



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

**DEBATES
and
PROCEEDINGS
(HANSARD)**

41 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 7, 1993

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Doug Martindale (Burrows): Mr. Speaker, I beg to present the petition of Joyce Bruyere, Lesley Peebles, Elaine Fontaine and others requesting the Minister of Family Services (Mr. Gilleshammer) to consider restoring funding of the student social allowance program.

READING AND RECEIVING PETITIONS

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Ashton). It complies with the privileges and the practices of the House and complies with the rules (by leave). Is it the will of the House to have the petition read? [agreed]

Mr. Clerk (William Remnant): The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS the state of Highway 391 is becoming increasingly unsafe; and

WHEREAS due to the poor condition of the road, there have been numerous accidents; and

WHEREAS the condition of the road between Thompson and Nelson House is not only making travel dangerous but costly due to frequent damage to vehicles; and

WHEREAS this road is of vital importance to residents who must use the road.

WHEREFORE your petitioners humbly pray that the Legislature of the Province of Manitoba may be pleased to request that the government of Manitoba consider reviewing the state of Highway 391 with a view towards improving the condition and safety of the road.

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Storie). It complies with the privileges and the practices of the House and complies with the rules (by leave). Is it the will of the House to have the petition read? [agreed]

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

WHEREAS the provincial government has without notice or legal approval allowed wide-open Sunday shopping; and

WHEREAS the provincial government has not consulted Manitobans before implementing wide-open Sunday shopping; and

WHEREAS the provincial government has not held public hearings on wide-open Sunday shopping;

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Labour to consider holding public hearings on wide-open Sunday shopping throughout Manitoba before March 31, 1993;

BE IT FURTHER resolved that the Legislative Assembly be pleased to request the Attorney General (Mr. McCrae) to uphold the current law concerning Sunday shopping until public hearings are held and the Legislature approves changes to the law.

Mr. Speaker: I have reviewed the petition of the honourable member (Ms. Wasylycia-Leis). It complies with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

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

WHEREAS Manitoba has the highest rate of child poverty in the country; and

WHEREAS over 1000 young adults are currently attempting to get off welfare and upgrade their education through the student social allowances program; and

WHEREAS Winnipeg already has the highest number of people on welfare in decades; and

WHEREAS the provincial government has already changed social assistance rules, resulting in increased welfare costs for the City of Winnipeg; and

WHEREAS the provincial government is now proposing to eliminate the student social allowances program; and

WHEREAS eliminating the student social allowances program will result in more than a thousand young people being forced onto city welfare with no means of getting further full-time education, resulting in more long-term costs for city taxpayers.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Family Services (Mr. Gilleshammer) to consider restoring funding of the student social allowances program.

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Hickes). It complies with the privileges and the practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

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

WHEREAS Manitoba has the highest rate of child poverty in the country; and

WHEREAS over 1000 young adults are currently attempting to get off welfare and upgrade their education through the student social allowances program; and

WHEREAS Winnipeg already has the highest number of people on welfare in decades; and

WHEREAS the provincial government has already changed social assistance rules, resulting in increased welfare costs for the City of Winnipeg; and

WHEREAS the provincial government is now proposing to eliminate the student social allowances program; and

WHEREAS eliminating the student social allowances program will result in more than a thousand young people being forced onto city welfare with no means of getting further full-time education, resulting in more long-term costs for city taxpayers.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Family Services (Mr. Gilleshammer) to consider restoring funding of the student social allowances program.

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Santos), and it complies

with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

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

WHEREAS Manitoba has the highest rate of child poverty in the country; and

WHEREAS over 1000 young adults are currently attempting to get off welfare and upgrade their education through the student social allowances program; and

WHEREAS Winnipeg already has the highest number of people on welfare in decades; and

WHEREAS the provincial government has already changed social assistance rules, resulting in increased welfare costs for the City of Winnipeg; and

WHEREAS the provincial government is now proposing to eliminate the student social allowances program; and

WHEREAS eliminating the student social allowances program will result in more than a thousand young people being forced onto city welfare with no means of getting further full-time education, resulting in more long-term costs for city taxpayers.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Family Services (Mr. Gilleshammer) to consider restoring funding of the student social allowances program.

* (1335)

Mr. Speaker: I have reviewed the petition of the honourable member (Ms. Barrett). It complies with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

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

WHEREAS Manitoba has the highest rate of child poverty in the country; and

WHEREAS over 1000 young adults are currently attempting to get off welfare and upgrade their education through the student social allowances program; and

WHEREAS Winnipeg already has the highest number of people on welfare in decades; and

WHEREAS the provincial government has already changed social assistance rules, resulting in increased welfare costs for the City of Winnipeg; and

WHEREAS the provincial government is now proposing to eliminate the student social allowances program; and

WHEREAS eliminating the student social allowances program will result in more than a thousand young people being forced onto city welfare with no means of getting further full-time education, resulting in more long-term costs for city taxpayers.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Family Services (Mr. Gilleshammer) to consider restoring funding of the student social allowances program.

TABLING OF REPORTS

Hon. Rosemary Vodrey (Minister of Education and Training): Mr. Speaker, I am pleased to table the Annual Report of the Department of Education and Training for the years 1991-92. I also would like to table the Annual Report of the Universities Grants Commission 1991-92 and the Annual Report for the Public Schools Finance Board, the year ending June 30, 1992.

Hon. Darren Praznik (Minister responsible for and charged with the administration of The Workers Compensation Act): Mr. Speaker, I wish to table today the 1992 Annual Report of the Workers Compensation Board of Manitoba as well as the annual Five Year Operating Plan of the Workers Compensation Board.

Hon. James McCrae (Minister of Justice and Attorney General): Mr. Speaker, I am tabling today the Fatality Inquiries Report for the year 1992.

ORAL QUESTION PERIOD

Budget Property Tax Credit

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, on a number of occasions, leading up to the budget and including in the Speech from the Throne, the government talked about sharing the pain, having a fair approach to our economy, and the Premier himself, in his own Speech from the Throne, talked about the priority of their Conservative government in protecting those who

are less fortunate and protecting vulnerable and disadvantaged citizens.

We were looking for fairness in the budget yesterday because the government alleged that that was what we would see, but instead, the most vulnerable people, the most average-income people were the ones who were hit, and corporations were left alone in the budget.

I would like to ask the Premier specifically, dealing with the property tax credit, which, of course, is a reduction for most people of \$75 minimum in their property tax and therefore a cost to their personal disposable income: How can the Premier justify his measures in his budget as being fair when this will cost an average homeowner in Tuxedo 1.9 percent and an average homeowner in the north end of Winnipeg 7.5 percent?

Hon. Gary Filmon (Premier): Mr. Speaker, what the member opposite conveniently glosses over and in fact misrepresents is the fact that this is tied to income and that in fact people earning \$27,500 and less will still get the tax credit. It is income tested, and if he is suggesting that people in poorer areas should get it cut as well, then I think he is wrong.

Mr. Doer: Mr. Speaker, the Premier did not answer the question because he knows full well that this will represent a much smaller percentage increase for the people living in Tuxedo as it represents for the people living in Brandon, in the north end, in Dauphin, Manitoba, in Thompson.

I would like to ask the Premier another question. How can he justify this budget as sharing the pain when this budget represents a 1.3 percent increase for people living on Wellington Crescent versus a 5 to 6 percent increase for people living in the west end of Winnipeg and St. James area of Winnipeg?

Mr. Filmon: Mr. Speaker, the people who are living in the west end of Winnipeg, or the north end, or St. James, who are on low incomes, will not have the reduction. That is the point. He is absolutely, totally misrepresenting it. It is indeed income tested, and that is where the fairness is.

* (1340)

Mr. Doer: Again, the Premier well knows, with the \$75 reduction on the average homeowner, we are going to see a situation where people in Tuxedo, the pain that they will feel is much different than the people living in other areas of the province, Mr. Speaker. The Premier knows that, and he knows that full well.

Budget Property Tax Credit

Mr. Gary Doer (Leader of the Opposition): A final question to the Premier (Mr. Filmon).

The senior citizen change, Mr. Speaker, the \$175 will be moved back, for purposes of claim, to the income tax period. Many senior citizens have prepared their savings, and they have budgeted their lives in such a way, calculating the use of that \$175 for purposes of property tax this June. Many people are phoning us and saying: Listen, I have planned a trip to see my children, my grandchildren. I budgeted very carefully. How can the government change this provision to take it back to the income tax system, which will in fact deny me the opportunity to save that \$250 at the period of time of the property tax?

Will the Premier look at the fairness of that system, consider the fact that seniors budget long in advance, and have some sensitivity to our senior citizens with the change they made in the budget?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, first of all, I remind the Leader of the Opposition that the impact does not take place on averages; it takes place on individuals. Let me also remind the Leader of the Opposition that low income people are exempt. We did everything we could within the very complicated tax credit system that we have to minimize the impact on the earners of income between \$15,000 and \$25,000, but specific to the question, the member says: Why do you not allow for the same way through the tax form?

Once we introduced a sense of testing income, over 55 years of age, we had one of two ways of going. We could either ask the federal government to do it on our behalf through the tax form, or we could have employed, like the member I am sure would have preferred, significantly dozens of people more to go through the means testing associated with a senior. We refuse to do that because indeed that would have added another bureaucratic cost and more duplication between the province and Ottawa. Indeed we asked Ottawa to do it. They agreed to our request and it will be done through the tax form.

