jobs that we had before decentralization, that in fact we will be net losers as a result of his policies?

Mr. Downey: Mr. Speaker, let me make it very clear. I think the people of Dauphin, I think the people all over Manitoba will be better off for the budget which this government has introduced for the people of Manitoba which, in fact, is coming to grips with the overexpenditure of government. The fact that we have frozen the taxes, the personal income taxes, held the line on basically all taxes, I think is good news for the people of Manitoba.

I am expecting your support, Mr. Speaker, in the next week in this vote.

Mr. Plohman: Mr. Speaker, this minister is not telling the whole facts when he says they have held the line on taxes. They have caused tax increases in the municipalities for policing costs, for education costs, for roads costs, for engineering and in construction and water resources, all of the offloading that have been as a result of this minister's policies.

Parkland Region

Mr. John Plohman (Dauphin): I ask this minister, how many more jobs have been cut from communities in the Parkland as a result of this budget, contrary to the decentralization so-called policy that this minister brags about?

Hon. James Downey (Minister of Rural Development): Mr. Speaker, basically there are some 44 positions as it related to decentralization

that were affected with the budget decisions. That is out of 620 positions, which I have indicated clearly, there are some 250 already moved to some of those rural communities.

Further announcements will be made. I think, Mr. Speaker, that the members will be very pleased when they hear them.

ESL Programs Reinstatement

Mr. Dave Chomiak (Kildonan): Mr. Speaker, I admired the Minister of Education and Training (Mr. Derkach), yesterday, who cleared up the inaccuracies of the Premier (Mr. Filmon) and the Minister of Culture, Heritage and Citizenship (Mrs. Mitchelson) indicating that a cut is a cut is a cut, and that students are not going to have the program at Red River Community College.

I am a bit distressed by the comments, today, wherein the Premier and wherein the Minister of Culture, Heritage and Citizenship indicated somehow that the members on this side of the House or the public or the 1,000 students were somehow wrong.

How will the Premier respond to the letter that is on his desk today from the Canadian Polish Professional Business Association asking him to reinstate the program at Red River?

Hon. Gary Filmon (Premier): Mr. Speaker, we have a good deal of information about the various programs that exist in ESL training. The training that is being done, generic language training and ESL, through Winnipeg School Division, one that I assumed that members opposite supported. They went out to rallies. They fomented troops out there and tried to create the impression—

Mr. Speaker: Order, please.

Point of Order

Mr. Steve Ashton (Opposition House Leader) Mr. Speaker, I would ask you to call the First Minister to order. It is definitely not in order to impute motives. If this Premier thinks that everybody who is upset with this government has been fomented by the opposition to go and protest against this government, he should get out of this building and talk to the—

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

The honourable First Minister, to finish his response.

* * *

Mr. Filmon: Mr. Speaker, they did shocking and shameful things, like trying to convince people that all ESL programming would be cut and all of that kind of thing. It was just a shocking example of the worst kind of politics that anybody can play. That is the attitude, that is the approach, that is the shameful way that New Democrats, particularly the member for Kildonan (Mr. Chomiak), try and do their job in this House.

Mr. Speaker, the reality of it is that we have made an increased investment in ESL training, that over a period of two years we have increased our investment by more than 20 percent, by more than \$200,000, because we believe that investment in ESL training is a good investment. It pays dividends for many years to come.

We will not respond to the misinformation, to the deliberate attempt to mislead people that members of the New Democratic Party are doing throughout this province in the multicultural communities because that, Mr. Speaker—

Point of Order

Mr. Speaker: Order, please. I would ask the honourable First Minister to withdraw the remark of "deliberately misleading." That is unparliamentary.

Mr. Filmon: Mr. Speaker, for the misleading, yes, I will withdraw the deliberate—

Mr. Speaker: I would like to thank the honourable First Minister.

* * *

Mr. Filmon: Mr. Speaker, I will say that we will not respond to the misinformation that New Democrats are spreading throughout this province and through the multicultural community. We will tell them the facts and that is that this government is committed to increasing funding to ESL, that this government has increased it by more than \$200,000 in the last two budgets, by more than 20 percent.

Mr. Speaker: Order, please. Time for Oral Questions has expired.

Nonpolitical Statement

Mrs. Louise Dacquay (Seine River): May I have leave to make a nonpolitical statement?

Mr. Speaker: Does the honourable member have leave?

Some Honourable Members: Leave.

Mr. Speaker: Leave.

Mrs. Dacquay: On Friday, April 19, I had the privilege of participating in an environmental kickoff to Earth Week at Minnetonka School. I was introduced to a unique recycling project which is truly a community-based initiative.

The community environmental action committee is comprised of students, staff, parents, school division trustees and officials. The initiative was driven by the Grade 9 Minnetonka students who wanted to encourage their peers to become more environmentally conscientious and more proactive.

This recycling program is a partnership between the community and one small private female entrepreneur. The recycling program, which takes plastic drink bottles, aluminum and steel cans, was set up with the assistance of B & D Recycling that provide the bins, collect the recyclable goods and then reimburse the school. The containers are located outside the schools to encourage all residents to utilize them. Coincidentally, this initiative has no infusion of public money. The program will soon encompass all schools situated within the boundaries of the St. Vital School Division.

I would like to congratulate the students and staff of Minnetonka School for their decision to donate all their proceeds to St. Amant Centre. I would also like to commend the community involved in this project and congratulate them for ensuring that Seine River constituency does its share to protect our environment.

* (1430)

ORDERS OF THE DAY

BUDGET DEBATE

Mr. Speaker: On the adjourned debate, sixth day of debate, on the proposed motion of the honourable Minister of Finance (Mr. Manness), and the proposed amendment of the honourable Leader of the Opposition (Mr. Doer), and the proposed subamendment of the honourable Leader of the Second Opposition (Mrs. Carstairs), standing in the name of the honourable member for The Maples, who has 33 minutes remaining.

Mr. Gulzar Cheema (The Maples): Mr. Speaker, yesterday when I started the debate on this fourth budget, I was discussing how the people all across Manitoba are feeling and their feelings about the country and feelings about the economy and depression. I reviewed the history of the 1930s and how the Depression affected hundreds of thousands of Canadians.

I think in a way we have entered that era of depression whether governments would agree or not, but the people out on the street know. There is not even a single street in Manitoba where you will not find a "For Sale" sign, where you will not find that people are not laid off. People are going for unemployment insurance. They are upset. Some people are leaving the province.

Mr. Speaker, as I said yesterday, many new Canadians come to this country with the hope for the future, for two basic things. They want to have a good economic future, and they want to have stability. Both of those things are missing now from this society right now.

As I pointed out yesterday, we have to make sure that the financial management is given a priority so that we can have funds available to fund the programs which are required to support our social network which is a very essential part of a society. It has almost become the major Canadian component that you have to have a good health care system, that you have to have a good social network and that you have to have the other factors which will help the poor, the underprivileged, and people who cannot speak for themselves.

Mr. Speaker, I was going through one of the statistics yesterday on what is happening in this country. In 1990 alone, there were 600,000 Canadians requiring emergency food each month, an increase of 30 percent from 1989. Forty percent of those needing food assistance are children. Right in Winnipeg we have one in three people, using emergency food, who have had only one meal or no meal at all the previous day.

Many food bank users are single parents, disabled, ill or elderly, and 25 percent of families needing emergency food support are working families. Mr. Speaker, that speaks for the economy. I think it is a very sad statement how people are suffering, and this government in this present budget has not provided a hope to improve the economy.

I think they cannot take pride in their budget, because as it was in the Speech from the Throne, I summarized the speech by saying there were no new initiatives, and it was not new. In this budget, to have economic growth, it is not there. I am not faulting the present government for all the mess, but you have to have a balanced approach. You cannot just be obsessed with only one thing and ignore the rest of society. At the same time, you cannot ignore a major population which is suffering because of economic depression.

Mr. Speaker, at the same time we have to be responsible and the responsibility must come from all members of this House to make sure that the issues we bring to this House are reasonable and are not overdemanding in expenditure. That can be done because we have to deal with the major areas of health care, social services and education.

Mr. Speaker, I want to take some time to discuss the health care issues which I have always done for the last three years. I will bring some proposals which I think will save money and we can spend money smarter. As we all know, we spent \$1.7 billion in Manitoba. That is about 33 percent to 34 percent of the provincial budget.

We, like the rest of the country, are also spending a lot of money in the institutional care versus the community-based care. The balance is missing, yet every government has said—even the present government has said repeatedly—we need a change. I was pleased to see that finally, what the opposition has been saying for the last three years, both the opposition parties, us and the NDP, they said we have been saying that combining the two departments have reorganization.

Finally, the Minister of Health has done it, and he should not be taking the only credit. It was by all the parties. The election campaign promises were made by all the parties. I think it is a very positive approach, and it will give a one-direction, unified approach so that we will have a system which will be more focused. It will save money in the long run.

We have to go more than that. We have to look farther to the future in terms of how we will take our health care from day to day onward. We have to have a plan which will deal with the acute problems now, and then the short-term problems, and then the plan for the long term. The short-term problems, we still have in the hospital. We have the problems in the hospital; there is overcrowding; we have a

problem of a waiting list; we have a problem of a waiting list for most of the surgical procedures. Those things are there. Those things continue to exist because there has not been major progress in terms of having the long-term planning. That is why it is very crucial, and the Minister of Health (Mr. Orchard) does not have four years to do it, to have a plan for the next four years.

Mr. Speaker, I was saying, when the Minister of Health was not in the House, that the major step they have taken for the reorganization that was supported by us and that is also supported by the NDP, that was in 1988 and in 1990, both campaigns, I think it is a very important step. While you are taking that major step, we will have some problems, and on the way there are going to be difficulties.

I think we, as the members of this House, from all the three parties, have to be very responsible, be patient and make sure that we do not go for a short-term quick fix, because that will not solve the problem. It has not solved it. That is why we have so many problems, we have so many messes in the system, and one can go from one hospital or go to one personal care home or go to a shopping mall, talk to anyone, they will give you the outline of how many problems that are there.

What I said in the press today, that I think this is a positive step but the community participation is missing. I have not seen the full layout, but the community participation at the grass roots is missing. It is very important for each and every person to know how the money is being spent, and if they would know, they may be more cautious or they may have a different approach. I think that will go a long way to help.

The approach, which the honourable Minister of Energy and Mines, Jake Epp, took over the weekend is very irrational and illogical. I will explain to the Minister of Health why I say it is illogical, because if you add a \$10 fee for an emergency visit you will expect that the people of Manitoba, every person, has to be a physician to make their own judgment whether this cut is a small cut or a big cut, if it is a heart pain or a simple pain. Basically, you will delay the services. It will cost money in the long run, and you will not solve anything at all.

* (1440)

In the middle of the night, if a mother's child is having an earache, it could be a simple earache or it could be something else. If a child has a fever, it

could be many problems, so you would expect a person to make a major decision. I think that is the wrong approach. I think the approach we should take is spending smart, explain how the money is spent, how much money we are spending, and that may help in the long run. Eventually people will start thinking, as I said many times, it is not a free medicare system, we are paying for it. It is a very expensive health care system, and it will not get better until people have a real feeling how the money is being spent.

I think we would expect the Minister of Health (Mr. Orchard) to have some plan, have an educational way of teaching, and it could be done through seminars or through the various organizations, explain that it is not free medical care. It is paid by you. It is for the people, so please use it in the best possible way and make sure that we can preserve something for next year, because if we do not do it, it is not going to be there after a few years of time the way the money is going, where we are spending the money.

I think it is very important. That is why—it may be risky for a political party to do that, but when you have all the three parties supporting the basic concept of health reform, I do not think that any other Minister of Health in this country has the opportunity that this Minister of Health (Mr. Orchard) has to do it. That is why I said the community support, community participation and the grass-roots participation in the reform is missing, and that is very, very negative. It may come in the long run, but right now that part is missing.

Another aspect which is very frightening, which the Minister of Health has not addressed, is the total concept of Native health care. The ministers of any provincial government will say that it is not our responsibility. The federal government would say it is not their responsibility, because if you review all the treaties it is very vague. It is not very clear who is ultimately responsible, but the moral obligation has always been on the federal government.

In the planning right now, with the reorganization, the Native component is missing, because they have special needs. I am not saying that they are not covered by what we have today, but they have special needs, especially with the core area. There is a flow of so many Native people back and forth from Winnipeg and to the reserves. We are going to have those problems, because statistics are very, very clear for the Native health.

The Minister of Health knows some of the statistics which are very alarming. The suicide rate is three times than the national average. The prevalence of depression, alcoholism, violence is more common in the Native community than anyone else. So they need special programs, and that component could be part of the health reform and that is missing.

Right now our policy is very clear that the federal government will pay for the Native health care system, but eventually as we have seen for the social—ministry from the family services they are backing off. Ultimately they may do the same thing with health care.

I think that is why we have to have a plan to fall back on and make sure those people do not fall in the cracks. It is a 40,000 population in Manitoba. I had the opportunity of reviewing a lot of literature for how this system is being run, and I think it is about time that a major component in the health reform should be focused on that. That is why when the minister announced the policy of the mental health policy paper in January—and we support in principle all aspects, but not even a single line was mentioned about the Native mental health. That is very shocking.

I want to share some of the statistics with the Minister of Health, how this poor Native health has caused so many problems. These statistics are not political statistics they are realistic and taken from good research from a number of articles. I may even share with the Minister of Health where I am taking all the information.

I think it must have been happening that as I said the mental health problem in the Native community in terms of the suicide rate, the violent death rate, the alcoholism, depression, all those things are very common. They live in many small communities. The system is very much fragmented, and they do not have direct access, they do not have direct participation. The MSB, Medical Services Branch, has almost given up on Native mental health. It is almost nonexistent, not only in Manitoba but the rest of the country.

If you look at the literature you will not find a co-ordinated approach. It is very well-documented by the department of community medicine here. Dr. Posti and his colleagues have done tremendous work. They did a study in 1985 of a proposal by the first Indian nations and how to have the Native

health care system, but those things have just gone on unheard. Eventually, what we have seen with the Meech Lake and Oka crises, those things are going to come. Watch for it next year. All those issues are going to come back, that is why serious debate is required.

That is why I am surprised that some of the Native community, people who are in this House, are not asking serious questions: how to have all the reforms, be constructive, how you are going to solve all of these problems because without having particular solutions. Problems are not going to go away.

That is why I would request the minister then to look into the mental health aspect of Native individuals. It is a serious problem, it is going to get worse, and eventually the government will have to deal with it. That is why even when they are talking about the concept of Native self-government, that could be a complement, the major complement is health, but it will take a long time.

The Minister of Health (Mr. Orchard) knows the history and I am sure the member for St. Johns (Ms. Wasylycia-Leis), how, as of 1979 and 1986, many proposals have been made by the ministers on how to transfer health to the Native communities, but nobody is taken seriously because there are not enough resources. People do not have the expert opinion to deal with that system because Natives want control, but unfortunately right now they do not have the resources to do it. That is why, even if we start today, it may take 10 years to reform the system.

So I would ask the minister to have somebody from his department look at the whole aspect of combining—combining may not be the right word to say here—having a complement in the area of mental health, as well as the reform of Native health on the whole structure.

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

I think a number of things are going to come, not only just having a major complement, but you would need to change some of the regulations also. Right now we do not have a regulation in Manitoba which will make sure that the Natives will get their participation at the hospital boards. So some of the hospitals which are close to the Native communities do not have any representations, but that part is eventually going to come.

Next year when we are debating the whole issue of the Constitution, those things will come. I will caution the minister to ask somebody from his department, and I will share some of these statistics with him. I am sure the department of Community Medicine and the policy analysis branch, which the minister has initiated so well, will be able to play a major role.

Let me just go to another aspect of the problem we are facing and how it could be solved. As I said many times, spending smart, spending wisely, spending where it really counts is the—

Hon. James Downey (Minister of Northern Affairs): And not spending at all.

Mr. Cheema: The Minister of Northern Affairs, you were wanting to say—but I just wanted to put something good on the record, so please do not disturb me. I will lose my thoughts here, because I am putting all the suggestions of what we think should be done, and you have four years to do it, so give us the opportunity to do it.