Budget Provincial Sales Tax Base

Mr. Jerry Storie (Flin Flon): Mr. Speaker, back in 1990, the Premier of the province promised not to

raise taxes. He followed that by a commitment in 1990 as well to not expand the provincial sales tax to bring it in line with the goods and services tax, the much-hated goods and services tax. In this budget, that promise was broken.

Mr. Speaker, my question is to the Premier. Why has he decided to broaden the sales tax to implement a tax grab which affects the poorest in our community, people living in—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Storie: Mr. Speaker, I did not make the promise. The Premier made the promise. My question is: Where is the fairness in a \$435 tax grab for the average family of four when that tax grab affects the people on low income, the people in my communities on a disproportionate basis compared to the member's constituents in Tuxedo?

Hon. Gary Filmon (Premier): Mr. Speaker, we were so committed to and so proud of the commitment that we made to freeze personal income tax that we put out a news release on the 7th of September, 1990. It said: Premier Gary Filmon today challenged Sharon Carstairs and the Liberal Party to match his commitment to protect Manitoba taxpayers by freezing personal income taxes.

That has been repeated time and time again throughout the course of—but, we have done better than that. We have not only frozen and reduced the personal income tax rate. We have not increased corporate income taxes. We have not increased the payroll tax. We have removed businesses from it, and we have not increased the provincial sales tax rate.

Mr. Speaker, I find it absolutely incredible that the member for Flin Flon (Mr. Storie), who was a member of the cabinet that twice increased the sales tax rate from 5 to 6 percent, from 6 to 7 percent in this province, could talk about a tax grab with respect to the changes that have been made to the sales taxes in this province. That is sheer hypocrisy. For him to be able to say that with a straight face is unbelievable, when he was a member of the cabinet that increased the sales tax from 5 to 6 percent and then from 6 to 7 percent at a cost of hundreds of millions of dollars to the people of this province. Shame.

* (1345)

Mr. Storie: Mr. Speaker, I made no such promise in 1981 when I was elected. This Premier was elected on a promise of not increasing taxes, in plural. That is what it said: Our commitments are not to raise taxes—plural.

This Premier is not keeping his word, and not only is he not keeping his word, he is doing it in the most dishonest way, by attacking the people who can least afford it.

My question is: How can this First Minister justify a \$435 tax grab which affects the people who have to buy school supplies and baby supplies, which affects them disproportionately to members in his own community of Tuxedo?

Mr. Filmon: Mr. Speaker, the only dishonesty in this House is being spoken by the member for Flin Flon over and over again.

Point of Order

Mr. Steve Ashton (Opposition House Leader): Mr. Speaker, I find it incredible that the Premier in an election said he would not bring in a GST provincial or an income tax, talks about dishonesty. This member should absolutely—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please. The honourable member for Thompson (Mr. Ashton) will take his seat. The honourable opposition House leader does not have a point of order.

Point of Order

Mr. Storie: Mr. Speaker, I believe I have been recognized on a point of order.

Mr. Speaker: On a point of order, you have been. What is your point of order?

Mr. Storie: Mr. Speaker, on a point of order, I do not expect the First Minister to acknowledge that he has misled the people of Manitoba with respect to taxes. For the record—

Mr. Speaker: Order, please. It is clearly a dispute over the facts. The honourable member for Flin Flon will take his bench now. The honourable member does not have a point of order.

* * *

Mr. Filmon: Mr. Speaker, in addition, of course, he then adds to his falsehoods by quoting an erroneous story from the Winnipeg Free Press. [interjection] We know about the view of the Leader of the Opposition (Mr. Doer). He had his member for

Dauphin (Mr. Plohman) write to the paper whining about the fact that it was the Conservative media in Winnipeg who would not allow him to get his story across, his dishonest story.

Mr. Speaker, I hope that the members opposite are not employing Jack Katz to do their work just as the Free Press are, because they are so far out on their calculations that they are out by a factor of two in the calculations, absolutely. The fact of the matter is that they take as the basis of their calculation for the cost of gasoline tax a one-cent-a-kilometre increase, and of course, it is not. They take as well—[interjection] It is dead wrong. [interjection]

Mr. Speaker: Order, please. The honourable member has asked his question; now we will get the answer.

* (1350)

Mr. Filmon: Mr. Speaker, they assume that things like formula and baby food are going to be increased in tax. They are not. They assume that things such as cloth diapers will cost tax. They are not. They assume that there has been an increase in the taxation on disposable diapers, and those in fact have been taxed since the last budget. They are wrong in that. They assume a thousand dollars of expenditures on—

Mr. Speaker: Order, please. Prior to recognizing the honourable member for Flin Flon, I would like to remind honourable members on both sides of the House, because the word has come from both sides, that the word “dishonest” is unparliamentary. [interjection] Order, please. I have said it comes from both sides of the House. Honourable members have got away with it this time, but you will not get away with it again.

Mr. Storie: Mr. Speaker, in the spirit of co-operation, I would certainly withdraw the word “dishonest.”

Mr. Speaker, I will substitute a transcript from an August 30, 1990, CJOB interview, where the First Minister says: “And our commitments are not to raise taxes.”

I would like to table that, Mr. Speaker.

Mr. Speaker, my question to the First Minister was a question of fairness. The First Minister cannot deny that the sales tax increase is on items which are required by every household. My question therefore is: How can he justify expanding the sales

tax to include those items which every household requires and which are clearly going to cost disproportionately more for low-income families?

Mr. Filmon: An increase in the sales tax—as was done twice by the New Democrats—would have been the most regressive of all, because it would apply to everyone, regardless of means; it would have applied to them. All of them, poor people, middle-income people, everybody would have paid more as a result of it. That is exactly what New Democrats did in the past and New Democrats are doing in every province in this country. Wrong, Mr. Speaker. That is the most regressive.

* (1355)

Budget Economic Growth Predictions

Mr. Reg Alcock (Osborne): Mr. Speaker, the First Minister should know that by broadening the base, he has increased the sales tax rate by about half a point.

Mr. Speaker, in the first five budgets, the Finance minister was off on his deficit predictions by about \$358 million. I would like to ask him something about the projections that exist in this sixth budget.

He talks about the creation of 12,000 new jobs in Manitoba, and yet he predicts decreasing revenue from personal income tax. Can he explain how the number of people employed and paying taxes can be going up but the revenue from income tax is going down?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, we are well aware that real incomes within the country are not experiencing any inflationary growth to speak of. We draw our forecast from federal Finance. Whereas a year ago—and the Leader of the NDP party particularly likes to make issue of the fact that my estimate was off. I tell him, my estimate came from federal Finance.

This year I have taken that federal Finance estimate and I have discounted it accordingly, because I do not want to suffer the same shortfall of revenue this year as occurred last year. That is why the number is less.

Mr. Alcock: Mr. Speaker, we are not talking about individual personal income growth. The minister is saying there are 12,000 new taxpayers in the province, yet he is predicting there will be less growth. Can he explain it for us?

Mr. Manness: Mr. Speaker, my answer still stands. I do not want to be in the same position at the end of '93-94 as occurred at the end of '92-93. [interjection]

Well, you will support the budget then, I imagine.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Manness: My answer still stands.

Mr. Alcock: Mr. Speaker, let us try it in a different area then.

When you take out the tax grab in the sales tax area by broadening the base and look at the actual year-over-year sales tax revenues, it comes to about half of what the minister is predicting the economic growth in the province to be. How can that be?

Mr. Manness: Mr. Speaker, the member makes one very faulty assumption. He assumes that my revenues, government revenues generally, increase at the same rate as economic growth, and that is not a fact. There was a time—[interjection] Do not take my word for it. Go and ask the economists of the country who will tell you that when you have nominal growth in the rate of 5 percent, the increase in revenue to government is going to be less than the real economic growth of 3 percent, and that is the dilemma that we have.

I will not have 3 percent or 4 percent revenue growth this year, as much as I would love to, because nominal growth today is not translating into 8 and 10 and 12 percent growth in revenues like it did when the NDP were in government.

Personal Care Homes Per Diem Increase

Mr. Dave Chomiak (Kildonan): Mr. Speaker, no group has been harder hit by this budget than the elderly and the sick. An example is an increase of 74 percent or \$500 per month in the per diem fees for some people in personal care homes.

Mr. Speaker, was the government aware—and it could be the Minister of Finance (Mr. Manness) or the Minister of Health—when it signed the contract with the U.S. consultants, some of whom get \$2,000 per day, that it will take the increased fees of 100 nursing home residents to offset the fees of just one U.S. consultant for one day for their work in Canada?

* (1400)

Hon. Donald Orchard (Minister of Health): Mr. Speaker, from time to time, when I close my eyes, I can almost see the former member for St. James, Mr. Al Mackling, in his strident anti-Americanism, emerge when my honourable friend poses questions.

Mr. Speaker, let me explain to my honourable friend how we arrived at the decision to raise the contribution of per diems in personal care homes from those individuals who have the income and the ability and the means to pay.

We have a substantial amount of co-operation at the Minister of Health-Minister of Finance level across Canada, and when we surveyed other provinces, we found that the range of maximum contributions for personal care homes range from a high of \$124.79 per day in New Brunswick to a low of—I believe British Columbia is amongst the lowest at \$23.10 per day.