I think the other issue here is the total reorganization of the hospital services which is eventually going to come. The minister does have some of the primary reports, and the member for St. Johns (Ms. Wasylycia-Leis) did disclose one of the reports. I think it is going to be a major part, how to use the service in all the hospitals. You cannot have each and everything in the tertiary care in all the hospitals. It does not make any sense.

I think that approach must be a part of the reform of the system so that we do not have hip surgery in all five hospitals, for example. I am just giving an example; I am not saying just do hip surgery. I do not have the total resources to do all the research, but that is the common approach people would like to have. If you are getting transportation, say, from up North, if you want to go for a special surgical procedure, go to one hospital. Somebody coming from the North, it does not matter whether you send them to Seven Oaks or Misericordia or Concordia. The issue is not where; they just want something to be done. I think that has to be solved.

* (1450)

The other approach which is going to come is the early discharge from the hospital and making sure that the family's part is clear in that. It has been done in New Brunswick and Nova Scotia, where the families play a very important role in the patients' care. They spend more time in the hospital, and

they learn some of the minor things they can do at home so the patient can be sent home earlier. We saw during the strike that some early discharges were made. I am not talking about the critical care, just the minor things the family could play a major role at the hospital level.

That is why community involvement in the reform of the health care system is not an option; it is a necessity. Eventually, it is going to come; whether it comes during this four years or the next four years, it will. People will not stand by because when they see the system falling apart they want to participate, and I think it is politically wise to get them involved, seeing what we have here. That is our health bank balance you want to spend. How are you going to spend it? They will think twice how to spend it. This is very important in terms of community involvement.

The other issue in the hospitals that is going to come is consolidating some of the surgical programs. As I said earlier, especially the cardiac surgery, whether you need two hospitals or you need one hospital, I think that decision has to be made by the minister in consultation with the Department of Health and see which is economically possible. It has to be a cost thing; one must attach the economics with health care. Just stand up in the House or stand outside the House and say, let us do everything possible. Every part of the health care system is costing, so we have to centralize some of the services. That is not an option; that is a necessity of the 1990s.

I think we can even go further. One step is that some of the major surgical procedures such as liver transplants are done in Ontario. What is wrong with that? If we have one or two or three patients, it is less expensive to send them somewhere else rather than do it here. I think that aspect is going to come, and I think the minister is moving and probably he has good advice from all the community involvement that they want them to move.

As I said last year, health care issues will be debated very heartily, but somebody has to come with smart ideas that are sometimes not politically popular; but the rational approach with community involvement and getting support from the rest of the members, it will not be a tough job. We are never going to make a noise when things are right, but at times we may have to do it to make the things sharper or make them better. I mean, we are not perfect, but we can give everything possible.

I want to discuss the other option, which is I think extremely important, that we recognize individuals from each and every category, if they are a good sportsperson, if they are contributing for the economy, if they are doing good for the school system. In the health care, we should do that, start at school levels, talk about prevention, start positive rewards, just a recognition that people should be more health-oriented. They should think positive. They are doing things right, like the program started I think, the bill brought by the member for Concordia (Mr. Doer), the antismoking bill.

I mean, that is one of the best things that happened in the last session, and those are the positive things. People would like to see those things, but the recognition of us to the students, their teachers who are teaching about health care, physicians, the other professional staff, it is a must. That was done in the 1950s in Ontario. It was very successful. People were very happy to participate, and I think that is not being done.

We have to make sure that those positive suggestions are followed, and that will promote the community participation. That is the one way of telling people that we are serious about the health care business, we are serious about the health care, and at the same time we are worried and we want their participation. I think that could be done through that part.

I think the whole concept of health promotion and prevention has to be the cornerstone of the health care in Manitoba and the rest of the country. The European countries are doing it. The Third World countries are doing it. I think that must be a major component, and that component must start from the school level. It must start from every aspect of life, start at the workplace, schools, playgrounds.

I mean, we are not even given a single day here to talk about the prevention, how things can be prevented, how we can save money in terms of the prevention of all the diseases like arthritis, ischemic heart diseases, diabetes, so many things they can get so much better, and they can save money in the long run. That aspect must be a major part of the health reform, and that part is still missing.

The minister said the other day when I raised the question that they have cut the funding for the promotion branch, but the minister gave assurance that the money is going to come from private sector, who wanted to make sure that those funds are

provided, because just having one announcement is not going to do anything.

In a practical sense, spending money now on the prevention is not going to save us money right away, in the next year or the year after. It will save money in five or 10 years. Then the beneficial effect of the policy will come to the people of Manitoba, not particularly to a single political party, because you never know what is going to happen in two or three or four years time. I think prevention has to be a major part of any health care reforms.

Madam Deputy Speaker, the other aspect which is very important is the education at the post-graduate level for the various professionals to make sure that we have enough individuals to provide all these services, for the nursing care, as the physicians, as the physiotherapists, occupational therapists, mental health care workers. That team must be given the right opportunity to get training in Manitoba, and that can be only provided if we have a long-term policy.

By cutting some of the funding, what the government has done recently is not going to be very helpful. The shortage of professions is going to be there no matter what we do, but still we can try. If you train individuals in Manitoba, it is easier to retain them rather than to bring them from somewhere else.

The other issue which the Minister of Health (Mr. Orchard) I think is discussing—as I have seen from some reports and other ministers are serious—is to consolidate some of the programs. It may not be possible to have each and every program, but it certainly is possible to have a few programs in each province in a high specialized area so that we can at least have those specialists to come back and work. It is a practical and an economical approach and, therefore, it should be a part of the health care reform.

Madam Deputy Speaker, one area which I will not go into very much detail on and which has been said repeatedly is the mental health, and we are very pleased with all the reforms. As I said and I want to say it again on the record that I think every minister has a legacy, and they are remembered for a few things. The Minister of Health (Mr. Orchard) will be remembered for two things. I said earlier, it is mental health reforms as well as the health policy initiative branch which they have established.

Madam Deputy Speaker, the whole issue of the very special population which has to be addressed is the issue of the seniors. We have 12 percent of population which is at the age of 65 above, their needs are going to be increased eventually. By the year 2020, we are going to have a number of problems. I think planning will be required now on how to deal with all the areas of the health aspect for the seniors.

We are going to have improved home care services or modified home care services, whatever you want to call them. You are going to have modified personal care homes with their connection with the community or a day hospital, but those things will change. The governments have responsibility to have a long-term plan, because that population is not going to go away anyway, they are going to stay. We might as well plan for that.

Madam Deputy Speaker, I have a lot of things to say. Unfortunately, my time seems to be up. I have not even touched some of the other economic factors, but I would end up by saying that we have two major issues to deal with—the economy and the deficit control. Both things are very important to give us a source of income to fund all the social networks.

* (1500)

The government should have a balanced approach. Let us not be obsessed with one thing and ignore the other and have long-term planning for health care. We will support the minister, and we will continue to have these positive suggestions put forward. Thank you.

Mrs. Shirley Rønder (St. Vital): Madam Deputy Speaker, this is my first time speaking on the budget. I am pleased to have the opportunity, because I believe that the budget reflects the financial realities of Manitoba. I am proud to be a part of a government which has the courage to look beyond the short-term political gain and looks instead to what is going to be best for Manitobans in the long run.

Madam Deputy Speaker, as you know we face some very negative factors. The unprecedented combination of reduced federal transfer payments, the slumping tax revenues and the spiralling debt costs of our long-term debt, and having to work within those kinds of parameters when preparing the budget was not easy.

The actions taken the last time this province experienced a recession resulted in a massive increase in the provincial debt and interest payments which are crippling us now. Madam Deputy Speaker, I am sure you know that in the last decade, this government or the government has spent approximately \$3.5 billion on interest payments alone. Today, interest costs are pegged at about \$550 million. Those figures are really too huge to appreciate, so I would really like to bring them down to a level that we can all appreciate. Today, 45 cents out of every one of your tax dollars and mine goes towards the interest payments alone. This figure is unacceptable to this government.

This government realized that it had to look for new ways to put Manitoba back on an even financial keel, and the first conclusion that we came to was that Manitobans have all the government that they can afford and that it was time for us to live within our means. Last week, the Minister of Finance (Mr. Manness) echoed this thought when he introduced the provincial budget.

Madam Deputy Speaker, I have to tell you that, in the six days since the budget was brought down, I have not heard a single complaint. Well, maybe I should qualify that because actually I did hear a couple, and that was that we had not made enough cuts. As members know, people are very quick to phone us if they have a complaint, but when I receive not a single solitary phone call complaining about the budget, I took that as an indication that, for the most part, Manitobans agreed with our approach, that they, like the government, realized that the time had come to live within our means and that it would have been financial suicide in the long run if this government had tackled the recession simply by borrowing more money and creating artificial jobs.

Madam Deputy Speaker, Manitoba is at a critical point in its development. We must implement the fundamental changes necessary to facilitate strong economic growth in the future. Manitoba has the potential for a prosperous future. However, to realize this, we must take control of our destiny now, and that will be through a process of economic renewal. Our objective, therefore, was to design a budget to assist in economic renewal, in other words, to provide for a more competitive business climate that will encourage investment and true job creation.

It should be noted, however, that government's proper role in economic renewal is as a catalyst, encouraging both private and public companies to raise their aspirations. However, government must first create an environment which will foster economic renewal and government must, first and foremost, put its own house in order.

Now, these were some of the underlying principles that we worked towards in developing the budget, and dealing with the budget was not simple. The legacy of debt and uncompetitive taxes, which we inherited, meant that we had to come up with new solutions if we were going to stick to our policy of living within our means. I would like to focus now on the three main thrusts that form the basis of our fiscal strategy. The first is internal reform, and that is a long-term strategy which asks such questions as: Are there more efficient ways of delivering government programs or are there services or programs which are no longer essential? Are we duplicating programs which are being offered elsewhere, and with specific reference to education and training, are we responding to the needs of industry and business?

Internal reform has already resulted in a major saving in government communication resources, finance and administration and executive level support. We have \$4.4 million right here that we have already saved, and dollar savings are not the only positive results. In the Department of Health, for example, the reduction of administrative and middle-management positions has also meant that more tax dollars are available to spend on protecting and improving health care. In other words, innovations and service delivery means that a larger proportion of our tax dollars goes towards actual services instead of administrative overhead.

The second main thrust is a revised Estimates process. What this means is that government can make decisions about taxes and the deficit first, and then make the decisions within the limits of what the province can afford. I think this makes sense, and I think it is also one of the reasons why Manitobans have accepted the budget, because it is the way that responsible people run their own household finances. By that I mean, within our own household budgets, most of us accept the fact that we cannot have everything, that we have to make decisions on what we want and what we absolutely have to have.

In other words, we have to prioritize, and that is what the revised Estimates process does. Here

again, the government took a new approach, a common sense approach, I might add. In the past, each department has worked alone in putting its budget together, with little or perhaps no thought about what might be happening in other departments.

Now, to overcome this, I suppose you could call it an isolation kind of approach, we developed four broad sectors in which were grouped departments which already had common links among them. Sectorial committees composed of deputy ministers were asked to take a corporate and government-wide look during the Estimates review process. These committees categorized programming within each sector on the basis of priority and commitment and then developed the 1991-92 plans for the sector based on targeted expenditure levels. These plans were then presented to other committees, which were made up of the ministers within each of the envelopes or sectors, and then these plans finally went to Treasury Board for review first and then approval. I should mention that the four sectors are human services, management reform, community development and sustainable development.

The third thrust that we took was the public sector wage negotiations. Wage settlements have a huge impact on government costs. In Manitoba's case, salaries make up about 80 percent of the costs in most areas of government services. Thus, it is not a cost that we can ignore. Neither could we ignore the fact that our first responsibility is to the taxpayers of Manitoba. We knew that we had to ensure that we were spending their tax dollars wisely and keeping the overall cost in line with revenue.

As for government services, what we wanted to do here was keep services affordable, and we also wanted to preserve jobs. Now, the only way we could accomplish this was to make sure we were not keeping programs which were nonessential or perhaps redundant, nor paying wage settlements which we could not afford. Therefore, to avoid settlement-driven layoffs, we asked government employees to accept a zero percent increase this year and a 2 percent increase next year so that we could stretch our dollars farther. The bottom line to our thinking was that we had to keep our finances under control otherwise it would be our creditors and not the people of Manitoba who would be setting this province's agenda.

A primary question we asked, when beginning the budget process, was not how much new money do we put or do we sink into each department, because that assumes that just putting more dollars into a program automatically means improving the services or providing a better program. While that can be the case, unfortunately, it is not always the case. Instead, we asked the question, how much government can Manitobans afford? We also knew we had to keep taxes down, and in the last two elections, Manitobans have made it very clear to us that keeping taxes down is a priority.

To the potential investor in Manitoba or to the business person, taxes were also a very crucial factor. Our government recognizes the importance of competitive taxes to achieve Manitoba's full economic potential. Our aim, therefore, was to move Manitoba's taxes closer to those of other provinces in an effort to make Manitoba more attractive to investors. Therefore, this budget, we did not increase the personal income tax; we did not increase the retail sales tax; we did not increase the corporate income tax; we did not increase the corporation capital tax, nor did we increase the payroll tax, and we did not harmonize the GST.

* (1510)

Now the budget also provides for economic incentives aimed at stimulating mineral exploration, promoting the creation of new small business and encouraging employee ownership in business. I would like to expand a little bit on the concept of employee ownership.

This government is working with the Manitoba Federation of Labour on the start-up of a government-labour sponsored employee ownership fund. This fund will provide incentives to facilitate transfer of broad ownership of Manitoba companies to employees. In other words, it will help Manitobans take advantage of the opportunities that arise to take an ownership position in their companies; that is not only saving jobs but likely creating jobs.

Now, Madam Deputy Speaker, this is a very innovative plan, and it is worth noting that if this plan had been in place when Paulin's closed its biscuit plant a number of months ago, its Winnipeg employees might still be working there. In fact, even the press and labour appeared to be impressed with the implications of this approach.

Just a couple of days ago in the Free Press in an article it said, and I quote, in a ground-breaking step the Filmon government is setting aside \$2 million to help employees take over companies threatened with closing.

An Honourable Member: Where was that?

Mrs. Render: In the Free Press just a couple of days ago, and in the same article the president of the Manitoba Federation of Labour is quoted as saying: This is the first plan of its kind anywhere in the North American market. So, Madam Deputy Speaker, I think we have really shown that we are looking at new and innovative ways to tackle the problem.

Now another economic incentive was the continuation of the payroll tax credit for employee training which had been introduced in the 1990 budget. Here employers who are prepared to improve their worker skills are able to reduce their payroll tax rate to 1.95 percent, which I think is the same as that of Ontario's and well below that of Quebec's. Now I think this is a very necessary incentive, because it encourages business to take the responsibility of putting their own training programs in place and ensuring that their employees have the opportunity of increasing their skills and thus their future incomes.

I have talked about some of our economic initiatives, and I would like to turn now to our spending priorities for 1991-92. Regrettably though, I have to say that before any decisions could be made on where money should be directed for programs and services, we first had to allocate about \$550 million just to pay the interest on past borrowings.

An Honourable Member: Shame.

Mrs. Render: Yes, that is a millstone that will likely limit our flexibility for some years to come. However, as a result of very careful choices throughout the budget process, overall spending will be increased by only 3.2 percent or \$160 million. Now where has some of this money gone to? Well, this government has stated repeatedly that priority services of Health, Family Services and Education would be protected, and a fact that was supported by the budget. We did increase our spending in each of these priority areas.

Now take Health. Health received an increase of \$90 million, a remarkable achievement I might add when you consider that we lost \$30 million in federal

cash transfers for Health and higher education. Health's total budget is now \$1.76 billion. Now the areas receiving most of the major increases include hospitals, personal care homes, home care and Pharmacare.

Family Services received the second largest increase, and that amounted to an additional \$37 million to its budget. Its total budget is now over \$571 million. The areas receiving the major increases here were in social allowance benefits, funding for Child and Family Services agencies and the maintenance of children.

Education and Training received an increase of \$23 million, bringing its total budget to \$956.5 million. The areas that received the major increases here were schools and universities.

Now I would like to take a minute just to talk about the community colleges, because I think there are a few individuals who seem to be missing the boat on what we have done here.