All provinces to the east of us, with the exception of the province of Quebec, have a significantly higher rate than we had in Manitoba, our rate being based on the minimum income one would have with old age security pension and Guaranteed Income Supplement. So in striking a maximum rate for Manitoba, we decided that the rate in Ontario would be the appropriate rate to have as our maximum. So the \$46.04 based on ability to pay that is used in Ontario was the rate we chose to implement in Manitoba.

Mr. Chomlak: Mr. Speaker, is the minister aware that in some instances where there are two spouses, and one individual is in a personal care home and the other is on fixed income at their home, the person on fixed income at the home will be forced into very serious financial straits as a result of this because of not only other tax measures taken against that person, but because the disposable income of the person who is in the nursing home can no longer be utilized by that person who is in the home. Was that taken into consideration?

Mr. Orchard: I am certainly glad that my honourable friend posed this question because it allows me to explain to Manitobans how factually in error my honourable friend is. Mr. Speaker, this maximum contribution is based on ability to pay, and the exception is exactly the one that my honourable friend refers to. Where there is a married couple, one of whom is in a personal care home, there will not be an increased required contribution to per

diem which will compromise the ability to live independently by the spouse in the community.

We took that solidly, clearly and compassionately into consideration, and the issue that my honourable friend raises will not happen, Sir. My honourable friend does not understand the program. I am pleased he asked the question so I can take that little bit of misinformation away from my honourable friend.

Mr. Chomlak: I thank the minister. For the first time in the last month, he has actually answered a question straight.

Home Care Program Equipment/Supply Costs

Mr. Dave Chomlak (Kildonan): My final supplementary is: How can this government justify or think it is fair to charge sick people, people who are disabled or people who have colostomies, or people who have medical necessities, for their medical necessities when these people have no choice about their illness and they have no choice but to pay this tax on the sick, imposed by this government on their medical supplies? How can this minister do that?

Hon. Donald Orchard (Minister of Health): Well, again I do not think that anybody took particular joy in, for instance, bringing in the contribution by ostomates in Manitoba of 50 percent of their costs up to \$300. Maybe my honourable friends might be willing to listen to another answer. It might be as congratulatory as the last one.

What we did again is we compared the programs across Canada, and we found that in terms of home care supplies and equipment under \$50, we were somewhat unique in providing them free of charge. Saskatchewan made their change last year. In terms of ostomy, there are a number of different formulas for contribution by ostomates in other provinces. Our program and our implementation of contribution by ostomates, Sir, will leave us amongst the most generously supported programs in Canada because we are maintaining the significant cost savings of approximately 25 percent over other provinces by maintaining the central purchase function, and we are asking people with ostomy supplies to contribute up to a maximum of 50 percent, \$300.

Budget Impact on Seniors

Mr. Conrad Santos (Broadway): Mr. Speaker, it is also written: From unto everyone that hath shall be given, and from them that hath not even the little they have shall be taken away.

While this government budget had exempted some 900 businesses from their just share of the tax burden in the form of the federal tax and had given \$1.5 million in incentive training grants to their corporate friends, they have reduced the minuscule pittance budget for the Seniors Directorate by some 16 percent and have reduced the Pharmacare deductible program and even confiscated—

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

Mr. Santos: —from their Pharmacare deductions. My question is to the honourable Minister responsible for Seniors. When will he start standing up and defending the interests of senior citizens in this province?

Hon. Gerald Ducharme (Minister responsible for Seniors): Mr. Speaker, since we are quoting from the Bible, maybe I will quote: The wise man's understanding turns him to his right; the fool's understanding turns him to his left.

Mr. Speaker, when the honourable member gets to the budget process, he will see in that budget process that the deletion he is talking about is for the MSOS senior games. In that particular budget, he will see that that is \$30,000—was reduced from the Seniors Directorate budget. However, I must tell the member he is invited to the games. They will be carried out in June, and they are paid through their \$250,000 surplus that they have today.

Budget Economic Growth Predictions

Mr. Conrad Santos (Broadway): Mr. Speaker, the Minister of Finance said that everybody will be asked to contribute equally to the tax burden, and he admitted that there will be less disposable income generally in the Manitoba economy.

My question is: If there is less disposable income, naturally they can spend less; if they can spend less, naturally there will be less economic activity; if there is less economic activity, there will

be less revenue. How does he expect the government revenue to increase—

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

Hon. Clayton Menness (Minister of Finance): Mr. Speaker, ergo, following his . . . then he would want us to leave more disposable income with Manitobans so that then the economy will grow. That is what we have been trying to do in six budgets, and he has voted against every one of them. He believes in the economic theory, and that is why we have tried to put a hundred million dollars additional disposable income, leave it with Manitobans in all the tax reductions so that the economy will produce jobs and the economy will continue to grow. It seems to me, he does not know whether he is going left or right, as attributed to him by my colleague.

Mr. Santos: The Minister of Finance has just admitted that their management of this economy has failed for the last five years.

Mr. Speaker: The honourable member for Broadway with his question, please.

Pharmacare Filing Deadline

Mr. Conrad Santos (Broadway): To the honourable Minister of Health: Given the letters of protest of some 18 organizations, what modification is he prepared to make in the Pharmacare confiscation policy if they fail to file on time? One hundred percent confiscation in order that there will be some justice to the claimant who has—

Mr. Speaker: Order, please.

*(1410)

Hon. Donald Orchard (Minister of Health): Mr. Speaker, we have not changed the policy that was established last year, of making sure that Manitobans file their Pharmacare refund claims before April 30.

Again, I take this opportunity, and I thank my honourable friend for the opportunity, to remind Manitobans that they have had all of their Pharmacare receipts now for approximately three months and a week, 97 to 98 days. They have been able to file for 97 or 98 days. I would encourage them sincerely to do so, so we can get the refund back to them as quickly as possible. I hope that filing is accomplished in timely fashion this year.

Prairie Provinces Co-operation Government Position

Mr. Paul Edwards (St. James): Mr. Speaker, my question is for the Premier.

The biggest problem with this budget is not so much that it recognizes that we are living in times in which we have to live with great fiscal constraint, rather, the biggest problem with this budget is that it proposes only one solution, that is, to cut, cut and cut social programs to people.

Mr. Speaker, there are absolutely no creative solutions. There is no new attitude towards the delivery of government services. There is no new thinking in this budget. As a result, the government can offer Manitobans nothing but doom and gloom for the future.

My question for the Premier is: Why is this government not pursuing new ideas like the \$5 billion in savings that the Canada West Foundation says we can save through prairie co-operation between the four western provinces? Why is this government not pursuing things that can save Manitobans in excess of—

Mr. Speaker: Order, please.

Hon. Gary Filmon (Premier): Mr. Speaker, firstly, I would suggest to the member opposite that indeed this government is pursuing many ways in which it can do things more efficiently and more effectively. During the course of the last three budgets, including this one, we have reduced the complement of the Civil Service by just about 10 percent. That is an indication of having to deliver services more efficiently, more effectively, and we have worked very diligently towards that. [interjection]

Mr. Speaker, the member for Osborne (Mr. Alcock) failed to make any points in his questions, so now he has to do it by chirping across the House.

I would caution the member opposite as to the wisdom of total integration, including political integration, of the western provinces. I am not sure that is an idea that the people of Manitoba would be able to support, because if he looks at the study that was produced by Graham Parsons on behalf of the Canada West Foundation, and in discussion with Mr. Parsons, he acknowledges, firstly, his work that produced that so-called figure is preliminary at best. A quantitative analysis of the ballpark variety in orders of magnitude is all that relates to those kinds

of figures being bounced about. That assumes an integration of the sort that would in fact create one super province out of western Canada, to go that far.

Mr. Speaker, I do not think that is something that is acceptable to most western Canadians. I think you have to look at this in far more detail rather than just take a ballpark, off-the-top assumption with no facts to back it up and use that as the basis of some serious questions. I can tell him this, that the western provinces are interested in co-operation—

Mr. Edwards: Mr. Speaker, the Premier simply does not understand what is being talked about. Political co-operation is not the same as political capitulation. There is a difference. What is being talked about is economic co-operation.

Mr. Speaker, in May of 1991, almost two years ago, the other provinces suggested they wanted to talk about this.

My question for the Premier is: Why, now that two years have gone by and hundreds of Manitobans, businesses and individuals, have left this province and will not be coming back, has this government not taken Saskatchewan and Alberta up on their offer to start discussing co-operative approaches to government services in this part of the country?

Mr. Filmon: That is what the western provinces have been working on as long as I have been in office. We have worked on removal of the interprovincial trade barriers. We were the first group in Canada to achieve an agreement amongst our four provinces. We have been harmonizing financial instruments and policies amongst provinces. We have been entering into agreements for shared use of facilities in the area of health care and the area of education. We have been working on shared tourism promotion opportunities, procurement opportunities.

We have worked on all sorts of things to do that, Mr. Speaker. In fact, that is always the No. 1 issue and will be again this year at the Western Premiers' Conference in May in Canmore, that we will indeed be working on continued efforts to be able to make shared use of resources, to operate more efficiently and more effectively and not to duplicate efforts where it is in our interest to keep our taxes down and to provide more efficient services to our people. We have been working on this for five years. I do not know where the member for St. James has been.

Mr. Edwards: Mr. Speaker, the Premier has been working on a lot of things for five years, and he does

not have a lot to show for it. The most current information is that there is in the neighbourhood of \$5 billion to be served between these provinces.

My final question for the Premier is: What vested interests, that are highlighted by this report as being holding back these western provinces from co-operating efficiently, are holding this Premier and this government back from doing what makes common sense, by making less of these borders between us, doing what the rest of the world is doing and moving towards—

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

Mr. Filmon: None, Mr. Speaker.

Economic Growth Government Record

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

Manitoba's economy is in worse shape today after five budgets of this Minister of Finance and according to his own document—[interjection] Six—maybe it is seven. Who knows? According to his own document, we have 10,000 fewer jobs after four years of government than we had in 1988.

Investment is down. Jobs in manufacturing have declined. Housing and construction have fallen very drastically. In fact, Manitoba's economy has become a smaller proportion of the national economy in 1992 than it was in 1988. We have certainly become less significant in the national economic picture.

Will this minister, Mr. Speaker, now admit to the complete and utter failure of his trickle-down economic policies and his negative do-nothing policies which are again contained in this budget?

Hon. Clayton Manness (Minister of Finance): No, I will not admit that. Mr. Speaker, the member is well aware of what is happening across the nation. He is well aware of the fact that employment numbers in the manufacturing sector are down everywhere in the western world. He is well aware of the fact that virtually every province in Canada has had some deterioration in their contribution to the economic pie.

I say to him, though: Is he aware that we have taken our tax regime from the second highest to the middle of the pack? Is he well aware that we have

not increased personal income taxes for six years? As a matter of fact, we have decreased them. Is he aware that our provincial sales tax is at the same rate it was in 1987? I ask him to become aware of those facts, and maybe then he will understand why it is that the future is so bright and rosy for our province.

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

Nonpolitical Statements

Hon. Gary Filmon (Premier): May I have leave for a nonpolitical statement?

Mr. Speaker: Does the honourable First Minister have leave to make a nonpolitical statement? [agreed]

Mr. Filmon: Mr. Speaker, this is a very significant day in Manitoba's Legislature. I am not speaking about the response of the Leader of the Opposition (Mr. Doer) to the budget, but I am speaking, of course, of the impending loss of one of our stellar members of the Fifth Estate, in the person of Glenn Johnson, who has been in this Legislature for a significant period of time covering the machinations, the debates and all the various twists and turns of this Legislative Assembly.

I know that certainly all members will want to join me in extending him best wishes as he embarks upon a new career, leaving our Legislature with many friends and many fond memories, I am sure.

* (1420)

Mr. Speaker: Does the honourable Leader of the Opposition have leave to make a nonpolitical statement? [agreed]

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, I also want to, on behalf of our colleagues in the New Democratic Party and all members of the Legislature, pay tribute to the honesty, integrity and quality of reporting of Glenn Johnson. [interjection] I know the Minister of Health (Mr. Orchard) has such a great relationship with all members of the Fifth Estate as we all try to have.

It is quite an interesting symbiotic relationship we have here in this Chamber. On the one hand, we are adversaries across the floor. We all try to get our message out as best we can through the media to the public. It is a difficult job for them, and it is a difficult job, we believe, for us, but I believe, in that to and fro, that honesty and integrity have always

played a part in Glenn's career. We wish him all the best in his future endeavours.

Mr. Speaker: Does the honourable Leader of the second opposition party have leave to make a nonpolitical statement? [agreed]

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, it is always with some fondness and sometimes some disquieting remembrances that we say goodbye to any member of the media. It has been interesting, not only in writing my book but in also doing an interview last week, that I had to deal—I have to suggest—with the issue of the media and how indeed we are dealt with by the media.

I want to just make reference to one specific series of events because it impacted particularly on the three Leaders here in this Chamber. That was the whole debate and all of the exposure to the Meech Lake process, in which I know that it was very, very hard for members of the media, particularly those who had a national focus—in other words, their stories were not just for the Manitoba scene, but a broader scene—to sometimes make their editors and their story writers understand what exactly Manitoba political Leaders were saying.

Glenn was one of those, and I know that sometimes he found in frustration that his stories were not always covered when he did them in the way that he wanted them covered.

Other media came to me and complained about it. They were trying to get our message out there, yet they found themselves sometimes stymied by national media people who just did not believe that that was the real story that the Manitoba Leaders were trying to say.

I have a great deal of respect for all members of the media, and just so that none of them rush out and buy the book, wondering what I have said nastily about them, I have not said anything nasty about any of you.

An Honourable Member: How about the rest of us?

Mrs. Carstairs: Well, now, I will not exclude the rest of you from that, but I have not said anything nasty about the media.

Glenn, you do go with all of our best wishes and with our respect for the very fine work that you have done in reporting the events of this Chamber. Thank you.

Mr. Speaker: That was unanimous, Glenn.

ORDERS OF THE DAY BUDGET DEBATE (Second Day of Debate)

Mr. Speaker: On the proposed motion of the honourable Minister of Finance (Mr. Manness), that this House approve in general the budgetary policy of the government.

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, this is a pretty serious time, and it is a pretty serious budget. There are literally hundreds of thousands of people in the province of Manitoba who were impacted over the last six budget years by the Conservatives and particularly impacted by the budget that was tabled by the Minister of Finance yesterday.

The Minister of Finance said this is one of the toughest times he has had in political life over the last 12 years. I respect him for saying that, but I want to say to the Minister of Finance and to the Premier (Mr. Filmon) that I believe this is the most unfair budget I have seen in terms of the choices this government can make in the short period of time I have been in this Chamber.

They had tough choices to make, Mr. Speaker, because quite frankly it was kind of a laissez-faire government for the last six budgets. They really did not have an agenda. They really did not have a strategy. They did not have a plan. They did not have a vision. The only thing they had was public relations, media opportunities after media opportunities. Their public relations strategy in terms of the Province of Manitoba is falling like a house of cards because they have no vision in this province.

Mr. Speaker, it is a short—[interjection]

The minister states, stay tuned, stay tuned. Mr. Speaker, it is the kind of cynicism we see opposite, the tired, cranky cynicism we see opposite, where the multicultural communities are cut back while the minister fills up her own office with political appointments, political patronage and appointments. Costing the taxpayers more money is the Conservative vision of this province, and Manitobans are not going to put up with it much longer.

Mr. Speaker, we will get to the Premier's (Mr. Filmon) recorded announcements very shortly,

because the one thing wrong with the Premier's recorded announcements, they blow apart about two years later when they turn out to be untrue and not factual for the people of this province. We will cite four election promises this Premier made on taxes, not one of which has he kept, and we will name them.

Mr. Speaker, the question is: The test of this budget, is it fair, and have the Conservatives been honest with the people of Manitoba? On both counts, I believe—and it is a tough time. We will acknowledge that. On both counts we believe their budget fails those two fundamental tests of fairness and honesty with the people of Manitoba.

Let us deal with the fairness issue, Mr. Speaker. The Minister of Finance (Mr. Manness) told us a couple of weeks ago that if everybody in Manitoba would feel a little bit of pain, everybody in this province would feel equal amount of pain in their daily lives. The Premier says, walk hand in hand with us through these difficult times—many comments of the government opposite, you know, kind of Brian Mulroney comments, about fairness, about their economic vision.

The fundamental problem is that the ideology of members opposite is very simple. You give tax breaks to corporations. You expect those tax breaks to be trickled down into the economy. You expect those trickled-down tax breaks to create jobs and economic opportunities and you, then, in turn, allow your province to go accordingly.

The Premier (Mr. Filmon) has himself said that with his statement in this House in 1991 at the height of the recession and the height of the depression. When we were performing in last place of any province in Canada, this Premier said, oh, we are not worried about it. We just believe we should step aside and let the private sector create the jobs and economic opportunities.

Well, who else said that, Mr. Speaker? Ronald Reagan said that; Margaret Thatcher said that; George Bush said that; Brian Mulroney said that; Gary Filmon said that; and it has failed every jurisdiction where it has been applied—every jurisdiction.

In this budget again today, we see the failure. We see a residential tax increase for average homeowners across the province, an average tax increase in the north end of 8 percent, and an average tax increase in the Premier's riding of

Tuxedo of 1.9 percent. We see an average tax increase on Wellington Crescent of 1.3 percent. Then we see the west end and St. James getting a 5 percent and 6 percent increase.

* (1430)

We see tax increases in Transcona and in East Kildonan, Mr. Speaker, in places like Rossmore being at about 5 percent to 6 percent, and then we see very low taxes in the community of Tuxedo and areas that could afford to do better and contribute more.

Mr. Speaker, the member for Portage la Prairie (Mr. Pallister) wants to know about taxes. We got rid of the premiums for medicare which saved every Manitoban \$1,000. We brought in the property tax credit because it saves the lower income people more. We put in the cost-of-living offsets for lower income people.

The member opposite talks about it, Mr. Speaker, but 13 percent out of 15 percent of sales tax has come in from Tories, both provincial and federally. We do not apologize to members opposite, we do not apologize in any way, shape or form for getting rid of medicare premiums, for family tax credits and for property tax credits these Tories are trying to erode.

Mr. Speaker, the change in the property tax system is unfair. It is also a tax. It is clearly a tax. It is a tax credit change. What kind of Orwellian language is the Premier (Mr. Filmon) trying to use? The Minister of Finance (Mr. Manness) did not use it, by the way. He was honest enough to say, yes, it is a tax increase.