What we did was look at the courses offering the greatest job potential upon graduation. We looked at student enrollment numbers and graduation rates. What we wanted to do was identify the most worthwhile courses. This had to be done to keep our community college course offerings in step with the needs of business and industry.

What we tried to do was remove inefficient duplication of courses or courses with extremely low student interest or low enrollment or courses that really offered no prospect of employment when the student graduated. On the other side of the coin, Madam Deputy Speaker, we also discovered that there were no courses or perhaps inadequate courses being offered in areas that industry and business desperately needed, in particular in the avionics and computer fields.

I would say that yes, this government is very definitely looking after the needs of our children.

An Honourable Member: Today's announcement even reinforces that.

Mrs. Render: Yes, today's announcement does reinforce that.

I should also add that a number of changes will be made to the Manitoba student financial assistance program. Close to \$1 million will be added to reflect the anticipated tuition fee hikes at colleges and universities, and it will also provide for

a 3 percent increase in the living allowance for single-parent students.

The budget did not stop just with priority services. There was also a major farm insurance program, a continued commitment to highway infrastructure and a funding increase for the Department of Environment. These all highlight spending in the sustainable development sector of the Manitoba government.

I would just like to zero in on that for a minute. We budgeted \$43 million for GRIP, the program designed to help Manitoba farmers cope with record low grain prices. For the third consecutive year, highway construction will exceed the \$100-million mark, and a \$5-million commitment to decentralization highlights the community development sector spending. As we all know, decentralization will bring a much needed economic spark to where it is needed most.

While many vital initiatives received additional funding, many departments and programs received no increase or a reduction in funding. This move is in line with our government's commitment to spend what we have better.

We identified priority services and we ensure that they were protected. We examined the services Manitobans want government to provide and those that Manitobans need government to supply. As a result of the internal reform process, reductions in overhead and administration and the trimming of lower priority programs, the budget called for a significant reduction in staffing of some 958 positions, about 5 percent of the provincial Civil Service. This will result in actual layoffs of approximately 375 to 450 full-time civil servants through a combination of early retirements, normal attrition, re-employment and work force adjustment incentives.

Associated with those decisions, Madam Deputy Speaker, we are taking steps to mitigate the impacts on our employees and their families. Employees subject to layoff are provided with an enhanced severance assistance package including 18 weeks of notice or pay in lieu of notice. Additional incentives exist for employees choosing to sever their employment immediately.

We tried very hard to minimize any negative impact of this budget on Manitobans, while striving at the same time to make government more

effective, more efficient and more responsive and accountable to the people it serves.

I would just like to wrap up by saying that this budget avoids major tax increases, keeps our deficit to a manageable level and, most importantly, ensures that our limited tax dollars are spent on the highest priorities. I believe that we made the responsible, unavoidable decisions we had to make, and the budget continues our efforts to provide the foundation for growth and prosperity.

Ms. Judy Wasylycia-Lels (St. Johns): Madam Deputy Speaker, I am pleased to be able to participate in this debate, one of the most serious debates in recent times in this Legislature, and put on record the very grave concerns that we in the New Democratic Party have with respect to this budget and this government. Our concerns cannot be stated too strongly.

Our motion of nonconfidence is presented to this Assembly in all seriousness, reflecting the gravity of the situation. In our view, there has been nothing more serious and devastating for the province of Manitoba presented to this Assembly in recent times than this budget of the Minister of Finance (Mr. Manness) presented one week ago today to this House.

* (1520)

Madam Deputy Speaker, I find myself in the most interesting position of following two speeches that have put me in a most interesting position in terms of responding to this budget. We have just heard a speech from the member for St. Vital (Mrs. Render), who has in a most interesting way defended this budget using arguments around the family, community, young people and the future of this province, when this budget itself is a veritable unconscionable attack on the family, on community, on children, on young people, and a destructive force for the possibility of a bright future for the province of Manitoba.

The other speech that I am following is that of the member for The Maples (Mr. Cheema), who has left, I think, another very clear example of just how confusing Liberal policy and philosophy is. Madam Deputy Speaker, just one week ago today the member for The Maples said to the public through the media that this budget was totally unacceptable from a health perspective. His attack was clear, it was vociferous, it was without equivocation. He called it a deceptive budget, a less than honest

budget, a harmful budget in terms of the future of health care in the province of Manitoba, and today we learn that he has somehow in the space of just seven days bought the Minister of Health's (Mr. Orchard) line, bought into his bluster. He has been bamboozled by the usual trickery of the Minister of Health.

I am becoming very confused about Liberal policy. Where do they stand in terms of the future of this province? What is the position of the Liberal Party when it comes to universally accessible health care that is truly committed to reform-minded, community-based preventative health care? I am prepared to give credit where credit is due, and I will do so. I have done so in the past when decisions, positive moves, constructive policies are made by the Minister of Health (Mr. Orchard) and others, but I am not prepared to give credit to a minister for giving us nothing but rhetoric on mental health policy and on health care reform for the past three years without one example of action, without any evidence that he is at all committed to translating those words into action.

How can the member for The Maples (Mr. Cheema) give credit and commend the minister for exceptional action in two areas where there has been no action? I can only conclude that the member for The Maples has somehow been persuaded through the bluster and bamboozlement, hot air and double talk of the Minister of Health.

You know, Madam Deputy Speaker, on that note, there is for me several themes running rampant through this budget. First and foremost at the top of that list is the theme of double talk and double-cross. I have used those words in the House before over the course of this week in conjunction with this budget because we have seen example after example after example of double-cross and double talk from this Minister of Health and the entire government of Manitoba. That is one theme which does not lend itself very much to giving praise and speaking highly of this budget, and it is a theme I will come back to time and time again.

That is a theme based on style more than anything and it is serious, but even more serious than the question of less than noble intentions in terms of style is the question of substance and the very direct impact that this budget and the programs embodied in this budget will have for the people of Manitoba. On the substantive issues, on the serious issues embodied in this budget, I see

nothing but pain and hurt for a lot of people. For me, that is the kind of basis upon which we must judge this budget.

We cannot simply talk in terms of difficult choices, even if that means pain and hurt, injury and agony for thousands and thousands of people. Choices have to be made, and I will come back to that theme as well, Madam Deputy Speaker.

Finally, there is a theme throughout this budget that has to do with an ability of a government to plan, to predict, to prepare for the future to ensure a decent quality of life, a reasonable expectation about one's future, and that is especially important when it comes to young people. For me, on that theme, this budget can only be described in terms of being short-sighted and without vision, without any sense of what it means to preserve and protect a decency and a quality of life for future generations.

So on those three themes, I will come back to time and time again, and with those three themes one can only conclude that this budget fails and fails the people of Manitoba miserably.

I realize that it is not possible in this House to go much beyond saying something in terms of truth, something stronger than members and this government are not telling the truth. That is very much what I mean when I say this budget, and this Minister of Health and his colleagues are full of double-cross and double talk.

It has been said better than that though, Madam Deputy Speaker, and I wonder if members opposite know where this quotation comes from: It has been said that a Conservative government is an organized hypocrisy. Now, I wonder if members opposite, in the Conservative government, if they realize that came from a former Conservative Prime Minister of Britain, Benjamin Disraeli, who lived between the years of 1804 and 1888. Think about those words, a Conservative government is an organized hypocrisy. Those words just have never seemed more relevant than they are today in this Assembly when dealing with the Conservative government of Manitoba. I think and examples just come flying at me about how this Conservative government is an organized hypocrisy.

Let me just address this from the point of view of a few issues that I deal with on a day-to-day basis in the area of health care. Madam Deputy Speaker, as I said in the House this past week in Question Period, this government and members of this

government had been fairly clear about the question of medicare and the question of user fees and the question of charges in a system that had been founded upon universal access in equality, and I mentioned that it was on December 6, 1990 that the Premier (Mr. Filmon) stood up in this House and said, ". . . this administration is totally and completely opposed to user fees in medicare—period, paragraph." Yes, that was the Premier in December, not too long ago, a few short months ago.

* (1530)

The same message has been delivered by the Minister of Health (Mr. Orchard) on a number of occasions. I think there are a number of references I know were made during Estimates of the last session, but I was able to find one right off the bat. On November 20, 1990, the Minister of Health stated: "I have stated publicly in this House and I have stated in two successive election campaigns that we do not view the user fees that she proposes as being a solution to the health care system." So we have another clear reference on record in terms of the Minister of Health's views at one time about user fees.

Hon. Donald Orchard (Minister of Health): Why did you propose them?

Ms. Wasylycia-Lels: Madam Deputy Speaker, the Minister of Health (Mr. Orchard) has said, Why did I propose user fees? He knows full well that I did not propose user fees. I was asking the Minister of Health to clarify his position and the position of his entire government on the fundamental issue of user fees as it was at a time when his counterparts in the provinces of British Columbia, Alberta and indeed the federal government were contemplating publicly about the introduction of user fees. Not only that, the Minister of Health himself was quoted in the Brandon Sun several months ago as saying there may be a time when user fees are necessary.

Mr. Orchard: Dig up the quote, bring it to Estimates, if you dare. Right now. You will no longer be able to publicly tell a lie.

Ms. Wasylycia-Lels: Yes, I will dig up the quote. The Minister of Health (Mr. Orchard) would like me to. Madam Deputy Speaker, I do think the phrase "the member is telling a lie" is unparliamentary. Now if he had said "is not telling a truth", then I think he probably would have been within the orders of this House. I do believe that that word is

unparliamentary, but I am not going to make a fuss about that. I am not going to make a fuss about it, because I am getting used to the Minister of Health's (Mr. Orchard) tone in these kinds of deliberations. I do not really want to stoop to that level, and I would never say the same about the Minister of Health. What I am saying is that we have had a lot of double talk from the Minister of Health and the entire government, a lot of double talk.

One day, when it is to their advantage, during an election or in a minority government situation, they are prepared to be quite adamant about user fees, but the minute they do not have to worry about the electorate in their minds and do not have to worry about preserving delicate balances in a minority government situation, the true Conservative agenda comes out. That came out, Madam Deputy Speaker, loud and clear one week ago today in this Conservative budget, because one week ago today this government announced really the first user fee in Manitoba's health care system, dealt the first blow to a universally accessible system, did what their counterparts in Ottawa did not too long ago with the introduction of their budget and really are doing what they can to spell the death of medicare in this province and in this country as we know it today.

Madam Deputy Speaker, they introduced a \$50 user fee, a \$50 charge, on a selective basis. Some out there in the community, in fact, would argue that this kind of user fee is even more destructive and harmful than a user fee that is applied directly on services across the board, because it has targeted a part of our population, it has singled out Northerners in Manitoba, and it has denied access to services for a broad range of health care needs that are absolutely necessary for people to get on with their lives. This user fee applies on Northerners' ability to access the ability to get surgery for hip replacement, cataract surgery, CAT scans, EEGs, blood work necessary for a variety of cases, and the list goes on and on.

Madam Deputy Speaker, they would like to argue that this is not a user fee, but in the terms of all people who believe in medicare, in terms of the understanding of governments everywhere, this is a user fee in no uncertain terms. I think the Minister of Finance (Mr. Manness) should perhaps heed his own words and worry a bit about the possible impact of this kind of user fee. He stated in The Scratching River Post on March 18, 1991, in response to a question on user fees in medicare, Mr. Manness

said: If Manitoba attached a user fee, it would mean an immediate loss of dollars from the federal government. The federal government will not allow it. We will go another route first. We will have to remove waste and inefficiencies in the medical system. He goes on to say—this is quite interesting—a war is too important to be left to generals. So is medicare too important to be left to doctors and nurses, he said.

Pork producer Dave Milton added: Politics is too important to be left to politicians. I think that is a most fascinating quote, but the main point about this, Madam Deputy Speaker, is that even the Minister of Finance realizes there is a possible negative outcome over the introduction of this user fee. We do not know how the courts would interpret this user fee in the context of the Canada Health Act. We do know that it is a breach of one of the most fundamental principles of the Canada Health Act, that the principle of accessibility has been breached by this government. It may be that the people of Manitoba and the taxpayers of Manitoba will have to pay the consequences for this government flaunting the law and deliberately breaking a sound fundamental principle of The Canada Health Act.

Madam Deputy Speaker, that is one example of the kind of double talk and double-cross that we have seen from this government or, again to repeat that famous quote from that Conservative Prime Minister, that a Conservative government is an organized hypocrisy.

Another example of that kind of hypocrisy—and it is very organized, very organized indeed—has been the recent uproar and furor around the Minister of Health's (Mr. Orchard) decision to arbitrarily, unilaterally close the Selkirk School of Psychiatric Nursing. Double talk it is. In the Speech from the Throne and in the budget and in the subsequent press release, it is talked about in terms of consolidation. It did not take too long for anybody to figure out, especially the people directly impacted, that this was not a consolidation, this was the elimination of a school, the elimination of jobs, the elimination of educational opportunities, the elimination of important services for mental health patients in the province of Manitoba.

As I said in the House, it was on November 14, 1988, that this Minister of Health stood up in the House and said, the school for psychiatric nursing in Selkirk will not be closed. So just a few short years later this Minister of Health saw fit to totally

ignore his commitment of the past, do a little double talk and double-cross the psychiatric nursing profession in Manitoba, and close the school of nursing.

Now, Madam Deputy Speaker, in response to questioning on this issue, the Minister of Health has talked about a partnership; he has talked about consultation; he has talked about how he has acted on the wishes of those involved in the field. Well, it did not take too much searching to realize that this Minister of Health (Mr. Orchard) had once again used and abused the people in the community he said he was consulting with. In a tried-and-true trick of the Minister of Health, he sets up a working group as a partnership, two sides participating. Those two sides come up with an interim report to go back to their respective organizations for comment and feedback, but before that comment and feedback is in, the Minister of Health accepts the report or makes an interpretation of that report, because he certainly did not act on the recommendations of that report, and says it was done in the spirit of consultation. Now, where is the partnership in that? I do not see anything but double talk and double-cross.

That brings us to a more recent issue, and that, of course, is the question of multicultural health services. The Minister of Health (Mr. Orchard), as I said yesterday, stood up in the House on November 30, 1990, and said, he is probably more involved in the multicultural issue than any other issue. He talks about how the needs of the multicultural community and their challenges in accessing the health care system are significantly different, for instance, than previous waves of pioneers or immigrants who have pioneered this country, and on and on he goes.

Having said that, just a few months after that, he again without consultation, in a total arbitrary way, decides that one of the most significant multicultural health projects is not worthy of funding, not worthy of being continued and supported by this government even though it has been held up as a model project program in the entire country to the point where the participants here in this project fly to all parts of the country to put on courses and seminars. He has cut off funds to this group notwithstanding the fact that this organization services—and, Madam Deputy Speaker, let me be clear, I am referencing the Immigrant-Refugee Health Outreach Program of Planned Parenthood Manitoba.

This organization has been denied funds even though it provides all kinds of service, interpretation, counselling and training to people within the Manitoba government, to all kinds of departments, organizations and institutions within the Department of Health, Madam Deputy Speaker, and other departments indeed.

* (1540)

Mr. Orchard: Madam Deputy Speaker, I wonder, given that my honourable friend is on this particular topic, if she might take a minute or two from her address to answer a question that I would like to pose to her on this topic.

Madam Deputy Speaker: Does the honourable Minister of Health have leave to pose a question? (Agreed)

Mr. Orchard: In Question Period yesterday, the critic for Health for the official opposition said that I cancelled a meeting of my own advisory committee for this Thursday at six o'clock. Is my honourable friend prepared to apologize to the chairman of that committee who had to leave to attend to very serious health matters in his family in British Columbia and apologize publicly to him for making such a crass accusation without knowledge?

Ms. Wasylycia-Lels: I am not too pleased with the question because I think it is important both to clarify that particular part of Question Period yesterday and put it in a broader context. First of all, let me say that I was hasty in questioning the fact that this meeting had been cancelled assuming—and I made the assumption just given, I guess, my dealings with the Minister of Health to date. I made the assumption that this meeting had been cancelled because of the furor around the decision not to fund the Immigrant-Refugee Health Outreach Program. For that, Madam Deputy Speaker, I certainly would apologize to the chairperson of the minister's Multicultural Health Advisory Committee.