The Minister of Finance and I may disagree about the priorities and the decisions and choices they have made, but at least the language is consistent in terms of the Minister of Finance and ourselves. I cannot say that, unfortunately, for the person who is supposed to provide leadership in terms of integrity in this House, and that is the Premier of this province.

The government has run on a theme—and I think it is very important for Manitobans to realize—that we are not going to increase the personal income tax rates in this province. Well, Mr. Speaker, the Premier knows that any percentage increase in the personal income tax produces \$17 million worth of revenue to the province.

The Tories opposite just increased taxation by some \$100 million. Our calculations are that this

works out to about \$400 per family of four. The Premier (Mr. Filmon) is arguing with the media about those figures, but we have calculated it on the basis of about \$400 per family, including the gasoline one-cent-per-litre tax. That represents about 5 percent on the personal income tax side.

So I think it is a little bit of a public relations game they are playing when on the one hand they say they are not going to do something and on the other hand, when they get rid of the property tax credit at \$75, it is not only the equivalent increase in the case of property tax credit of 3 percent on the personal income tax, it is in fact, Mr. Speaker, a regressive tax, a very regressive tax, because it hits the middle-income earner more than it hits the high-income earner. It hits somebody in East Kildonan and in St. James, in Thompson and Dauphin and Portage.

The member opposite should start speaking up in his caucus instead of speaking up in this House. You know, it is easy to chirp, but we would like the member for Portage la Prairie (Mr. Pallister) to stand up for his friendship centre. Obviously, he has no impact on his caucus colleagues, because he does not have his friendship centre back—big talker, but no results.

Mr. Speaker, the second question is the PST extension for some items covered under the GST. There is a reason why those items have been excluded by previous governments and provincial sales tax. They were considered the basic necessities of the provincial sales tax and, therefore, they were made exempt. They were made exempt because successive governments felt it was fair to make those items exempt, and that was Ed Schreyer, in fact, even going back to Duff Roblin, who initiated the original provincial sales tax at 5 percent, Duff Roblin, Ed Schreyer, Walter Weir, Sterling Lyon, Howard Pawley, and now we come to the meanest Premier of them all, the Premier from Tuxedo, the Premier opposite.

Mr. Speaker, this is a very unfair tax. This is a regressive tax. We have the equivalent of a 1 percent increase in sales tax.

You know, the Tories did a good job. They let everybody believe that a 1 percent increase in sales tax was going to come down and then when it did not happen everybody went, phew. Well, this is the equivalent of a 1 percent increase in sales tax. It is the equivalent of a 5 percent and 5.5 percent

increase in personal income tax, but the real insidious part of this increase, it is more negative for the medium-paid, the middle-income people and the lower-income people than any other change they could make. That is why we say to the Premier, it is an unfair tax. That is one of our major concerns.

We also believe that the decisions they have made have been very unfair in terms of the spending side—children, seniors, people on social allowance, people in poverty, Indian and Metis Friendship Centres, foster parents. Those are the groups the Tories have targeted.

It is not the payroll tax that they have now given more to in terms of small business. It is not the training allowances, the really orientation grants of \$7 million for corporations. It is not the \$15 million in Vision Capital to places like Chip and Pepper that have been given out by the Conservative government. It is not the \$15 million or \$12 million in the I, T and T department that have provided grants for companies like Linnet to take over public intellectual property.

Those are not the cuts the Tories have made in this big, tough decision-making process. They have gone after the seniors in terms of home care, user fees, Mr. Speaker, which of course work totally opposite to any alleged plan they had on health care reform. They are going after the seniors in terms of delaying the \$175 and tying it to income tax. The Minister of Finance (Mr. Manness) said today, that is the only way we could get the federal government to do it. I say to the Minister of Finance, do not do it at all and you would not have to change it, to the Minister of Finance.

They go after the foster parents, Mr. Speaker, and the training and development for foster children which of course has kept people out of higher-cost institutions. It is going to cost us more money. They go after the more vulnerable people. They took the food away from families of four and five living in the city of Winnipeg or in northern communities. They take away the social allowance training for social assistance recipients that allowed them to get back on their feet. They think it is funny to do those things because the Tories do not care about people getting back on their feet. They do not care about them. That is obvious from the budget here today.

Mr. Speaker, so on the spending side and expenditure reduction side, and on the revenue side

or the taxation side, we see two fundamental themes of the Conservative Party under the Premier (Mr. Filmon). Those two fundamental themes are unfair, and they are not fair to the people of this province. They do not build and invest in people. They do not build and invest in our greatest resource, the population of this province. They do not build in the children. They do not provide dignity to our seniors.

They cut, in some cases, the very underpinning of the dignity and the livelihood of the people most vulnerable, and for that I say to this Premier, you should call an election on this budget. You do not have a mandate to proceed on this budget. You did not campaign on it in '88; you did not campaign on it in 1990. I wish he would have the courage of his convictions to campaign on it in 1992.

Mr. Speaker, I want to talk about a couple of areas of honesty. In 1988, I was in Leaders' debates with this Premier (Mr. Filmon), and the Premier said at that point in time—and I have been critical of the Liberal Leader (Mrs. Carstairs) on this, too, on the payroll tax—the Premier said, I will get rid of the payroll tax in four budgets, completely eliminate the payroll tax in four budgets. I asked the Premier, where is he going to get the \$200 million? Where is he going to get the money? Where is he going to get that revenue, because it is health and post-secondary tax. Nobody likes taxes, but that tax was put in place to offset the reduction from the federal government in EPF payments that were made starting in 1981.

You had two choices, to cut back on health care and education, or you could raise the tax from the corporations, nine corporations which pay over 50 percent of it, that could keep those vital programs going. Those are choices to be made. So the Premier criticized those choices and said he would get rid of that one decision, but he did not tell us where he was going to get the \$200 million. He did not tell us where he was going to get it out of health care and education. He just said, I will get rid of it in four budgets.

* (1440)

He said that, Mr. Speaker, and I can quote him time after time where he made that quote. Then he went to the Chamber of Commerce breakfast and made another promise on taxation. I guess by that point, he was feeling the heat from the Liberals. I know at that point, he was not feeling the heat from

us. He made a promise to get rid of the land transfer tax. Oh, that is a terrible tax, another terrible tax. Oh, if I am elected, at the Chamber of Commerce, I will get rid of the land transfer tax.

I have looked at the third budget, the fourth budget, the fifth budget, the sixth budget, and they have not got rid of those two taxes. We knew they could not do it in 1988. We were honest to say we would not lower that tax. We went to the Chamber of Commerce breakfast and said, we would love to get rid of that tax and all taxes, but we cannot do it, we cannot afford it. We are not going to be dishonest with you. We had increased the small business threshold twice. The Premier has done that now four times, but we could not get rid of that fundamental source of revenue in 1988.

In 1990, the Premier also campaigned on taxation. Now, he is pretty clever about this because he knows a 1 percent increase on personal income tax is only \$17 million. In 1990, it was about \$15 million. He made a number of commitments in 1990 in the election.

I remember this, Mr. Speaker, not from reading all the newspaper clippings. I remember standing beside him with the Leader of the Liberal Party in debates. I remember the Premier (Mr. Filmon) turned to the Leader of the Liberal Party in the debate and said: What is your commitment on taxation? Our commitment on taxation is we are not going to raise taxes, period.

Then the Leader of the Liberal Party said to the Premier: Oh, I suppose if you are not going to raise that, are you going to raise the GST and the PST combination? The Premier said: No, we are not going to do that.

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

Later on CJOB in another Leaders' debate, he talked about the harmonization of the GST and expanding the PST. He made a statement: We are not going to tax children's clothing and music lessons and all these other things. The Premier clearly has not kept his word on four promises on taxation, four big ones—not little sort of equivocations, four major commitments on taxation from '88 to '92.

The Premier does not believe me. I know he has his people running around the hallway saying the Premier only said personal taxes, nudge, nudge, wink, wink, did not say taxes period. We looked at

the tape the other day because we heard this massive spin going on out there. It comes right out of the Premier's own lips: We are not going to raise taxes, full stop; what is your commitment, Mrs. Carstairs, full stop—or the Leader of the Liberal Party. I will show the Premier the tape if he wants to see it. I will show it to him. It comes right out of his very own lips, Madam Deputy Speaker. [interjection] He did not say read my lips. He did not say that. I wish he had, but he did not say that.

Madam Deputy Speaker, this is a very serious problem, because you know this is much more insidious. Four major breaks of promises on taxation is indicative of a style of government dealing with honesty that is very serious.

Let us look at some other issues. Let us look at the deficit and the Fiscal Stabilization Fund. I supported the Fiscal Stabilization Fund. I thought it was a good idea to have commodity prices—

An Honourable Member: You voted for it?

Mr. Doer: Yes. We did not vote against every budget the Tories brought in. We voted for the '89 budget. [interjection] No, I still support the idea in a province like Manitoba where you could have an up and down—[interjection] That could have been a factor, but it was not the only factor. [interjection]

I could tell the member for The Maples (Mr. Cheema) that we did not want an election in 1988, and we were not voting for or against the budget. In 1989, we did support the budget, and we did vote for it, and we supported—we did not change seats or anything else because we thought: (a) that the family tax credit was consistent with what we had said in the election; and (b) we thought the Fiscal Stabilization plan was not a bad idea.