I would also ask, in that context, as do I think all members, including the chair of that advisory committee, why was not the minister's own Multicultural Health Advisory Committee consulted about a decision that impacts upon them most directly and for which they have probably more expertise than any other group in society? Why did the minister and this government not consult with an advisory group, if that is what it is, about the worthwhileness of this project and about the sense

of cancelling such a successful and significant program?

Also, Madam Deputy Speaker, in that context, let me ask the Minister of Health (Mr. Orchard) or suggest to the Minister of Health that, while the chairperson of this committee may have to be away for very serious family reasons, there are many other members on that committee who would like to talk with the minister. There are many members in the ethnocultural community who would like to talk to the minister about this decision, and I would urge him to use the time he has available now, Thursday at six o'clock, to meet with other representatives in the ethnocultural community, whether they be a part of that advisory committee or the broader community, to get their quick reaction to this very serious decision so that no time is lost in reversing this decision and ensuring that this most nationally acclaimed, very successful program is allowed to continue to its fullest.

Madam Deputy Speaker, I say that particularly—it is an urgent matter. In recent developments, this organization, Planned Parenthood, and this program specifically of Planned Parenthood, was granted \$51,000 from the federal government for AIDS education work.

Madam Deputy Speaker, we all know, and the minister himself has said, there is an absolute urgent need for AIDS education to be taking place at a very rapid and concerted pace in our society today. We know it is particularly critical in terms of our new immigrant populations to provide that service in the language that is their mother tongue so that they can understand fully the need to practise safe sex and to ensure that they are aware of the consequences of this deadly disease.

So in the interests of this group not losing that money or not being able to effectively put in place this important grant from the federal government, I would hope that he would ensure the longevity of this program and the full financial and moral support of the Province of Manitoba.

Madam Deputy Speaker, that brings us to the broader issue, not directly for health care now, but to that broader issue of our multicultural communities and the response of this government in terms of the whole ESL issue, English as a Second Language, and the very serious cutbacks that this province is responsible for at the community college level through the cutbacks of six or seven

instructors, the closure of 10 or 11 classrooms, the loss of ESL for newcomers to the tune of about 160 to 200 students.

That is a most serious issue. That again, that decision to cut back on those areas again flies in the face of a government who in times of election talks at great length about the importance of reaching out to our ethnocultural communities ensuring that they are able to integrate into our society as a whole.

Madam Deputy Speaker, many groups are concerned about this, and today in Question Period the member for Kildonan (Mr. Chomiak) referenced a long established group in our society today, the Canadian Polish Congress, specifically the Canadian Polish Professional and Business Association, who sent today to the Premier a very serious letter saying, and I quote: We are frankly very disturbed that a Conservative government which encourages immigration to Manitoba would deliberately block a newcomer's quick assimilation to the economic, social and political life of Canada. We strongly urge that the government carefully review the ramifications of its action and not only reinstate, but also increase funding to this very necessary program.

Madam Deputy Speaker, if this government will not listen to members in the opposition, maybe it will listen, and I hope it will, to credible organizations which I believe the present government takes very seriously, the Canadian Polish Congress and other organizations, and quickly reverse its decision and use the expertise of those who came before and who pioneered the way for other refugees, newcomers and immigrants to Canada and know the value of access to language programs so that they can integrate quickly into all aspects of our society.

Madam Deputy Speaker, I have one more set of examples around this whole question of double talk and double-cross and going back to that quote about a Conservative government as an organized hypocrisy. This does not relate directly to members in this House, but to their counterparts in Ottawa. I do not think we have seen a better example of that kind of double talk than actually through their counterparts in Ottawa and of course the Mulroney government.

I wonder if members opposite realize, and this ties into the health care issue, what the Prime Minister of Canada said in 1983. I wonder if they can

imagine that he said the following: The problem with medicare arose because the federal government—and he is referring of course to the Liberal government—reneged on commitments it made to the provinces and cut back very drastically on the dollars it sent to the provinces. -(interjection)- If it is okay.

Hon. Glen Findlay (Minister of Agriculture): I am listening. I was listening to you.

Ms. Wasylycia-Lels: The Minister of Agriculture (Mr. Findlay) is listening, and I appreciate that.

I am sure he will be interested to know that it was the Prime Minister of Canada, Brian Mulroney, who said, it is clear in the circumstances that we need more money to maintain the services, and it is a question of where your priorities are. Then he said again, August 8, 1983, the Progressive Conservative Party is in favour of quality medicare, universal medicare, delivered to our citizens. The problem, he says, has arisen because of a unilateral and arbitrary cutback by the federal government to the provinces, who are charged with footing the bill. That is the problem.

He did identify the problem quite correctly, Madam Deputy Speaker, and that of course was the predecessors to the Conservatives in Ottawa, the Liberals and the Liberal government who are really responsible for the whole demise of health care in this country and the reductions in transfer payments.

Mr. Kevin Lamoureux (Inkster): We brought it in. How could you?

Ms. Wasylycia-Lels: Madam Deputy Speaker, the member for Inkster seems to have his facts a little out of whack. We know that the Liberals now are harshly criticizing the Conservative government's funding cuts to health and they proposed the restoration of funding, but what they will not talk about is the fact that the cuts started when they were in government.

Let us remind the member for Inkster, Madam Deputy Speaker, that it was in 1975 that then Liberal Finance minister, John Turner, clamped a ceiling on federal contributions to medicare. Then let us look at the fact that in 1977 the Liberals backed away from equal cost-sharing with the provinces in health and post-secondary education. With the introduction of block funding, the federal share of spending has continually declined.

* (1550)

During the Liberal period in office, the federal government's share of total funding for health care funding across the country decreased from 50 percent to 43 percent, so really I guess, Madam Deputy Speaker, we have once again another good example of how little difference there is between the Liberals and the Conservatives. We saw that in Question Period today, we saw it yesterday with respect to user fees, we have seen it in the past when it comes to federal funding and the maintenance of national standards for health care.

There are many other examples. One of the issues we have raised consistently in terms of this budget has been the whole question of free trade, and of course the Liberals in recent times have talked a lot about the problems with the Canada-U.S. trade agreement. I do not think any of us can forget where the Liberals once were on that position. That is said best by—I am sure members in this House have read the recent speech by Allan Taylor, who is the Chairperson and Chief Executive Officer of the Royal Bank of Canada, in his address on February 26, 1991, entitled, Business, Politics and Politicians, where he says on page 3: Business believed in free trade well before the Tory government believed in it. In fact, we have believed in it for so long we can remember when Liberals believed in it.

Now I think that says it all, Madam Deputy Speaker, in terms of Liberal—I was going to get into, of course, the Liberal Party Finance critic's support for this budget and the comments he put on record for cuts to programs and layoffs and putting all of our efforts in terms of reducing the deficit, but I do not think I will bother getting into that right now.

I want to instead, since time may run out fairly quickly for me—since the Minister of Agriculture (Mr. Findlay) was so interested in what I had to say—to spend a few moments tied into his comments on this budget. I was not here for his whole speech, but one phrase stands out, not only because of what it means broadly for this government, but because he actually misquoted someone.

(Mr. Speaker in the Chair)

He said that it was Thomas Jefferson who said: The best government is least government. Well, it is a small thing that he was wrong in terms of who said that. The member for Crescentwood (Mr. Carr) and I both agree that it was Thoreau who said that,

not Thomas Jefferson. The fact that this has become the guiding light, the spirit, whatever, behind this budget and this government's actions is what is really important and what really needs to be addressed.

The minister said it very clearly; this government believes that the least government is the best government. Mr. Speaker, that really is what is wrong with this budget. That kind of thinking is what is wrong with this budget and why we are headed on such a disastrous course and why there is so much pain and agony being felt by Manitobans today.

Mr. Speaker, in fact, if we wanted to get into theoreticians and political thinkers like Thomas Jefferson, need I remind the Minister of Agriculture (Mr. Findlay) that in fact Thomas Jefferson was one of the most outspoken individuals for a strong democracy and on proper structures to ensure that there were checks and balances in place in terms of the ruling elite. He really did believe that, while people may be corruptible at times, it was assumed that the source of corruption was faulty, political economic and social institutions.

He goes on to talk about putting in place mechanisms to ensure that there is improvement to our democratic institutions—not what this government is doing, attempting to reduce opportunities to participate in a democratic way in all aspects of our society, particularly this government.

Mr. Speaker, I can think of no better example, in terms of that attack on participatory democracy, than the recent actions of this government when it came to closing the doors of this Legislature, locking the doors, barricading themselves in because a number of students, angry university students, were at the steps of this Legislature demanding action.

Mr. Speaker, I think there have been two actions, two sets of circumstances, that have caused me the most grief and introspection in the last five years that I have been an elected member, and they have both happened in the last month. First it was the locking of the doors of this building and, I think, fundamentally sending a very strong message to the people of Manitoba that this government was less than interested in freedoms, in participatory democracy. The second, Mr. Speaker, is this budget which in a very real and fundamental way is

threatening, is hurting, is harming, is destroying our participatory democratic institutions.

Some Honourable Members: Oh, oh.

Ms. Wasylycia-Lels: Mr. Speaker, I think the members on the Conservative benches are a little agitated. You know, there is one thing I want to say. We have different positions, very clearly, but I want to say at this moment that, while we have different positions and while I cannot accept the positions of this government, I still respect their positions and I feel some empathy for the kind of stress that they are under, which I noticed very clearly on the benches yesterday and today, the stress that they must be feeling now by being under attack—

An Honourable Member: All the sleep they lose no doubt.

Ms. Wasylycia-Lels: —and the sleep they lose for causing so much hardship and pain across the population of Manitoba.

Mr. Speaker, one of the themes in this budget that the members on the Conservative side have used over and over again is they have talked about difficult choices. We believe that, yes, this is a matter about choices but that there are other options to the choices made by the Conservative government of Manitoba. They talk about unity and solidarity in their own group in their caucus and their cabinet, which I do not doubt, but there are different opinions about how our economic situation should be handled among Conservatives.

I want to ask the members opposite if they would know who made the following statement. This is a quiz, Mr. Speaker. I want to know if members opposite can tell me who said that he preferred to look after the people and let the provincial debt look after itself. I am sure that members of the Conservatives will never, never realize who said this. It was a very prominent Conservative. Of course, it is Leslie Frost, former Conservative Premier of Ontario. I raise that as an example of how, among forward-thinking Conservatives, there are other choices. One does not only have to hack, slash, cut, lay off, close doors, shut down and circle the wagons in order to deal with the economic recession. There are other choices, and we in this debate have expressed our concern with the position of this government and have presented other choices.

Could I ask, Mr. Speaker, how much time I have left? One minute.

Since I have only one minute, Mr. Speaker, let me just conclude by—

An Honourable Member: You are going to give us all your ideas.

Ms. Wasylycia-Lels: —yes, giving you some ideas, and just so that you might listen, I will actually quote from a source.

An Honourable Member: Karl Marx.

* (1600)

Ms. Wasylycia-Lels: Not Karl Marx, no, Mr. Speaker—a very good book that I would recommend to this Conservative government because it gives some very good economic advice. It is a book called “Five Economic Challenges”, and the authors are Robert Heilbroner and Lester Thurow. I am sure the names are familiar to some members of this House. He states five principles that he thinks should be followed in times like this. Let me just give them very quickly. No. 1, We favour a set of economics that spreads burdens and sacrifices as widely as possible rather than imposing them on particular groups, especially weak and defenceless groups. No. 2, we favour a politics of economics that takes into account the severity of the damage that may be inflicted on individuals in the name of the public good, and that is generous in compensating them for that damage. No. 3, we favour a politics of economics that places the gains from a fair income distribution high on the national agenda, perhaps even higher than economic growth with worsening income distribution.

Could I ask permission of the House, Mr. Speaker, just to give two more points from . . .

Mr. Speaker: Does the honourable member have leave?

Ms. Wasylycia-Lels: . . . and then I will conclude.

Mr. Speaker: No. Leave is denied. The honourable member's time has expired.

Hon. Jim Ernst (Minister of Urban Affairs): Mr. Speaker, I am pleased to be able to rise for the first time in this session of the Legislature to put a few remarks on the record and to comment in some little detail with regard to the budget produced by the Minister of Finance (Mr. Manness).

Before I do that, however, I want to make special mention of two new members of cabinet who have joined the Executive Council since we last met.

Firstly, the Minister of Industry, Trade and Tourism, the member for Kirkfield Park (Mr. Stefanson). If he does half as good a job as the last one did, he will be—

Some Honourable Members: Oh, oh.

Mr. Ernst: I want to, Mr. Speaker, as well welcome the new Minister of Co-operative, Consumer and Corporate Affairs, the member for Assiniboia (Mrs. McIntosh), who also I think will do an excellent job in that portfolio in this House. I also want to thank the member for Portage la Prairie (Mr. Connery), the member for Emerson (Mr. Penner), both of whom did yeoman service for our government for the past two and a half years, three years. They did an excellent job, I think, both of them. They worked very, very hard. They are dedicated members of our caucus and deserve the respect and thanks of the government.

For 18 years I have been in public life. Thirteen years I spent with the City of Winnipeg at City Hall in a variety of capacities, and five years now in the Legislature of the Province of Manitoba. The challenge for governments at all levels, the federal level, the provincial level, the municipal level, has never been clearer than it is right now. The issues and challenges are so straightforward, are so clear and are so, unfortunately, unavoidable.

If anybody was listening, if the members of the opposition were listening, if the members of the government were listening during that August election of 1990 when all of us were in our constituencies campaigning on our respective behalves, if they were listening I think they would have heard loud and clear the message from the people of those constituencies—loud and clear. Mr. Speaker, they told us no more taxes. No more taxes, not just no more income taxes, but no more taxes of any kind. No more property taxes, no more payroll taxes, no more sales taxes, no more taxes of any kind. They were taxed to the hilt. They had enough and they told us that. They said: Please, enough is enough, no more taxes. We have had it to the hilt; our lifestyles are eroding.

When formerly you had the second spouse in the family going out to work to try and make ends meet, even now with both spouses working, they are having difficulty because of the taxation load. That taxation load is not just directly on the consumer, not just directly on the taxpayer, but spread throughout the myriad of things that they consume. Those

sales taxes and other taxes that are applicable to the things that they consume also impact severely on their lifestyles.

We had a little mini tax revolt last spring, if you remember, Mr. Speaker, when the people in the city of Winnipeg became quite agitated over the fact of their real property taxes, another significant impact now paid with after-tax dollars—there is no tax deduction for the real property taxes that are paid—but after-tax dollars to support the services that the City of Winnipeg provides and, for that matter, the municipalities throughout Manitoba. They said, we had enough with respect to those taxes as well. So, certainly, the fact that the public told us during the election, no more taxes, is something that is very significant and something that this government, I think, has clearly understood.

Unfortunately, I do not think that the members of the opposition have heard that. They may have heard it, but they do not understand it. It is very significant. I think they ought to listen to what the public is saying. If they were, they would not stand up here day after day suggesting we spend more and more, they would understand that spending more means the money has to come from somewhere, and taxation is the method by which governments gain revenues.

Mr. Speaker, with the fact that our revenue stream over the past year and a half or so and projected through the current fiscal year is anticipated to be almost neutral, that only by some small adjustments in a couple of taxes have we been able to boost that revenue base at all. If that revenue stream is flat, then we have to consider what the alternatives are in discussing and dealing with a budget. The alternative to no new taxes is to either borrow the money or to cut spending.

Now borrowing the money, we have heard over the past number of times, and a number of my colleagues have raised the question about what happens when you borrow money. You, in fact, defer taxation into the future. You defer that taxation. You mortgage the future really for your children and mine and our, hopefully, grandchildren as time goes along; you would have mortgaged their future, which is, I do not think something—in fact, I saw a comment the other day. The comment said, it is shame that our grandchildren are not here to see what we are doing with their money. That, I think, says it all.

Mr. Findlay: Mine are and they do not like it.

Mr. Ernst: The member for Springfield (Mr. Findlay), Mr. Speaker, has indicated his grandchildren are here and they do not like it, and I think that they are probably right. The fact that those grandchildren present and to come would be very unhappy with the way that present governments spend their money because that is what we are doing. We are borrowing against their future. The past masters of that are on the benches opposite; they were the ones who managed to borrow.

As a matter of fact, Mr. Speaker, to quote a current phrase, they had the mother of all borrowings, the NDP, over the past number of years, to create the kind of enormous debt that we have at the present time and the \$551 million of interest that is necessary to pay for those borrowings. They tried in the past to do that; they tried to borrow. In fact, they did borrow enormous sums of money. They borrowed and they borrowed, and they taxed and they taxed; and we still have the debt. The jobs that they allegedly borrowed the money for are gone, and all we have are some dirty, decrepit, old green signs that are left over from that heyday, that heyday of spending, that frenzy of spending put on by the NDP, but we still have the debt. Oh, yes, we have that debt and we have to pay it back.

Interestingly enough, perhaps my honourable friends opposite have some other way of dealing with the debt, but I think by any economic standards people say, if you borrow money, you have to pay it back. You have to pay it back, and we cannot afford to begin to pay back those things anymore. We cannot afford to have that kind of an increase in interest costs—fivefold interest cost increase in the past five years.

If we did not have that interest payment, if we did not have to pay that \$551 million to the bankers in Zurich, London, Tokyo, New York, and a few other places, if we did not have to pay that interest cost, what would happen?

Well, let me tell you. First of all, we would have a balanced budget. We would have more than a balanced budget; we would have a surplus. Then we could do some other things, like we could reduce taxes for the people of Manitoba, the people who told us in the election of 1990 that they did not want any more taxes. We could actually reduce the taxes, if we did not have to spend that \$551 million

worth of interest. We could reduce sales tax. We could eliminate the payroll tax. We could open some personal care homes. We could increase grants to school divisions. We could reduce the tuition fees necessary for university students.

Those things are not possible because of the frenzy of borrowing that the NDP put on during the 1980s; those things today are not possible. They want to say, yes, make them possible and we will borrow more money so that five years from now we will be able to do even less because we will have to pay the interest costs, we will have to pay the carrying charges on that borrowed money.

Mr. Speaker, obviously the alternative is not to go out and borrow money. So, if we are not going to go out and borrow money and we are not going to raise taxes, then what alternative is left to the government in preparation of a budget?

* (1610)

It leaves one way, Mr. Speaker, and that is to reduce the spending that government has. If you are going to reduce the spending, then you are going to have to establish some priorities, and that is exactly what we did. We did establish some priorities within government. We said health care is a priority of this government. Health care is an area where we cannot look at reducing spending. We have to increase the spending in order to maintain that very vital service, the service that our people, the citizens of Manitoba, want and deserve. We have done that.

Education for our children so that they, as citizens of the future, will be knowledgeable, will be able to carry on, will be able to understand to obtain jobs in this high-tech world of ours, to become globally competitive, is important. We must maintain that as a high priority within our government.

Mr. Speaker, services to the socially disadvantaged—there are many people in our society who cannot, for one reason or another—many of those reasons not of their own making, but for one reason or another, are not able to provide the basic necessities of life for themselves and their families. The load falls upon the rest of us, those of us who can make our way in this world, to assist them. We do that through programs under the Department of Family Services, and they are also important.

With those items as our priorities, we set about the creation of a budget. Mr. Speaker, 75 percent

of the expenditures of the government of Manitoba fall within those three departments; 75 percent of all of the expenditures of the some almost \$6 billion of expenditure that will form this budget fall within those departments. That leaves us not a great deal of room with which to meet the current demand. We decided to deal with the question of priorities within the budget by each department. Those departments were grouped into sectors, but in each department, in each sector, we determined what were the absolute priority, those things that had to be dealt with, those things that had to be paid for, those programs that were not able to be touched because of ongoing commitments of one reason or another. We did that. We categorized those in the A category.

We looked at what other programs within those departments were of a high priority but had some small discretionary attachment to them. Then we looked at those programs that were entirely discretionary, those programs that, while nice to have, highly desirable and perform an excellent function in our society, were not absolutely necessary. We had to address those in a different light because of the limited scope for movement within the budget-making process.

Mr. Speaker, we had structural reform that we needed to go through. We had to reduce our overheads. We had to eliminate some lower-priority programs, unfortunately, and we had to rationalize our staffing requirements. We have heard a great deal from the members opposite in regard to that, that all of a sudden they should not—their recommendation—I am assuming it is their recommendation that we should not have to lay anybody off, that we should not have to reduce the size of the Civil Service. Having gone through the fact that we do not want to borrow and that the public do not want us to tax them any more, and we had to look at only one area of cutting spending, and now a further constraint is put on us by members of the New Democratic Party by saying we should not lay anybody off, then what are we going to do?

We are going to cut programs, take all of the operating money out of the programs so that the civil servants, who we will not lay off, will not have any money to spend in order to conduct a program. So they will come presumably to their offices and stay there all day and do nothing, because, Mr. Speaker, they will not have any program to run. That I do not think is what anyone would want to do either. I do

not think for a minute that anyone would think of doing that at all.

Mr. Speaker, there is limited room within the operations of government in order to move in terms of the budget. Unfortunately, some positions had to be eliminated, some programs had to be eliminated. Unfortunately, some of the program staff that went with those positions, with those programs had to be laid off. That is something I do not think anybody on this side of the House—I do not think anyone who has ever been in the position of employing people would ever want to go through. It is not a pleasant experience at all.

I know the human suffering that goes along with that kind of action. Unfortunately, Mr. Speaker, as I said right at the beginning of my address, the fact of the matter is the decisions unfortunately are unavoidable. There is no more room to maneuver. There is no more room to be able to say we can simply borrow our way out of the problem or tax our way out of the problem, because those are not alternatives for the people of Manitoba.

I guess the basic question we have to ask ourselves is, how much government can we afford in the province of Manitoba? That is a very, very difficult question to answer. The fact of the matter is we know we cannot afford any more government. We cannot afford any more government and cannot afford any more borrowing, such as the members of the NDP are loving to do. Mr. Speaker, no more taxation, no more borrowing leaves us one alternative.

All governments across this country, municipal governments, provincial governments and the federal government have been spending well beyond their means for the past 20 or 25 years. It is time for all of us I think to sit back and say, what are our roles? What is the role of the provincial government? What is its job to do? What services should it be providing? Never mind what we are providing, never mind what political motivations have been behind services that are being provided presently, what is our role? What are the basic services that should be provided to the people of Manitoba for the taxes that they pay?

Mr. Speaker, I think municipal governments have to answer that same question, and particularly the City of Winnipeg has to answer that same question. What is the role of municipal government? What is the traditional role? What services should be

provided by municipal governments, Mr. Speaker? Not necessarily what they are providing, or the kinds of things that they would like to provide, or the kinds of things that they are providing because of defaults of other levels of government, but the fact of the matter is, re-establish the role of what they should be doing as a government. We all need to do that.

I have had the opportunity over the past three and a half years to be a member of the Treasury Board. For the last four budgets I have had the opportunity to go up, down, sideways, through, across and around every department in government, and it has been a very interesting experience, and a very knowledge-gaining experience for me because I have not run across a program anywhere in any department that did not have significant redeeming qualities.

Mr. Speaker, there are programs carried out by all departments of government that are highly desirable. There are programs that are nice to have, that do good things, but the basic problem is we cannot afford those programs any more. Very often those programs cause some concerns, some hardships, some pain if you will for certain members of society, and the fact of the matter that they are nice to have, that we would like to do them, that they are highly desirable from a public standpoint, does not necessarily qualify them as being absolutely necessary as those redefined things we should be considering when looking at our roles as government and what we should be providing to the people of Manitoba. We just cannot afford them any more.

*(1620)

Certainly this was the toughest budget, Mr. Speaker, that I had to work with in terms of the Treasury Board analysis of departmental spending programs. Very, very difficult decisions to make, but necessary decisions unfortunately, unavoidable decisions in many cases because of the constraints under which the government is operating, but it is the same as a household budget, the same as a budget of you or me or anyone else, the fact of the matter is that we may like to have a new car, we may want to have a new chesterfield in our living room, but if we do not have the money, we do not buy it. On occasion we do buy it, and we buy it with borrowed money, but only on the basis that the revenue that comes in, the income that we make is able to support that debt, and that, Mr. Speaker, has been the crux of the problem for the last number of

years. The fact of the matter is the revenue is not sufficient to meet the payment on our debt. We have to learn to live within our means. We have to learn that we cannot spend wantonly into the future.

Now, as I indicated earlier, we have little or no revenue growth within government sources of revenue. Revenues are basically flat, and unfortunately that has caused some significant problems because of the rising expense costs on the other side of the ledger. We are in a world-wide recession, and other members have commented on the fact that the recession is not just in Manitoba, it is not just in Canada, it is not just in North America, it is a world-wide recession that those economic problems are affecting countries all across the world, and governments all across the world.

We are faring at least as well, if not better than most. We in Manitoba, because of our diversified economy, the fact that our economy has sufficient broad base so that the impacts are less in relative terms than they are elsewhere in Canada certainly and elsewhere in a number of other jurisdictions, but while we are faring perhaps a little better than most, it is not enough.

Nobody wants one single person to be out of a job. Nobody wants one single investor to lose a dollar in a bankrupt company. No one wants to see the effort of hundreds and thousands of hours put in by entrepreneurs wasted, gone, as a result of a bankruptcy. None of us want to see that.

We have to gain control of our own expenditures in order to provide the kind of environment that those kinds of businesses can survive. They will not all survive, because there is no guarantee, Mr. Speaker, in this life. There is no guarantee anywhere that simply by investing your money in a business you are going to succeed; simply by putting hundreds and thousands of hours of hard work into a business you are going to succeed. There is no guarantee in this life at all.

We had prioritized our spending as we talked about just a little bit earlier, prioritized our spending in the area of health care, in the area of Education and in the area of Family Services. We said, we will undertake reductions in other departments and those are listed in the budget. I think I would like to read them again, because it is important to recognize some of the significant operations in how government carries out its business that are taking place in this budget.

Mr. Speaker, in the area of Legislation, a 36 percent reduction in its expenditures; in the Executive Council, the office of the Premier, 7 percent reduction; in the Civil Service non-wage category, a 15 percent reduction; Co-operative, Consumer and Corporate Affairs, a 2 percent reduction in their expenditures.

My colleague the honourable Bonnie Mitchelson in her Department of Culture, Heritage and Citizenship will see a 10 percent reduction in her expenditures of that department; my colleague in Energy and Mines, a 21 percent reduction. In the Department of Finance, nondebt related, Mr. Speaker—and I have to clarify that as nondebt related at all because that alone accounts for an enormous part of the expenditures of the budget, and they do not go down, they keep going up—the Finance department, 7 percent reduction; Fitness and Sport, a 68 percent reduction; Highways, 2 percent; Housing, 1 percent; Natural Resources, my colleague the Minister of Natural Resources (Mr. Enns), a 14 percent reduction in the expenditures in his department, a significant reduction, one that will significantly change the way that that department does business; in Rural Development, a 3 percent reduction; and in Urban Affairs, a 7 percent reduction.

Mr. Speaker, all of those reflect the spread that is required in order to achieve the goal of the government in trying to reach this budget. Each of those departments, nonpriority, each of those departments had to suffer a little and the workload was spread over them in order to achieve that ultimate goal that was presented by my colleague the Minister of Finance (Mr. Manness).

As the programs are reprioritized, Mr. Speaker, we also have to rationalize the staffing that go along with it. We cannot simply continue to keep staff hired and in place when there is no program for them to administer, when there are no operating funds to carry out those programs that they are involved in.

As I said before, no one wants to be in a position of having to say to someone who has served your employ well that you are no longer required. That is not an easy thing. That is not something that anyone would wish to do.

We have to recognize that human cost, and we have to deal fairly with those employees, Mr. Speaker. We have to give them those opportunities for other training. We have to give them appropriate

notice periods and severance and other financial supports that enable them to carry on until they can again become gainfully employed. It is difficult but unfortunately necessary.

For the future we need to establish goals. I think we have done that by saying our primary goal in this province is economic renewal. To achieve that economic renewal, we have to ensure that we restore our provincial finances to good health. That is the foundation, Mr. Speaker, upon which we will build economic renewal.

We have to become tax competitive with other jurisdictions in which we compete. There is no point in having a jurisdiction whose taxation is simply the biggest single impediment to having any business locate in this province. That is not an insignificant factor, let me tell you.

Having spent some two, almost three years as the Minister of Industry and Trade attempting to attract those businesses to our province, to bring them here to create the employment and the taxation revenue that we definitely desperately need in this province, it is a significant barrier, because when private business sits down to assess what their costs are they will look not just at what some government grant or other might do to entice them to come in, they look at all the costs. They look at the bottom line, and they look at the long term. They do not look just at what is going to happen this year or next.

They are going to look over the life of their project. If they are going to build a plant here, it is going to have to last for 20 years. It is going to have to produce profits for them for 20 years if they are going to invest that money. They are going to look at those costs all over and certainly taxation—real property taxation, payroll taxation, corporate tax taxation, income tax, those kinds of things that this province has in place to generate income for itself in order to run government programs. All of those things become paramount in the minds of industry when they look at that kind of situation.

Mr. Speaker, the recession is certainly taking its toll. We hear every time something occurs, of course, our honourable friends from the other side of the House continue to remind us of those things. Of course I think that the terminology used by the Deputy Prime Minister was, every time a sparrow falls, of course, it is the fault of free trade. -(interjection)- We have the members opposite bringing that to our attention.

There are some successes as well, successes that I think bode well for the future of this province. Unfortunately, they do not want to recognize those successes, and unfortunately somehow those successes do not get sufficient recognition.

One of those true successes was the head office of MacLeod Stedman moving to Manitoba. The first time, in a long, long time that we had a head office move into this province, and with it brought 120 jobs and the recognition that all of a sudden the company now moved from Toronto to Winnipeg, not the other way around. That, for the first time, Mr. Speaker, was, I think, definitely very good news for this province.

* (1630)

The Western Glove company relocated a factory with 175 jobs from Renfrew, Ontario, in eastern Canada to Winnipeg. All of a sudden the trend is somehow starting, and only starting, to reverse. The fact that those industries now are looking at Winnipeg as a location, instead of moving the other way, I think bodes well for Manitoba. General Electric, Mr. Speaker, and a \$10 million electronics plant for Manitoba, with a worldwide mandate.

Boeing aircraft had one expansion just recently and are now looking at another because of contract work on the new 777 aircraft to be produced by the Boeing aircraft company—something that, I think, shows that this plant in Winnipeg, in the aerospace industry, is as competitive as any in the Boeing system. They had a recent study that showed that plant could compete with any plant in the Boeing system worldwide, that the people of Winnipeg employed in that plant were as good, as competitive, and the operations there as competitive as any in the system that that company has. That is something I think we can all be very proud of, and that bodes well for the future, particularly in the aerospace business in this province.

We have many, many natural advantages to capitalize on. We have the central time zone, Mr. Speaker, that works well for people in the information exchange business—something else that we can capitalize on. We have a geographical location in terms of transportation that provides us with some natural advantages, particularly in the air cargo business, of being central in the country, so that transportation from east and west can funnel and be redistributed in Winnipeg or in Manitoba.

We have low operating costs, Mr. Speaker. Low operating costs in terms of both businesses and families. The fact that our housing costs are competitive, the fact that our business costs here are competitive, as long as we maintain a tax structure that is tax competitive with the rest of the country, because it will not matter if we have the lowest priced houses, it will not matter if we have competitive priced industry property, it will not matter if we have the time zone if our tax structure is so uncompetitive that it drives away industry.

Mr. Gary Doer (Leader of the Opposition): What about your deficit? It is worse than \$500 million a year.

Mr. Ernst: Mr. Speaker, the Leader of the Opposition taunts from the other side, attempts to taunt me, about a \$500 million deficit. The \$500 million of deficit is the interest costs that are being paid to the people in Zurich, the people in Tokyo, the people in New York as a result of your debt, the money that you borrowed when you were in government. That is why we have a problem right now. That is where the \$500 million deficit is, Mr. Speaker, and it is laid squarely on the shoulders of the members of the opposition.