I am going to tell the Premier (Mr. Filmon) where we part company with him and his Minister of Finance (Mr. Manness). We thought that program would allow an unusually high revenue year and particularly the commodity market to allow us to take extraordinary revenue and put it against other fiscal years where there was going to be a decline in revenue in a very, very unfair way.

I believe that if the government took that extraordinary revenue and put \$100 million in the budget or \$200 million in the budget, they should have kept it in the budget. Where I leave company with this government and where I say they have been fundamentally dishonest is, every year they say they are going to put some money of the Fiscal

Stabilization money into the deficit. Every year, television shows these slides on the six o'clock news saying the deficit is \$200 million less than what it really is.

They have spent that money for three fiscal years in the budget presentations they have made in this Chamber. That is dishonest, absolutely dishonest. Every year, the television tapes have included a deficit that is wrong. The Auditor will record this year that the deficit for the Province of Manitoba is not the \$562 million that this Premier (Mr. Filmon) produced yesterday in his budget. They will record that the deficit is \$762 million.

When you consider the fact, Madam Deputy Speaker, that this Premier started off at a zero point—Sterling Lyon left Howard Pawley a \$300-million deficit—he started off with zero. This Premier opposite that said, we do not tax and we do not spend and we will maintain vital programs, has been dishonest with the people of Manitoba on all three counts—on all three counts.

You know, he is like Grant Devine. Grant Devine is a good friend of the Premier opposite. They have golf tournaments in Manitoba, and he speaks at the provincial Tory fundraising events. Grant Devine had a hot-tub program in 1986 and ran up a deficit of \$1.2 billion. Tories believe that they can tell the public that they do not run up deficits, even though they do, and the public will not hold them accountable.

Madam Deputy Speaker, this Premier (Mr. Filmon) has taken the deficit up over \$700 million in four budget years. No other Premier has taken the deficit up more than \$300 million. He is twice as bad as any other Premier in the history of this province, and he should stop contradicting the Provincial Auditor, who is contradicting his numbers every time she releases a report for the people of Manitoba.

Madam Deputy Speaker, we have four election promises on taxation: payroll tax in four years; land transfer tax; I will not raise taxes, to the Leader of the Liberal Party in 1990; and we will not extend the PST—four promises there, promises on the deficit.

So you will excuse us when you show your fancy charts saying we will eliminate the deficit in four budget years. You will excuse us for being a little bit skeptical, if you do not mind. You were only off a quarter of a billion dollars in your deficit projection—a quarter of a billion dollars in your deficit projection.

You know, this man opposite says: Oh, yeah, we are Tories, we are business people, we can manage things, we are like Brian Mulroney and Michael Wilson. You can trust us with our finances.

Who can believe the Premier opposite on taxation promises and on deficits and they have the gall to table a deficit projection for the next four years showing there will be a surplus in 1996?

Madam Deputy Speaker, I would ask the Premier just to look at his budget in 1990. I would ask the member for Rossmere (Mr. Neufeld) to look at his budget in 1990. You know what you projected as a deficit in 1990 for 1992-93? This is your multiyear budgeting.

An Honourable Member: \$800 million?

Mr. Doer: No.

An Honourable Member: \$600 million?

Mr. Doer: No, it is not \$600 million.

An Honourable Member: \$500 million?

Mr. Doer: \$500 million? No.

An Honourable Member: Four?

Mr. Doer: Oh, they projected a \$270-million deficit in the year '92-93. Do not worry, you are only off 300 percent. You are Tories. You know how to handle money for Manitoba. Do not worry about it. Grant Devine, Brian Mulroney, Michael Wilson, Gary Filmon, I would not trust you with a deficit number if my life depended on it.

So we have the election promises that have been broken. We have the deficit projections that have been broken. Honesty is not a word that is in the vocabulary of this Premier and this Tory government.

But let us look at some of the other promises. You negotiate an agreement with foster parents, then you rip it up. You negotiate agreements with public sector groups. You negotiate 3 percent one year, COLA the next year. You have a little signing ceremony, Madam Deputy Speaker. The Premier agrees to it. Oops, we are going to change that too. I guess, you know, the polls changed a couple of weeks ago. Our integrity does not mean anything. Our word does not mean anything. Our signatures do not mean anything.

*(1450)

You go to the nonprofit groups, the Sports Federation. Last year, you took \$10 million away from them. Oh, we are going to have an agreement

with you next year; do not worry; here is our agreement with you. We will have this agreement that says you will get this much money next year because we want to reward you for managing your money fairly and properly. Oops, there it goes again. There goes our word again.

Mr. Speaker, whether it is a social group, whether it is a sports group, whether it is dealing with the deficit, this government does not keep its word, and its election promises, its signature, does not mean a thing. I think that is a very major issue.

Mr. Speaker, I want to deal with the so-called priorities of this government in their budget. Health care is a so-called priority, maintaining the vital health care system. Does this government have a plan on health care? It has a booklet. It has public relations, media opportunities, but when it released its booklet last year, we were worried about giving the Minister of Health (Mr. Orchard) a blank cheque because we did not see any specific action. We will take this much from the acute care beds. We will move this much over to the community-based programs, and we will have this much for home care. We did not see any plan.

One of the fundamental community-based programs is in home care. Now, how can this government square their alleged goal of having health care reform and delivering more services in homes that are more cost effective, more dignified for the people and part of their health care strategy, when they are putting in a user fee for seniors and other sick people which would invariably drive more people out of their homes, out of home care, into personal care homes and hospitals?

They said a year ago they had a health care plan. They do not have a health care plan. They have a consultant from Chicago. They are so desperate. This Minister of Health (Mr. Orchard) was the critic for four years. He was the Minister of Health for six budgets. He does not have one specific idea of where he is going in health care, except in mental health, Mr. Speaker, and I will say that there are some improvements in that area.

That is why we would not give the Minister of Health a blank cheque on health care because he never did have a plan. He is scrambling now to develop a plan from Chicago, Illinois, instead of the bedsides and the health care facilities of Manitoba. There is no plan, and I would say to the Premier (Mr. Filmon) that this Minister of Health, although he is a

great debater in this Chamber, he should be removed from the Ministry of Health because he has no plan.

Many of the other decisions are very fair. I have mentioned seniors and the changes, the Pensioners' School Tax Assistance, Home Care, Pharmacare, Property Tax Credit and hospital services.

But look at the programs for children. Children's Dental Program cut for 60,000 rural children. Student social allowances cut. Day care programs cut. Child welfare has a 13 percent increase in demand and a 4 percent reduction in staff; a 2 percent reduction in schools and universities, and that is on top of a 10 percent cutback for community colleges in the province of Manitoba.

This government is not being honest with the people of Manitoba when it says that education and children are the key to our future prosperity. Everywhere we look in this budget, the Filmon government has slashed programs, slashed opportunities and slashed programs for children in the province. It wants to set this province up in a two-tier education system, and the New Democratic Party will oppose that at every step of the way and support a strong public education system and strong programs for children.

Madam Deputy Speaker, why does this all take place? It all takes place because of the absolute dismal economic performance of the Conservative government since they have received a majority government. Every year, we hear Tory members and ministers opposite, and particularly the Premier, say this year is tough but next year is going to be great. Do not look in the rearview mirror. Next year is going to be great. Hallelujah, hallelujah, jobs, opportunities, population is here to come. Just follow the Tory slogans.

In 1991, first year Tory majority government, the statistics that came out in September are even worse than the ones that came out in May, the preliminary statistics. Manitoba was in last place. This Premier had the worst economic performance of any Premier in Canada, and he was double that of Ontario and Newfoundland in terms of the decline in the economy. That is why, Madam Deputy Speaker, our revenues are down, our population is down, all our opportunities are down, because Tory economic ideological approaches do not work in

Manitoba. It just does not work because people are not working in this province.

So 1992 was going to be better. It should have been better. If you go down 3.3 percent, if you go up 3.3 percent the next year, you are just going to be even. Is it better? No. Manitoba is in seventh place in 1992. Remember the Premier (Mr. Filmon) and the Minister of Finance (Mr. Manness) last year in their budget quoting the Conference Board. Every question, Conference Board 2.4, Conference Board 2.4, we are going to lead the country, second best, best. Just look at us—seventh, last place in western Canada. Now it is no wonder, Madam Deputy Speaker, that the government will not use growth projections and talk about the economic growth in Manitoba in this budget. They cannot.

In 1993, Manitoba is again projected to be in seventh place. You know, we will not even be up in 1993. We will not even catch up to the decline in growth in 1991 over the 1993 year. In other words, we are going to have three years of negative net growth under the gross domestic product of this Premier. Now if you are the CEO of a corporation that had the worst economic performance in Canada, and if you are the CEO of a corporation that lost money or had a declining economic growth for three years in a row, what would happen? You would get fired. This Premier blames the former government. He blames the municipalities. He blames the federal government. He blames public employees. He blames the international recession. He finds somebody to kick around a little bit. Madam Deputy Speaker, he never accepts responsibility for their last-place economic performance.

That is why in 1992 Manitoba had the highest unemployment that we have ever had in the history of the province under the Filmon economic leadership. The Premier said he would put his political career on the line in the last 18 months since September of 1991. The time is up. When is he going to put his political economic career on the line and call an election over his dismal economic performance, Madam Deputy Speaker?