Mr. Speaker, we are having today a budget of the times. These are not the best of times as far as the economy is concerned. This is not the best of times in Manitoba. It is not the best of times in Canada, nor is it in North America, nor indeed in the world economy. All of us are suffering, one degree to another, the kind of recessionary activity that is happening, and it is causing difficulties all over.

Mr. Speaker, the economy comes back. It will come back. As the economy gains momentum and as revenues for the province increase, we have to resist the temptation to continue to spend again. We have to resist the temptation to go back into the old ways of that kind of expenditure. We have to remain competitive regardless of how much our revenues grow over the next period of time. I think we must remain tax competitive, and for sure, we must let the taxpayers spend their own money, because I think they do a much better job of spending that money than government ever will.

I would like to, Mr. Speaker, in the last few minutes available to me, make some comments with regard to some of the other speeches that I have had the privilege—well, I would not say privilege—the opportunity, shall we say, of hearing.

The member for Elmwood (Mr. Maloway) always provides some entertainment value when he speaks in the House. He ranted on the other day, Mr. Speaker, about how this government is in power simply by a slim majority, that this government here is hanging on by the skin of its teeth, the fact we have a very slim majority and the fact that somehow that almost does not let us deserve to be in government, the fact that we have that slim majority.

Well, Mr. Speaker, let me tell it for those members of the House who were not here. In 1986, when the NDP were in government under exactly the same circumstances with exactly the same number of people, I as a rookie in this House had it shoved down my throat day after day after day by members of the NDP telling us, we won the election and you guys lost. That is the kind of thing that came from every single member of the bench. Every single member of the bench stood up and said, we won, you lost. You have not heard that once from this side of the House, not once.

An Honourable Member: The Premier says it every second day when he

Mr. Ernst: Mr. Speaker, not once, not once have we ever lorded it over the opposition, the fact that they lost the election and we won the election. So I caution my honourable friend from Elmwood, that when he makes those kinds of statements, he had best be careful what he says, and he had best recognize what his own people had done back in 1986.

My honourable friend, the Leader of the Opposition (Mr. Doer), and let me read just the other day from his speech, on page 920 of Hansard. He says in part:

"We argued that if you used that money, that \$200 million, in your public sector infrastructure . . . that in turn kept people working in the public sector, and they in turn would purchase goods and services, and that in turn would help the private sector, and the private sector in turn would invest. While they invested, they would" create jobs, and so on and so on and so on.

There is only one flaw, Mr. Speaker. There is only one flaw, and the fact of the matter is that in order to do that you have to borrow the money and you have to pay it back, and you have to pay the interest and the carrying charges on that money, and that throws the equation out of whack. When you are

paying out that kind of interest costs, that kind of debt servicing, then it really does not work.

Mr. Speaker, I also want to refer to page 1056 of Hansard where my honourable friend the Housing critic for the NDP says in part: "They are redeploying Housing staff. Some of them have been phoning me and that is quite interesting what they say. They say, we were working in rural Manitoba and we were moved to Winnipeg, or we were told you can take advantage of this redeployment program if you move to Winnipeg, and then somebody is going to have to do the same job."

Well, Mr. Speaker, what happens is, in case the member for Burrows (Mr. Martindale) was unaware, that in the system of hierarchy of the Manitoba Government Employees' Association and the collective agreement, the fact of the matter is that they have the opportunity if they wish to move to Winnipeg, to bump the person in Winnipeg who will get laid off instead of them because of the seniority process within the collective agreement.

So, Mr. Speaker, it is not a question of relocating people or reverse decentralization, as the member for Burrows would lead you to believe, but in fact the collective agreement process working in accordance with the rules established by it. So I want to caution my honourable friend for Burrows that he cannot, should not put that kind of misinformation on the record. Thank you very much.

Mr. Gregory Dewar (Selkirk): Mr. Speaker, I welcome the chance, of course, to make some comments on this very important but very fiscally restrictive budget. Of course, it is restrictive because it restricts its benefits to a select few. Many, many Manitobans will suffer and many will pay the price; of course, it is a terrible price for this Minister of Finance's (Mr. Manness) budget. -(interjection)-

* (1640)

Where are they? A budget which showed no stimulation for our economy, no job creation, and no vision for the future of this province. This budget will cut jobs, programs for our young people and seniors, women, unemployed, our aboriginal people, and rural and northern Manitobans.

This budget, like that of the federal Conservatives, calls for a competition based on lower wages, higher unemployment—although we already have an unemployment rate of over 8.5 percent in rural

areas—weaker social programs and lower corporate taxes. This policy has already failed miserably, with almost every economic forecast predicting Manitoba to be last in this country out of this recession. This government is proud to say that we are No. 10. We are going to be the last out of the recession, and this government seems content to let it happen.

There are now 54,000, which is 10 percent of our people out of work in Manitoba, and this government just cut 1,000 Civil Service positions resulting, by their own admission, in 474 Manitobans losing their jobs.

The two departments which will be hit the hardest of course are Highways, 114 jobs, and Natural Resources, which employ a high portion of people from rural and northern Manitoba. All these jobs create spin-off employment of at least 2 to 1, which means many more men and women in all sectors of the economy will be thrown out of work.

In northern and rural Manitoba, Civil Service cuts follow on the heels of a failed decentralization strategy which has been put on hold with only one-third of the promised jobs moved out of Winnipeg. In Selkirk, it has been estimated we have lost 25.5 jobs due to this budget. The \$12 million cut in grants to agencies will mean that at least 300 people will lose their jobs. Most of these monies is effectively used to create jobs in those agencies. The over \$500,000 cut in staffing resources to regional employment offices will hurt Manitobans outside Winnipeg looking for work. Rural Manitobans will be again hurt by this move.

Statistics Canada projects that Manitoba will have the lowest level of private sector investment in Canada this year. This runs completely contrary to their fiscal projections. The Conference Board of Canada continues to project that Manitoba will be the last province to pull out of this recession. This dismal forecast is reflected in the budget where corporate income tax revenues are predicted to fall 47 percent or \$86 million from last year. Mining taxes are down 12.64 percent. It is clear this government's exclusively reliance on the private sector to pull this province out of high unemployment and economic stagnation is unfounded.

Educational programs were severely cut across Manitoba in this budget. -(interjection)- Good managers over there. Support to community

colleges was reduced by \$3.9 million, while the high school bursary program, which provided support to the poorest of students was eliminated. Ninety-five jobs have been cut in Red River, 30 jobs eliminated at Assiniboine and Keewatin Community Colleges. One and a half million is taken out of the BUNTEP and ACCESS programs. Native education reduced by 10 percent. It is shameful.

CareerStart, a very successful program offering summer employment to post-secondary students, lost more than \$2.9 million from its budget.

An Honourable Member: What about small businessmen who use CareerStart programs, what about us?

Mr. Dewar: Those businessmen who used to use those programs were unfortunately out of luck at this time by this government.

Three hundred people laid off from nonprofit groups. At a time when tuition fees are increasing by 15 percent to 20 percent and youth unemployment is at 17 percent, the loss of these programs will severely limit access to higher education for many young people.

Cutting programs like 55-Plus and CRISP—well, they are seniors, particularly senior women and children living in poverty, the budget expects that an increasing number of Manitobans will have to rely on social assistance as the welfare budget is forecast to rise by \$30 million in 1990-91. This is an increase of 12 percent.

One the growth industries in our province, besides that of the people who paint the For Sale signs and the bankruptcy signs—in Selkirk the Christmas hamper committee delivered 25 percent more hampers in 1989 than they did in 1988 and last year, last Christmas, just December, a few months ago, we delivered over 288 hampers, which again was an increase of 21 percent from the previous year. As well, families and individuals who received municipal social assistance increased 14 percent from February, 1990, to February, 1991. These are very telling statistics, Mr. Speaker. They tell of Manitobans who are forced to do without some of the basic necessities of life, a proper diet or clothing and, of course, human dignity and self-respect.

These numbers also tell of failed Conservative economic policies, of a Conservative government who last fall spoke about the strong economy and bright provincial future, and since September the province has fallen into a recession as jobs are lost

and public education slashed. Health care is again at risk.

Ten thousand Manitobans have lost their jobs in the last year. In February alone 1,200 people in the manufacturing sector have received layoff notices. Manitoba Rolling Mills, Selkirk's largest employer, laid off 400 employees for a week and 40 full time due to poor economic conditions. This is the first time this has happened since the 1981-1982 recession. I worked there then and remember being laid off, and then working, laid off, then working. This terrible cycle of uncertainty finally caused many employees to quit.

I now feel true empathy for working people in this province who are going through what I went through then. Then we were lucky enough to have a provincial government who cared about working people and were prepared to stimulate the economy.

We at the mill, and many other Manitobans, fared well, while the rest of the country lingered in recession. The NDP government then made job training and job creation their first priority. It can still be done if the political will exists, but unfortunately it appears it does not. This government seems content to follow the R. B. Bennett approach to fiscal management—when the economy is in decline, when we are in a recession, this government decides to cut deeper, to reign back the economy.

That was the action, of course, of R. B. Bennett, another Conservative, in the 1930s, an action which worsened the downturn. We had men and women in relief camps which were actually just slave labour camps, men riding the rails in search of work. Much of the population in western Canada was on relief. Much of the population in this country was on welfare. One of the budgetary expenditures that increased then was welfare, and it is one of the expenditures that is increasing now. History has a tendency, of course, to repeat itself.

The Minister of Finance (Mr. Manness), when commenting on a remark made by my Leader, the member for Concordia (Mr. Doer), said it was a war that got Canada out of the recession. It was not the war that got Canada out, it was government spending money on the war that got Canada out of the recession. It was the government loosening the budgetary purse strings that got men and women working again. This fiscal policy was first practised, of course, by FDR, the New Deal, years before it

occurred here. That was why the States was moving towards economic recovery years before it began in this country.

An R. B. Bennett budget cut back during times of economic recession. This runs contrary to all economic theory. Even a high school economic student can tell us that.

These cuts continue in other areas, we find these cuts in Agriculture as well. There will be a \$40 million cut in provincial farm programs to pay for the provincial government's contribution to GRIP. We all know what many farmers' reactions are to this program. Where is this government's commitment to farmers? Fifty-one positions eliminated from the Department of Agriculture, support to the soil testing laboratory has been eliminated and other costs borne by farmers will increase as these services are privatized.

The Natural Resources department cuts questions this government's commitment to rural Manitoba, as well as to the environment.

Health care cuts were the most cruel. Health Promotion and Disease Prevention cut by \$144,000. Women's Health reduced by \$4,000. Health Promotion programs for children cut close to \$700,000. Such health disease prevention programs are the most cost-effective way of maintaining good health. Northern patients will be charged a \$50 user fee for air transportation south for elective surgery. This is a penalty for needing services not provided in the North, a penalty for living in the North.

* (1650)

Of course, now Selkirk can be considered part of the North, Mr. Speaker. Selkirk is being hurt simply because of how they vote. I would like to read into the record the resolution passed by the Town of Selkirk last night at a regular council meeting.

WHEREAS the Psychiatric School of Nursing has been situated in the town of Selkirk for approximately 70 years; and

WHEREAS the Psychiatric School of Nursing in the town of Selkirk has a Canada-wide reputation of excellence; and

WHEREAS the school has contributed not only human resources but also financial resources to the community; and

WHEREAS the Council of the Town of Selkirk has been made aware of the decision to close the

Psychiatric School of Nursing, through the news media; and

WHEREAS the Council of the Town of Selkirk was not consulted by the provincial government on this proposed closing of the Psychiatric School of Nursing; and

WHEREAS the citizens of the town of Selkirk have always expressed a caring and considerate attitude to the mental health and wellness of the patients in the Selkirk Mental Health Centre; and

WHEREAS the quality of care would not be available without the high calibre of trained nurses acquired from the school of nursing;

NOW THEREFORE BE IT RESOLVED that the Council of the Town of Selkirk implore the Premier of the Province of Manitoba to reconsider the decision to close the Psychiatric School of Nursing in the town of Selkirk.

This was carried, signed by the Mayor Bud Oliver of Selkirk.

The resolution, of course, stresses the importance of the School of Psychiatric Nursing to the town of Selkirk and the importance of psychiatric nursing to mental health care.

This government's decision to close the school is a blow to the local economy and an even greater blow to the psychiatric profession. It will mean the wholesale elimination of 13 jobs, three management positions and one and one-half support staff positions in Selkirk, as well as the loss of the town's only post-secondary education institution.

Those positions, plus the contributions of the 60 students who attend the school, generate over \$1 million annually into the Selkirk economy. We feel betrayed by this government. They isolated the major population base which is, of course, the city of Winnipeg from this valuable education service. The school receives over 500 inquiries, over 100 applicants every year, many of whom are from out of province, for the mere 30 openings.

At council last night, a first-year student in Selkirk told the council and the crowd that when he first decided to become a psych nurse, he checked out both schools. When he compared the two schools, Brandon and Selkirk, he chose Selkirk due to its academic record and its teaching excellence. This young man, he came from the Brandon area. He decided to commute the 200 miles because Selkirk had a better school, and now this government has

decided to close it. They have decided to close down half of the teaching facilities of the psychiatric nursing profession. Everyone recognizes, the Minister of Health (Mr. Orchard) has admitted this several times, he recognizes the valuable role the psych nurses will play in the mental health care profession, because if this government is serious about mental health care reform, then why cut the one profession that is fundamental to that reform?

So I urge the Minister of Health, along with the town of Selkirk and many other professional groups, that this minister reconsider this move. Do not close this school. Manitoba will be worse off for it.

Selkirk, of course, faced other government layoffs as well. Twenty-five civil servants will be cut by this budget in Selkirk. The town will lose four Department of Natural Resources jobs and three Highway jobs. This policy of restraint has already failed miserably with every economic predictor saying that Manitoba will be the last out of the recession. Layoffs and loss of vital services is no way to get people through this difficult time. The rolling mills in Selkirk have laid off 40 men. Building permits in Selkirk fell off 26 percent. Welfare rolls are increasing every day. This budget will hurt the Selkirk and the Manitoba economy, and that is why I will support our resolution. I will vote against this budget.

Hon. Glen Cummings (Minister of Environment):

I am very pleased to have the opportunity to rise and place a few comments on the record regarding this budget. The fact is, Mr. Speaker, that I have been able to listen to some of the comments from the naysayers across the way. Some of them thought they were soothsayers, I suppose, but frankly there is not very much that has been said across the way that indicates that there is anyone over there who recognizes the real problems that this province has had to deal with, the concerns of the people of the province and the fiscal responsibility that goes with putting this province in a position to further itself through the '90s.

Mr. Speaker, I think that when we talk to the people of this province today, one of the things we recognize is the real tragedy of what has been left as a legacy from the previous administration in this province, the real tragedy of what has been perpetrated on this country at the federal level from the various governments that we have had over the last 15 years, because there is not a government among that group that actually recognized that,

during periods of rather dramatic growth we have had in this province and in this country, when the growth is in the teens, why we should be perpetrating continued deficit budgets upon the people of the province.

The fact is, when we have 18 percent growth in the provincial revenues, how could governments of that day possibly not have recognized the need to bring the financial pictures of the government into a more balanced position? All they needed to do was recognize that there are cyclical factors that enter into the economy of this province and this country, all across the global economy.

The Minister of Finance (Mr. Manness) made some rather significant statements before Christmas and following the New Year, talking about the financial challenge that we are facing. There are two areas that I want to reinforce and put on the record as something that, I think, were the significant turning points within this province and the fiscal direction that we are being faced with.

In 1981 the interest costs, as a portion of personal income tax in this province, were about 19 cents. Today they are almost 50 percent of the revenue. I see the member from Flin Flon (Mr. Storie) chooses to shake his head and pretend he is not interested, or that that is not significant.

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

The fact is that, when we are looking at economic renewal, and particularly in his own riding, he should look at the fact regarding the future development of the smelter in that area. The government for years in this province has not successfully worked with industry to recognize that smelter needs to be replaced, environmentally. It certainly is in the difficult position to defend itself, but economically that whole region of this province needs that smelter. It needs that economic development. Where are we as a province in order to be able to respond to that?

We are in difficult times, but it is an important issue and one that will be recognized, but it is that much more difficult to recognize when at the same time they were perpetrating upon this province some of the richest programs and some of the most lavish spending that we had seen in the history of this province. And where does that leave us?

* (1700)

That leaves us with the other area the Minister of Finance (Mr. Manness) referred to when he talks about the fiscal challenge of where we need to be in the next decade. Recognizing that the growth of expenditure in this province, if it is continued to proceed unabated, and combined with the rather dramatic change that we have had in revenues to the government, there are a number of scenarios you could put together. But the fact is we could have within a very short period of three years, a \$1 billion annual deficit in this province.

We have seen what happens when we have a half a billion dollar annual deficit, so I do not think there is anyone, not even in the opposition benches, who would advocate that we have a deficit of that size. I do not think there is anyone on any side of this House who would, for one minute, want to minimize the concern and the problems that can flow from governments having to make some very difficult decisions.

The fact is that the choice is not a particularly palatable one, because we know of other jurisdictions across this country, Newfoundland being a prime example, some of the other Maritime provinces. You can look to Saskatchewan, the province to the west of us, the breadbasket of western Canada obviously. Look at how their budgets have driven them to make some very difficult decisions. What drives them to those decisions? The fact is that they cannot acquire the kind of credit that they need.

One of the things that we recognize in western Canada that has driven provinces, including Alberta, into some difficult financial waters is certainly related to international problems and concerns surrounding agriculture, but there has to be a recognition of the reality. Each and every one of us in this room, and I would dare say that I think almost everyone on this side of the House, Mr. Acting Speaker, has at one point or another had to face his banker, whether it was a personal loan or a business loan, and had to justify how he was going to be able to manage that fund, how he was going to be able to repay it, what his resources were to be able to deal with that.

Now, there are people who think that it is some sort of a mystery about how governments acquire a deficit, how governments pay off their debts—and I am sure the member for Brandon East (Mr. Leonard Evans) will have something philosophical to add in response to this—but it is no deep, dark secret about

the fact that debt is debt, and it is just as hard for government to pay on occasion as it is for individuals and businesses to pay.

I think that we have, virtually over the last couple of decades, as a society not recognized some of the problems that have come with the very high expectations that we have generated among ourselves. I am talking a national basis as well as provincial and local basis, because the fact is we have come through some very buoyant times. During those buoyant times, however, I do not think we looked far enough ahead to recognize that there could be stormy waters down the river and that we might have to make some decisions that we were not particularly anxious to deal with at that time.

When the Minister of Finance (Mr. Manness) talked about establishing a fiscal framework for the future of this province, he recognized, and recognized very clearly, that decisions that he was going to be asking us within government, us within the population of the province, were decisions that would have to be justifiable, and they would have to, above all, be fair. I want to stand here, and I am sure every member on this side of the House is prepared to stand up and say that, if there is one thing we want to do, it is to be able to show the people of this province that above all we will be fair, that we want to make sure that the decisions that are made are in the best interests of the province, the best interests across the province. That is an element upon which I am prepared to be judged, and one which I believe we will be able to demonstrate that we have been responsible.

The fact is, as I have said before, there is no magic or secret in creating a budget, but when income is down, when demands are up, Mr. Acting Speaker, when demands for service are continuous or up, when you have vulnerable Manitobans who need to be protected and with social services, education and health of the highest standard across this country, probably the highest standard in North America, that you need to make decisions which will protect those interests.

Mr. Leonard Evans (Brandon East): ... economic reality should be more effective. There is a recession now. We do not have buoyant times. That is when you pay off your debt.

Mr. Cummings: The member for Brandon East (Mr. Leonard Evans) has finally started to assimilate some of the concerns that I am enunciating. The

fact is that he was part of a government that during economic times created the debt that we are dealing with today, economic buoyant times, and now he says well, you cannot pay off the debt when there are hard times.

Well, why did he not pay it off during buoyant times when the pen was in his hand? He was not there when this province needed him. He was not there when the people of this province needed some economic leadership. He was not there when the volatile Manitobans needed somebody to stand up and say, we are not going to wreck the economy of this province. He was not there, Mr. Acting Speaker, when the growth in this province was 18 percent and believe me, that was the time when they had the freedom and they had the opportunity to make some decisions that would have made the 1990s a lot more palatable for this province.

The fact is that in some of the areas where we are talking about education, we need to prepare people for the demands of the future and those are the priorities the Minister of Education (Mr. Derkach) has put forward. The kind of jobs that we are prepared to fund in the future, that society will demand in the future, will require the kind of high tech education, the kind of technological background that we believe are important priorities for the education system.

While there are those naysayers across the way who are suggesting that the Department of Education needs to maintain all of the programs that were out there, they forget to look at the fact that there are a number of new areas that need to be opened up for the people of this province, and we need to open them up now, so that we can provide those people who are looking for that education, who are searching for that opportunity to find their niche in the 1990s in the job world, will be able to get the training they need and deserve.

Interestingly enough, Mr. Acting Speaker, despite some of the discussion that has taken place in these Chambers, I find a number of people out there right now in the Civil Service in the educational area—and I have some interest in education, given that I spent a number of years working with the local school division as a trustee—but I have to say that people out there are saying: Put me in, coach.

Those are not the words they are using, but they are saying, we have ideas on how we can support and improve what you are doing, that we have ideas

that we want to bring forward for you to consider, and that the things that you are laying down as responsibilities and initiatives and directions, we agree with and we are prepared to work with and here is how we see that we can help do that.

When I see that kind of an attitude in the people who are delivering the programs, when I see that kind of an attitude in the people who will be accessing the programs, then I know we are on the right track.

The fact is, Mr. Acting Speaker, the people of Manitoba are not stupid. They recognize that if we do not have the kind of budget that is being presented here today, we may not be able to have the flexibility to respond a year from now the way we want to respond to the demands of the '90s, that our options will be severely limited if we do not make some of the decisions that we have brought forward today.

I enjoy cartoons and I enjoy caricatures, but there is one that I recall rather vividly from the election. That was a picture of a Santa Claus, only in this case it was a female Santa Claus peering down the chimney. Somehow it reminded me of the Leader of the Second Opposition (Mrs. Carstairs). I think that was probably the intent of it. It was peering down with obviously a bag full of financial goodies over her shoulder, beckoning to whoever was below.

That was the kind of approach that the Liberal Party brought to the people of this province in September. That was the kind of concerns they brought forward; they said, we have the sack full of money. I think they referred to it as "Clayton's old sock." I am not sure exactly what term it was that they referred to, to the Fiscal Stabilization Fund, but they said we will take that Fiscal Stabilization Fund and it will be heavenly if we ever form government.

* (1710)

Well, Mr. Acting Speaker, while that may have made good politics on the hustings, the fact is that was not what the people of Manitoba were prepared for. They recognized that was not a sustainable approach to the economy of this province, the same as they recognized that the Jobs Fund, and the legacy of debt that we now have from that, was not the answer to the creation of real prosperity in this province.

There are real concerns that should be addressed, and I do not for one minute minimize

some of the statements where people are saying that there are human concerns that are raised. The fact is that I look out across the various communities where people are beginning to work together and I look at some of the examples of how communities have recognized the economic realities of what they are dealing with and have used the resources within the community to start dealing with them.

I took some umbrage at derision being cast upon the fact that the question was raised about whether or not there was any commitment to the 4-H program. I am a product of that program, as there are a number of other members on this side of the House, and I can tell you it was run in those days by the Ag reps with the assistance of some very capable community leaders and volunteers. You can judge the results when you know that there are at least half a dozen to 10 members on this side of the House that are a product of that system, and I do not think they did too bad.

Mr. Acting Speaker, the fact is that the agricultural community, when faced with some of those kinds of decisions, have a way of reacting that makes me very proud to be a Manitoban. I look, for example, at the farm machinery business which has almost totally been taken away from the rural communities because of the agricultural downturn. That is cyclical; we know that has happened before, but it has been a long time since we have seen the amalgamation and the removal of as many farm machinery dealerships over the last 10 years. The fact is, I look at the resourcefulness where, in some communities, the users of those products have banded together and said, we will buy this service and operate it ourselves so that we keep it working within our community for service that is demanded of it.

That is the kind of initiative, that is the kind of thing, that makes me proud to be a Manitoban and be part of the resurrection of this province, because I look at questions that are raised across the House about whether or not farmers will use the GRIP program or whether the GRIP program is going to be treated as a cash cow or whether it is genuine support to the agricultural community. I talk to the farmers across the province every opportunity I have to be out in the communities, and we know that there is not one farmer in this province who wants to farm on the basis of government programs. They want to farm on the basis of the productivity, the quality of the product and their capability to compete. But

what we have seen is a situation where, through an offloading from a federal program into a provincial program, we have now a program, however, that is capable of providing some interim transitional support for a community that is vital to the economy of this province and vital to all of western Canada.

For anyone who would suggest that, as some members have hinted, GRIP (a) shows lack of commitment to the agricultural community, or (b) is not being run with the best interests of the agricultural community at heart, really does not understand the very strong desire that community has to stand up and be competitive in the world stage and that this is an opportunity for them to do that. Why are farmers out there saying that they want to look at the various aspects of GRIP? Why are they talking to their bankers about GRIP? Because they know that this is the one chance, if you will, for a number of those farmers who have undergone the combination of drought and bad prices to be able to show to those who are financial institutions, whether they be the Manitoba or federal farm financial programs or whether they be the programs put forward through the various banking institutions, that this will provide some stability, but it does not provide a guaranteed profit.

For those who look across the agricultural communities and wonder whether or not there is something hidden in this program that will somehow protect agriculture forever and a day, no one is saying that. It is there to provide some stability and provide that backdrop that the agricultural community needs to put forward in order to compete in some very tough economic times and at the same time survive what, in a number of areas, has been a very devastating drought. When you put that demand, which is in excess of \$40 million, alongside of the fact that we have lived up to our commitment to make the Health department, Community Services, Education, and Justice as priorities within this government.

When you look at the fact that social allowance benefits have continued and have grown, when you look at the fact that we have a \$90 million increase to the Department of Health, when we look at the hospitals, the personal care and the Home care and the Pharmacare programs that we are maintaining for the people of this province, when you look at the fact that the Education Department, the Justice Department and the associated human services with those departments are maintained and

enhanced for the people of this province, and balance that against what I just talked about with the agricultural community, I believe that we have measured up to that standard of fairness and the standard of building a fiscal foundation upon which this province can go forward.

(Mr. Speaker in the Chair)

We have delivered on the priorities that we set out for ourselves, and I do not want to minimize the fact that it was not an easy process to establish the real strong footing that is needed to prioritize those areas and make sure that the public recognizes and make sure that we recognize internally the importance that is attached to those plans, because putting a fiscal blueprint in place requires that the maintenance of a number of functions across government, outside of those areas, needs to be considered as well.

People of this province, people across this country—and it has been said several times already, but the fact is that they have looked at their governments, and they have found them wanting in many ways. They have found that governments have not been willing to set priorities at a time when priorities are of the essence.

They have looked at governments, and they have found that they have been unwilling to make decisions based on real facts, real scenarios for the future of this country and for this province. I believe they will look at this budget and I believe they will look at this government, and they will find that we have responded to those expectations.

There will be areas—and I have my own areas of concern when I respond to my own area of responsibility that I look at. I say, I have to prioritize decision making in this area to make sure that we provide the service that the public demands, but do we have to provide the service that is wanted or the service that must be supplied? There is a difference between what wants are and what the must side of the balance is. In that consideration, we need to make decisions based on knowledge, make decisions based on the best available information on the performance of the economy and be able to position this government and this province to move strongly into the '90s.

* (1720)

A lot of people on the opposition benches will say, well, those are fine words, but the fact is that we would have done it differently. In looking at the setting of the priorities, I do not think there is one of

the priorities that they would have put to the bottom of the list. I do not think they can honestly say that health care would not be a priority. I do not think they could honestly say that education should not be a priority. I do not think they can say that social services and justice should not be a priority. So then they have to come to the same decision-making process that we went through. They have to consider if that is a priority, then how do they support those priorities? They support them by making sure that other areas keep their framework within the fiscal ability of the province to support them.

If everything the government does is a priority, then the only other choice you have to make is increase the income. How do you increase the income? You increase the taxes. Who pays the taxes? I can tell you that the people across this country expressed their displeasure about the change in a consumer tax, but for a long, long time have been saying we have had enough on the personal income tax side.

There is not anyone in this room who 10 years ago would not have been more than satisfied with the type of salary that we, on the average, pay in this province today, but they never anticipated the cost increases that we have to deal with. When that personal income is consumed by the extent that it is with taxes, whether they are hidden taxes or whether they are income taxes, after a while people start to say that they want to see their priorities recognized, and that becomes a point when they start saying what their priorities are. I would only say to the members of the opposition that you can decide that your priorities are different than ours, but be prepared to stand up and defend that, be prepared to say how you would fund that. It is not enough to say that you know where there is \$1 million in Oak Hammock that you would reprioritize, what else would you reprioritize in a \$4 billion budget? You cannot develop the kind of savings that you are talking about spending without completely taking away a great deal of the infrastructure on the other side. -(interjection)-

Well, I am sure the member for Flin Flon (Mr. Storie) would not want to look at the lending authority and say that it is not a priority anymore to have to deal with the smelter. I am sure he would not want to take that off the list.

I think that you only need to recognize that the people of this province very clearly have said—and

we have all very recently come through a round of appearing at the doors and trying to tell the people of this province how we thought we should move forward, and I will bet you did not find very many that said, you have to increase the revenue to government. I will bet you found that most of them said, manage carefully with what you have got. If those are not the words that they used, that was probably the implication that they put forward.

I recall very well as the members with some chagrin from time to time like to talk about in the opposition party about the fact that we asked, where did the money go, when Autopac was riding the crest of a very high deficit? I believe that today the taxpayers of this province are not only asking where does the money go, they are also asking who pays that shot. They know who pays the shot, and I believe that this budget goes a great distance toward answering the concerns that the public ask for of their elected officials: to set priorities, to provide sound management and good husbandry of the budgetary resources that we have available to us for the best interests of all Manitobans. I believe that is what we have accomplished with this budget, and I would expect to see it unanimously supported.

Mr. Speaker: Six o'clock? Order, please.

Is it the will of the House to call it six o'clock? No? Okay.

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, I rise today to also add my comments to the budget. Each of us must look at this document as it relates to our own constituency and that is the way I will be looking at it, but I will also be looking at it in how it relates to rural Manitoba and to northern Manitoba.

When I was first asked to make a comment on this budget by the local media my first reaction was that I could not find anything good in it, but I must admit that every document must have some good points in it, and I guess the part that I would like to look at is the fact that the Minister of Finance (Mr. Manness) has decided not to harmonize the GST with the provincial sales tax. That is an excellent move.

If the two taxes were blended together it would raise \$63 million for the Province of Manitoba and it must be awfully tempting for the Minister of Finance to access these funds, but I am sure he has left the doors open and he is going to consider this tax and I am sure we will see it in the next budget or somewhere through the year, that he will be bringing

it in, because he has not said no to it. But the minister must look very closely at this, and this government must look very closely, if this happens, if these two taxes are harmonized, who is going to be hurt the most.

It is going to be our poorest people, the people on lowest income who are going to have to pay a larger share of their income toward taxes, so I certainly hope that the Minister of Finance will stay on the same track that he is on, and not bring in harmonization of the two taxes.

The members of the government side of the House continue to blame the dilemma this government is in on the NDP. They seem to forget that they have been in government now for three years, and it is their responsibility, and they have created many of the problems by not stimulating the economy. They are doing absolutely nothing with job creation—more people on welfare, more people out of work, more people leaving the province.

They blame us for the \$500 million debt. The fact of the matter is that when we were put out of government there was a balanced budget, and had they managed these finances properly and not looked at the Fiscal Stabilization plan, and used that money to pay down the debt, things would certainly be different in Manitoba than they are today. But this government chose to play games with money and now blames the NDP for all the debt that is there, that they could have addressed much earlier.

The Minister of Finance (Mr. Manness) talked about this budget and said it is a budget designed to assist economic renewal, help Manitobans weather the recession and achieve the promise of the future. Mr. Speaker, there is very little in this budget to renew economic growth. There is no job creation, and all we see are cuts, cuts and more cuts. With a cabinet that has a large representation from the rural area, I just do not understand how, on one hand, this government can be speaking about rural Manitoba and what growth they expect in rural Manitoba and, on the other hand, cutting services, because that is what we see in these budgets. Many of the support services that are needed for rural Manitoba and for the farming community have been cut.