There is a lot I could say about this budget, but I want to close with a few comments. The government today is handing out a pamphlet talking about sharing together, walking together, I think it is, in the province of Manitoba, a blue pamphlet they are sending out with the Minister of Finance saying

this is the toughest year I have ever had, Madam Deputy Speaker--Manitobans pulling together.

I think this is very serious. I know the Minister of Finance did not write everything in this statement. This plus the cutbacks probably came right out of their polls, Madam Deputy Speaker. We had people who were called by polling companies saying what cuts do you want to have? What vulnerable people do you want to cut? I guess that is just like the focus groups the Minister of Education (Mrs. Vodrey) had. Let us cut the immigrant student, Madam Deputy Speaker. That will be a popular one. That is a real winner for Tories. Take away the crutches from the old, elderly. That is a good one for Tory economic policy.

* (1500)

Madam Deputy Speaker, this Premier (Mr. Filmon) is pulling Manitobans apart. He has teachers fighting parents, fighting school boards. He has public employees fighting the government and fighting to provide services. He has foster parents trying to fight on behalf of foster children. He has labour fighting business instead of co-operating together. He has municipalities fighting the provincial government which is in turn fighting the federal government. He has multicultural grassroots organizations fighting against the minister's own secretariat, the political crony department of the provincial government.

This government is using a Tory tactic to find a scapegoat, create a fight, have people fight against each other. They want people to fight against each other as part of the Tory strategy. I believe that Manitobans need an alternative vision, a vision of co-operation, a vision of really working together in partnership of business, labour and government going forward with a real economic agenda, not just economic slogans. I believe we should be providing investment in education and training for people to provide the future jobs in our economy, not the cutbacks. I believe we should have real health care reform with partnership with the health care providers and the patients of this province, Madam Deputy Speaker. We believe in pulling together, yes, not just as a slogan, but as an action plan.

I commit to the people of Manitoba over the next 18 months—or if any members opposite have the conscience to vote against a very dishonest and mean-spirited budget. If anybody opposite will join us, fine, but over the next 18 months, Madam

Deputy Speaker, we are going to put together an agenda of co-operation, a vision of change, a new vision for Manitobans to work together, not the old vision of the Tory Premier and the Tory party, Madam Deputy Speaker.

Because this government is so tired and so bereft of ideas, the only thing they have left is slogans, I would move, seconded by the member for Flin Flon (Mr. Storie), that the motion be amended by deleting all the words after "House" and substituting the following:

Regrets that

(a) this government's tax increases are regressive and unfair to seniors, young people, low- and middle-income earners; and

(b) this government's inaction on job creation means more hardship for many thousands of Manitoba families; and

(c) as a result of this government's callous and unfair cuts in government services for education, health care, social programs such as the reduction in Children's Dental Program in rural and northern Manitoba, home care cuts and reduction for schools and universities, Manitobans are losing their hope for the future; and

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

(Mr. Speaker in the Chair)

Motion presented.

Mr. Speaker: The honourable member's amendment is in order.

Hon. Donald Orchard (Minister of Health): Mr. Speaker, I have to say to my honourable friend the Leader of the New Democratic Party (Mr. Doer) that this is now I think about the sixth time I have heard him reply to a budget. With all the niceness that I can muster, I think this is the worst job that my honourable friend the New Democratic Party Leader has ever done.

My honourable friend the Leader of the New Democrats talked about an unfair budget. He talked about the wrong choices were made, that there was no plan and no agenda. He talked, Sir, in his opening remarks about honesty. Mr. Speaker, I want to tell you I want to deal with the honesty of the New Democrats and their Leader and the leftover remnants of Howard Pawley's cabinet that occupy five out of six chairs in the front row.

The New Democratic Leader and some of his members try to tell Manitobans that the budget that they left us with when their own member, one Jim Walding, stood with the combined opposition to defeat the worst government in the province of Manitoba, the first time in the history of the province that a government backbencher stood to defeat their own government. You want to talk about honesty, that was the greatest expression of honesty this House has ever seen when Jim Walding defeated his own government. That was honesty, Sir.

Now the Leader of the NDP tries to say that was a balanced budget. Mr. Speaker, I want all members to pick up a copy of the Estimates of Expenditure that were defeated that night. They will show that the New Democrats were projecting a \$334-million deficit, but yet the Leader of the New Democrats will stand up and say, well, we left you with a balanced budget. That is an absolute falsehood.

Now let us talk about the honesty of the budget that was going to project a \$334-million deficit. Why did Jim Walding stand up to defeat it? Mr. Speaker—

Point of Order

Mr. Jerry Storie (Flin Flon): A point of order, Mr. Speaker. I would direct the member's attention to pages 16 and 17 of the Manitoba budget tabled by the Minister of Finance (Mr. Manness) which says there was a \$58-million surplus—

Mr. Speaker: Order, please. The honourable member for Flin Flon does not have a point of order. That is clearly a dispute over the facts.

* * *

Mr. Orchard: Mr. Speaker, I hope that you acknowledge that this is my time that the member for Flin Flon (Mr. Storie) just wasted. But I think the question around honesty has to be, why did Jim Walding, New Democratic Party backbencher, stand up to defeat the budget? Because he knew it was a dishonest budget.

Do you want to know how dishonest that budget was that we defeated, and you remember that night, Sir, because the New Democrats did not include \$22 million of settlements to nurses and doctors they had already negotiated, but they did not print it in the budget to deliberately understate a \$334 million deficit.

There were \$60 million-plus of understated expenditures in that budget that we had to add in to

create an honest budget. That is why Jim Walding stood up and defeated Howard Pawley and the NDP.

My honourable friend the New Democrat Leader (Mr. Doer) says, well, you know, by the end of the year, the budget was in surplus position. Yes, it was, after we had added expenditures of \$20 million in Health, \$8 million in Education, \$25 million in Agriculture and \$10 million in Capital.

* (1510)

That is the spending we added in that budget, and our deficit projected in the budget that was passed was less than \$200 million. We lowered taxes, we increased expenditure in key departments, and we lowered the deficit projection. That was an honest budget.

Now, let us deal with how we ended up with the Fiscal Stabilization Fund. The Ontario economy in 1986, '87 and '88 was the most buoyant it has ever been, and as a result of that buoyancy in the Ontario economy, this province and others received retroactive adjustments to their revenues.

The revenues went up because the Ontario economy was buoyant. It went up beyond the predictions that were crafted into the budget we laid down. That created \$180 million of new revenues that we did not know.

At the same time, Inco, the price of nickel went to \$9 a pound, and Inco paid approximately \$100 million of taxes in that year that no one projected would be there. That was the money that was used to create the Fiscal Stabilization Fund. It had nothing to do with New Democratic Party policies. It had everything to do with Ontario growth.

Now, my honourable friend the Leader of the New Democratic Party (Mr. Doer) talks about honesty today, and he says that we cannot budget. Well, that same economy in Ontario that today is not performing, is performing dismally, caused the federal government in the last fiscal year to reduce the amount of money the Province of Manitoba receives by nearly \$200 million.

That is the reason for the increased deficit in last year's budget, nothing to do with our management, because our revenues in Manitoba were on or exceeded projections. It was that same Ontario economy, buoyant in the mid-'80s, that gave extra money to create the stabilization fund that we used in successive years, and it is that same downturned

Ontario economy that is causing us to have monies taken back by the federal government.

Where is the honesty in the Leader of the New Democratic Party when he tries to say it was them, the New Democrats, who left this province in good shape? That is the most dishonest statement I have ever heard from a Leader of the New Democrats, and I have heard many dishonest statements from New Democratic Party Leaders.

Now, Sir, my honourable friend—I listened intently, and he tried to say he had a plan that would change Manitoba should he be government. I listened intently to hear what that plan is. I heard nothing.

I can conclude nothing else than that Monday's Free Press statement by the Leader of the Opposition, Gary Doer, stays and remains, that he has nothing that he would do if he was on government side of the House. He has no ideas for change, because I did not hear one today. That is what I heard him attempt to say. He has nothing—the one thing he said was that they would create an era of harmony between business and labour and government.

Well, that is not a bad idea, except he did not go far enough, because we have done exactly that between business, between labour, between government, and we have added the academic community of the universities on the Economic Innovation and Technology Council. That is where we are bringing together some of the leaders in labour, in management, in the university scene and in government to create the new thinking that is required to get our economy in Manitoba to transition into the next century. This is a time of exceedingly difficult decisions for government.

My honourable friends the New Democrats would like us to believe that there are no problems in Canada, that other provinces governed by New Democrats have no problems. Have we not heard on Monday of this week where Premier Bob Rae of Ontario was now saying that they have a \$17-billion deficit coming up? Do you realize what the magnitude of that is for a population of nine million? That is equivalent to a deficit in Manitoba of \$2 billion.

My honourable friends the New Democrats, with pioussness, talk about honesty. What was Bob Rae saying in opposition? The same kind of rhetorical flourish that we hear from the Leader of the New Democrats in Manitoba, where they promise the

world and in government deliver absolutely the opposite, drive the Province of Ontario into debt. Ask yourselves, honourable members of this Legislature, when Bob Rae made the statement that \$17 billion was their potential deficit, what happened to two very important indicators for economic recovery, the level of our dollar in the international market, and our interest rates? The dollar went down and interest rates went up.

Bob Rae's statement will thwart economic recovery in Canada because of his irresponsibility and inability to get control of the deficit. Bob Rae would love to table a budget which would have the relative deficit of \$267 million as was projected in this one. He would love to have that. He would love to have that, because that means his deficit would be one-eighth of what it is projected to be—one eighth.