Now, the members across the way will tell us that southern Manitoba is doing very well. I must say that if that is the case and there is growth in southern Manitoba, I am very pleased for them, but that is

certainly not the message that farmers have been giving us. They are quite concerned about what is happening in southern Manitoba. This government does not only have the responsibility for southern Manitoba, they have the responsibility for all of Manitoba, north, south, all of it. Everything north of the No. 1 Highway is also your responsibility, so let us look at this whole program. I wish that these rural members would really consider what they are doing to the North and rural Manitoba.

* (1730)

The government continues to complain about federal offloading and the extra burdens that are being forced upon this government by the federal government. It is true, they are having to pick up extra costs, but what happened to those open lines of communication that were announced in 1988? Oh, if we have Conservative governments in Manitoba and Ottawa, the phone is just going to be ringing constantly and the money is just going to flow down to Manitoba. That was the promise from this government. They promised us that money would just flow into Manitoba. All of the sudden, they are blaming the federal government. The lines must not be working there.

What is this government doing? They are complaining about offloading, but on the other hand they are doing exactly the same thing to the municipalities. They are offloading more and more costs onto the backs of rural people. They have cut operating grants by 13.4 percent. Now, the minister will tell us, oh, well, that is because there is no economic growth in Manitoba, no income tax paid. The federal government is just sending back our money. Again, if there was economic growth, there would be operating money. It is just an excuse to offload onto the municipal governments. Supports for LGDs, local government districts, have been cut by \$64,000. Grants to school boards have been frozen unless the student population increases.

We are seeing real problems in the rural area. Farmers are going broke; people are being forced off the land. How can you expect, at this point, if there is nothing to stimulate that economy, to see the population grow right now? There will not be a growth in population, so in other words, this government, Mr. Speaker, is giving up on the rural schools as well.

This government has also chosen to offload more costs by transferring 2,000 kilometres of provincial

roads onto the municipalities, again, a cost of \$6 million. Now, the Minister of Highways (Mr. Driedger) was out in my constituency this last week, on Friday, and he heard the people out there. He heard the concerns of the people in our area of what this will do to municipal costs. If the economic growth is not there, what is going to happen? The roads are just going to break down because the rural people cannot afford those additional taxes.

The Minister of Highways also took great pride in announcing that the bridge that we were opening was built under the 50-50 sharing program that was brought in by this government. It was a good program, but instead of enhancing that program and carrying on with it, that money has also been cut back and municipalities again will have to pick up the costs of those programs or not improve the services to the area.

This government, Mr. Speaker, has spent a lot of time talking about water management and the need to support conservation districts and get control of water management, because in the past we have had many ditches and drainages built without the support of government, without the designing and there has been a lot of problems. Instead of supporting municipalities by offering the designing and the engineering that is needed, those services have also been cut back. So I cannot understand how, on one hand, members of this government can say that they are interested in being sure that all the water is managed properly and that we have conservation districts there, but on the other hand, cutting back on these resources.

We will not get water management under control if we do not have the services there, the expertise of engineers and water managers to look after these things, and again, it is a service that is being offloaded onto the municipalities.

Municipalities are also being asked to pick up a large share of policing costs. There is a difference of opinion between the rural municipalities and urban municipalities and, yes, some of those costs do have to be shifted, but this government has failed all Manitobans by not negotiating a proper deal with the federal government. They have let this deal go far too long in negotiating policing costs.

There is no need for the federal government to be allowed to shift that much responsibility onto the provinces and then onto the backs of the municipal people. They are just letting go of their

responsibility and this government is not sending and has not sent a strong enough message to the federal government that they are not prepared to pick up these costs or other costs that are being offloaded.

Mr. Speaker, this afternoon and today we heard that the Minister of Urban Affairs (Mr. Ernst) was interested in restructuring rural municipalities and cutting down school boards to save costs. I was quite disappointed that at a time when municipalities are facing difficulties, the rural communities are all suffering, this government would have as a priority restructuring municipalities and school boards.

There are far more important issues in the rural area than restructuring municipalities and school boards. You have to look at diversifying the economy, bringing growth to the rural community rather than taking away the supports that are there. You know, rural municipalities have just been given the responsibility of a lot of extra roads, extra policing costs, and now the government is indicating that councils should be made smaller.

Yes, the Union of Municipalities have said this is something they want to look at, but this government should consult with rural municipalities, because when I spoke to them today they have absolutely no interest in restructuring committees. For the amount of money that these councils cost, I am sure that we can find better ways to cut back and take on responsibilities.

I just do not understand what is going to be gained by looking at this particular issue at this time. As I say, there are far more important issues, some of them being looking at the rural area and what we can do to stimulate that economy, rather than playing around with silly things like council restructuring and hiding behind the realities of the real problem.

* (1740)

If this government really wants to help rural people and the rural communities and the small towns, they should look at their decentralization policy and if that is the route they are going to take, continue on with it. But I think what they have to do right now is admit that their decentralization policy is a real disaster, because they certainly have not come through with what they promised. They have not fulfilled the promises.

During the election they really misled the public, Mr. Speaker, because they led people to believe

that they were going to decentralize, but all of a sudden the economy seems to have changed and they say that it is on hold; they cannot afford to go ahead with this plan right now. They knew what the economy was in Manitoba when they called this election, but they continued to go on with the plan, that they were going to decentralize.

Instead, what have they done? They promised decentralization and more jobs for the rural area, but instead they have cut jobs from Natural Resources and Highways department, Agriculture, most of these jobs in the rural area. It seems hypocritical, on one hand to spend \$20 million to lay off people and then increase welfare by \$29 million. Again, we are going to pay people not to work. Then they say, yes, we are going to continue on with decentralization and increase that budget by 400 percent. Why? There are people working in the rural area. These supports are needed in the rural area right now, but instead, the government chooses to cut and slash in one area and then say, oh, yes, but we will be centralized and we will bring you jobs. It does not make sense. It does not make sense at all. Taking away these services to the rural community, what is the real benefit to it?

Mr. Speaker, I would like to touch on Agriculture and the Agriculture budget. We have heard announcement after announcement on how great the GRIP program is. We have been told how farmers work together on this plan. A program designed by the farmers for the farmers, they tell us. However, the majority of farmers are not happy, but the Minister of Agriculture (Mr. Findlay) will not listen to them. Farmers were led to believe that this—they keep talking about this program, that there was farmer input, but when you try to find out who the farmers were, there are a couple of them from Manitoba, but basically it is a program that is designed by bureaucrats, and there was not farmer input. As a result, farmers are very disappointed with the program.

Farmers anticipated, yes, that there would be money in this budget for agricultural programs and for GRIP. They never in their lives believed that this government would take away all the resources that were there and put that money—just move the pot around, so to speak. You take a little bit out of this section of Agriculture and put it into GRIP. What they have done, Mr. Speaker, is cut out all the services that farmers need at this time, at a time when government is encouraging farmers to

diversify—and I support them wholeheartedly on that because farmers do have to diversify. We have to look at growing the different crops and bringing different resources into the farm economy; however, if we as farmers are to diversify, we have to have the supports there, and those supports are being taken away from the farmers to pay for the GRIP program.

Fifty-one positions cut from Agriculture. That is a terrible blow to the agricultural industry at this time, Mr. Speaker. The interest relief program, which was put in place last year and which many farmers anticipated would be there again this year, has been cut. Drug and semen services, which the farmers were paying for themselves—it was not a program costing the department any money, but was bringing quality service to farmers—that has been cut. Soil-testing services have been cut. Now, the Minister of Environment (Mr. Cummings) mentioned the 4-H assistants.

Yes, I think that the 4-H assistants were doing a very good job, and they were replacing volunteers. Mr. Speaker, we have to realize that many of these volunteers are now working full time to help support the family farm and have very little time to give volunteer services. Many of the jobs that have been cut in rural Manitoba are people who are supplementing a farm income, either a farmer or a spouse of a farmer, and this income will be taken out of the rural area.

Mr. Speaker, last week all farmers were waiting with anticipation of a third line of defence. I want to tell you that as a farmer myself, when I heard the announcement last week, I was never more disappointed as an individual than I was in that announcement of that program. Farmers had anticipated that there would be cash, there would be a payment that would help them put in their crop this spring. They had been led to believe that that money would be there.

Instead, what did they get? Their farm premiums, 25 percent of their premium on GRIP will be paid. A NISA account will be set up for them. Farmers have no money. They do not know where they are going to get money to put into this NISA account, but they are going to get a NISA account, no cash to help them this spring.

I cannot believe that the Minister of Agriculture (Mr. Findlay) would negotiate a deal like this for Manitoba farmers. Mr. Speaker, this is a blackmail

program. Farmers were very hesitant about going into GRIP, because they do not feel it is a good program in many cases. I will say that as a farmer myself, I am very hesitant about going into GRIP, but we will probably have to go into it because we are forced into it. The government is buying us into it with the 25 percent premium offer and the NISA offer.

I want to express my feelings as an individual and as a farmer that I think that the Minister of Agriculture did not negotiate a good deal with the federal government on the third line of defence. Farmers are very disappointed in that particular aspect of the program because they will not have the cash that they need this spring.

Farmers are being pressured. They are being pressured by the banks now as they go for their operating loans that they must sign into GRIP. They need cash now. Through this program, they will not get cash till sometimes in July, if it comes, and through the GRIP program they have to borrow money from the bank to pay their premium long before the money ever reaches their hands.

So, in reality, Mr. Speaker, the programs that farmers have been relying on for supports and diversification are not in place right now. The Minister of Agriculture (Mr. Findlay) would like us to believe that this is a good program and the supports are there for agriculture, but in reality much has been cut in the supports for rural communities.

The other area, Mr. Speaker, that I would like to touch on is education and our children. I believe that this budget is an assault on young people and our children. The programs that have been cut will have a devastating effect on young people and the numbers of them who will be able to go to university.

Mr. Speaker, just speaking from my own personal experience, my children did take advantage of the high school bursary program. It was an asset to them to have that little bit of extra money to cover some of the things that we were not able to afford. There are many families in those situations who need that assistance to be able to attend school.

What we are doing here is rather than encouraging our poor children, our poorer students, to continue on with their education, we are discouraging them. Student aid has also been reduced. Yes, my family did also take advantage of student aid and student loans. We are paying off loans. Just as in our family our children would not

have been able to go to university, there are many, many children who would not be able to go to university if we did not have those supports there for them. It is just a reality. There are people in this country who cannot afford to go to school. If we have any commitment to raising the standards of living and supporting our young people, this is one of the areas that we could be supporting them in.

CareerStart, again, if our young people are not able to get jobs during the summer months, they are going to have a very difficult time going to school. Mr. Speaker, there is one program that is particularly of concern to me and that is the BUNTEP program. In my constituency, there is a BUNTEP program in Camperville and many teachers have come out of that program. Those teachers have added an awful lot to the education in many communities.

* (1750)

The BUNTEP program, with the funding cut, Camperville may not get another program. There are other areas. I know Swan River is applying for a BUNTEP program right now, but in all likelihood some of the programs are going to have to be cut and that may be one of them. I have talked to some school principals and people involved in education and they have indicated, Mr. Speaker, that this is the most ridiculous time that you could ever take to cut funding to northern communities and to programs such as this.

There will be in a couple of years a shortage of teachers, and there will be a real shortage of teachers in northern communities. Even in the Swan River valley, the Swan River school, there are many teachers who are going to be retiring and sometimes it is quite difficult to attract teachers to that area. So if we have any desire to help our aboriginal people, to help our lower-income people fit into the educational system, we need those teachers who are trained in this program.

I just feel that it is the wrong time to be cutting back if we have any desire at all to help our aboriginal people. I think it is really important that we do help these people, Mr. Speaker. I went to the graduation in Swan River last year, and I have a fairly high aboriginal population in my community. Of about 150 people who graduated, two were aboriginal. Now that is a very, very low showing for the number of children who start out in school. The dropout rate is very, very high, and if we have any commitment to these people, then we have to start somewhere

and cuts to these programs are the wrong way to go.

Another area that is very important in my constituency is natural resources, Mr. Speaker. Again I say, some of the poorest people in this country make their living from harvesting natural resources, and the supports that should be there to help these people are gone—231 jobs. Now, there are two impacts of this. First of all, government services are being moved out of the towns. It is going to have a negative impact on the towns, but the other part is that these people are there to support the fishing industry, the forestry industry, all of those industries. The resources that are needed are being taken out.

Mr. Jerry Storle (Flin Flon): . . . business transportation . . .

Ms. Wowchuk: Yes, the member for Flin Flon raises a very important issue. Northern freight assistance to fishermen has been reduced.

Now, I have raised many times in this House the concerns of fishermen and how difficult a time they have making a living. I cannot, for the life of me, understand why at this time the freight assistance program has been cut back. I am sure that the Minister of Natural Resources will have some explanation of this. Let us hope so. That is right, because fishermen will be looking for an answer, and as I have indicated earlier, they cannot make a living right now. They cannot make ends meet and to have this additional cost will certainly be a burden to them.

Mr. Speaker, the other program that has been changed is the Fishermen's Loan Program, transferred from the Manitoba Agricultural Credit Corporation to the Communities Economic Development Fund. Now, there must be some good reason for this transfer, but we have not found out what it is and neither have the fishermen nor the people who are in the business. In fact, no one was consulted on this matter. Throughout the fishing industry people were not aware that these kinds of changes had been made.

Now, the Minister of Northern Affairs (Mr. Downey) has told me that they are working through this and everything is going to be all fine and well for the fishermen. The money is going to be in place, but fishermen are going to be going out on the lakes very soon. If they wanted to make a change like this, it should have happened far sooner than this

time of the year, because what it is going to do is delay funding for fishermen by about a month, by the time everything gets into place, and it will cause real problems.

They just do not quite understand why this has been put on hold, Mr. Speaker, or why this department has been changed. What is the advantage to changing it from agriculture to economic development? An explanation should be given to them. There are other areas in northern Manitoba that have been hit, and one of them is the health care issue, the health transportation, that has been raised many times in the last week. I think that is a serious concern because why is a service that is being well used, providing people with assistance to get to see the doctors, services that they do not have, why has this government chosen at this time to cut this service? To me and to many people it looks like the beginning of user fees in the health care system and many people are very skeptical about what will come next.

This government talks about preventative health, and I think we have to look very seriously at preventative health and something that we as government were addressing, but this government has taken a reversal on preventative health when they cut the northern dental program. It was a dental program that covered dental care for rural children up to the age of 14, and now it has been cut back. When you look at this program in the long run, it is probably going to cost us much more through health care costs than what we will be saving by cutting this program here.

The other concern that was raised to the Minister of Northern Affairs (Mr. Downey) when he was in my constituency this last weekend were the cuts to northern community councils. If these community councils are working towards self-government, they have to communicate, they need the financial support to carry on with this. Instead this government has cut back on northern community council funding; they have cut down on northern communications budgets. This cannot be an advantage to northern people, and it is not a step in the right direction to help community councils get on to the next step which is self-government.

If we really want to see the Manitoba economy grow, you have to look at job creation, you have to look at ways of stimulating the economy, and we have to look at ways of keeping people in the province.

Many young people are leaving the province. In fact, my son who was working in the forestry industry in Swan River is one of the ones who happened to be caught in layoffs and the Repap deal and all of that stuff, and he has had to go to Alberta. None of us like to see our young people leave the province because when these young people leave the province and put down roots somewhere else, even if our economy does pick up, it is very difficult for them to come back. We are losing some of our most precious resources by not offering an economy here that will keep our people in Manitoba.

Why does this government continue to talk about how they are not raising any taxes? They continue to say that they have held personal income tax at

the same level, but they are not admitting to the fact that they are raising many, many other taxes.

In fact, Mr. Speaker, right in the budget, we have the gasoline tax, a tax of one cent on diesel fuel and gasoline. This tax, again, will hit northern Manitobans much harder than it will hit urban people and people in southern Manitoba who do not travel the distances. So let this government not try to lead us—

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

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

Legislative Assembly of Manitoba

Tuesday, April 23, 1991

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