Now, let us deal with some of the budgetary issues, and let us talk about how we arrived at some decisions. I want to talk specifically about some of the decisions in health care, because I do not want my honourable friends the New Democrats spreading improper interpretation of decisions in the health care system, because it was evidenced today—my honourable friend the critic for the New Democrats laid out a scenario in terms of the additional charges of per diems which was wrong and would have frightened Manitobans in that kind of a circumstance. That is why we need to have this kind of debate to lay the information out. I look forward to Estimates to lay even more out.

Yes, we increased the per diem in personal care homes. We increased it for only those Manitobans in personal care homes who have the ability to pay, in other words, additional income other than the old age security and the Guaranteed Income Supplement. It is only on a sliding scale that we will access additional per diems up to \$46.04 per day. That is the rate Ontario charges currently for personal care home private accommodation to Ontario residents who can afford to pay. No dissimilarity—consistency.

Is it fair? You know, I do not expect those who will have to pay more will say, we are glad the government did this, but let us consider what the alternatives are. Should we expect those working poor, who our friends in the New Democratic opposition say they are defenders of, should we have their taxes go to pay the cost of maintaining a citizen of Manitoba with greater ability to pay in a

personal care home where all of the costs of a residence of a personal care home are covered, the housing, the food, the pharmaceuticals, all their medical costs? Is it fair to ask the working poor in Manitoba to have their tax dollars go to pay for personal care home accommodation for citizens who have the ability to pay more?

I do not think so. That is an issue of fairness, and we are asking, and we have developed a progressive scale of per diems which will reflect the individual's ability to pay. It will not compromise the spouse's ability to live independently because we will not allow that to happen. So the scenario painted by the New Democrats in Question Period today is not accurate.

Let us talk about the Continuing Care Programs and some of the changes that we made in the Continuing Care Programs. Yes, we are asking for items of equipment that cost less than \$50 to be purchased by the user. No, we will not receive accolades for that. We are also asking that home maintenance, laundry and housecleaning be paid for by the individual. That is the program that was developed with support services for seniors under the New Democratic Party under the leadership of Howard Pawley.

It happens to be a good program, and we have expanded it. It is significantly throughout rural and northern Manitoba and the north end of Winnipeg. The design of that was to provide not-for-profit cleaning services to do laundry and household cleaning for home care recipients and they would buy the service. They would buy the service and not be home care clients. That was the policy of the New Democrats. Now they try to say it was not, they try to flip on that, but that was what their policy was. It was good policy, and we are extending that across the board. We are saying for those Manitobans who have the cognitive ability to hire their own laundry and housecleaning that they do that.

Is that going to be popular? Of course, Sir, it is not. We are not going to get accolades from those seniors for doing that, but what is failed to be realized in this is that we did not remove those budgetary savings from the home care budget, we reinvested them into the area of real need and real care, where we are providing those \$3 million of additional services in nursing and heavier care support in the home care program to maintain a greater amount of independence in the community, not a lesser amount.

Is that a reasonable approach? I think that is quite a reasonable approach. We are investing in areas of greatest need to support a greater number of Manitobans independently in the community through home care by asking some Manitobans to make a modest contribution for nonhealth-related services in the home care program such as laundry and household cleaning. I do not think that on balance Manitobans will think that is terribly unfair.

* (1520)

What did we do with the ostomy program? Yes, up until this budget the ostomy supplies for ostomates in Manitoba were provided free of charge. We had to change that because we had to make some decisions which increased contribution from users of service.

What we have done, and our first proposal, and I want to share it with the House so that they know the kind of decision making we went through to get at this decision. Originally the proposal was, Mr. Speaker, that we make ostomy supplies part of the Pharmacare program so that you would purchase from wherever in Manitoba and you would get a Pharmacare receipt and then apply for a refund in the Pharmacare program. That would have meant a significant contribution by those Manitobans who require ostomy supplies but, when we did our cross-province comparison, we found that the benefit in Manitoba of our central purchasing had us with the lowest cost per individual needing ostomy supplies in Canada because of our bulk purchases.

We changed that original proposal of having it Pharmacare deductible and reimbursable to maintaining our central purchasing, which saves about 25 percent in terms of the cost by bulk purchasing, and developed the program which will be implemented this year of asking for a 50 percent contribution on those bulk-purchase supplies to a maximum of \$300 per year.

Again, I openly admit that Manitobans requiring ostomy supplies will not thank myself or government for doing that, but when you consider that other provinces require a contribution and that the needs in the system are substantial, we made that decision.

The interesting thing will be whether the New Democrats will stand up and say that if they are government, they will reinstate gratis, free services, and I do not think they will. They will not ever do that, because I do not think they will.

Now, the Children's Dental Health Program—with regret, we removed the treatment portion of the Children's Dental Health Program in rural and northern Manitoba, but we will maintain the important component of prevention and education in the Children's Dental Health Program.

We are going to ask Manitobans with children in the six- to 14-year-old range in the school system in rural and northern Manitoba now to pay for treatment costs. That will be an increase in their family budgets. There is no question about that, Sir, and we did not make that decision with any glee.

But I want to remind my honourable friends before they become too vociferous in their criticism. Ask yourself why the Province of Saskatchewan made a similar decision. They removed their treatment program in the Children's Dental Health Program, and that is a New Democratic Party government, that is not a mean-spirited Conservative Government.

So, you know, when my honourable friends make these kinds of criticisms, make sure you look at provinces immediately east and immediately west and see whether there is some consistency in approach between us. Whether we are New Democrats in Ontario or Saskatchewan or Liberals in New Brunswick or Newfoundland, we are all challenged to make difficult decisions, and we have tried to make them with the greatest equity and fairness possible.

I do not expect Manitobans to give us accolades when they are asked to contribute more. I do not expect that. But Manitobans also are giving accolades to the fact that their income tax did not go up, the sales tax did not go up. Corporate income tax, more companies, smaller employers are now sheltered from the dreaded payroll tax.

I mean, my honourable friends laugh, but at one hand they want economic development and job creation and on the other hand they do not want to provide—[interjection] Ah, now my honourable friend says, where is the job creation? Well, I want to tell my honourable friend where it is.

The member for Flin Flon (Mr. Storie) is asking where there is job creation. What is our contribution? Eighty million dollars of taxpayer dollars in Manitoba going to upgrade the smelter in Flin Flon to preserve and maintain jobs in Flin Flon. Did the New Democrats, when the member for Flin Flon was in cabinet, do that? Did they invest in a

smelter in Flin Flon? No, because they did not care about Flin Flon. How can you care about a place you do not even visit, Sir?

Now, my honourable friend wants to know a little more about job creation. Let us talk about the job creation in Inco in Thompson. Let us talk about how well they are doing in relative comparison to any other nickel company in Canada, and why. Because they have introduced Total Quality Management in their management structure there, and they are one of the most efficient producers in the world today because labour and management are together working for the betterment of that community, the industry, the company and the product they produce.

Well, is that such a scary concept? My honourable friends would think so. But we hosted the Total Quality Management Conference in Manitoba just two weeks ago, and I want to tell you that that opened the eyes of a lot of individuals who had this fear, and they were running on this sloganeerism that TQM, Total Quality Management was some American management philosophy.

In fact, it is Demming, the American, invented the process basically, but it was the Japanese who significantly introduced it into their industrial milieu and production method. And guess who just happens to have one of the more robust economies in the world? Japan.

So, my honourable friends, when they fear the future so much, and they talk in platitudes about what they would do, I have this genteel reminder of hearing those very same swan songs from Bob Rae when he was an opposition leader of the New Democratic Party. I heard those same swan songs in British Columbia from one Mike Harcourt as an opposition leader in British Columbia. But once in government what did they do? They have to deal with tough and real issues in government. They cannot afford to have the quick-fix, slick answers that we see from the New Democratic Leader in Manitoba, which are nonsolutions, which are nonstarters and nonproposals and old-think. They are having to deal with very real problems, and they are making very real decisions.

I note my honourable friends, in terms of the health care debate, have not commented from the New Democratic Party on the decision, whether it is right or wrong, that the British Columbia Ministry of Health has had to make because they believe it will

preserve their ability to deliver health care, of closing Shaughnessy Hospital, a major and significant decision. Why have we not heard some comment from New Democrats in Manitoba as to whether that is right or wrong or good or bad? Do you know why? Because New Democrats in government make decisions which they believe are in the best interests of the health care system.

I do not argue with those kinds of decisions made in British Columbia or Saskatchewan or Ontario, because when we are at the ministers' table we all deal with these incredible challenges of increased demands and decreased resources. We do not have the time to play the silly political games that we see New Democrats in opposition in Manitoba playing day in and day out. When we are at the ministers' conference you cannot tell—well, I should not say you cannot tell, Sir, but there is very little difference in the approach of a Minister of Health from a Liberal government in Canada, there is very little difference in the approach of a Minister of Health from a Progressive Conservative government in Canada, and there is very little difference in approach from a Minister of Health representing a New Democratic Party government in Canada today, because the challenges are the same.

That is when my honourable friend the Leader of the New Democrats in Manitoba gets up and tries to make out that he has some magic intelligence that is going to do something different and better, but yet he will never lay it out and identify what it is. We have yet in five years, five and a half years, six Budget Debates to hear an original thought on what the NDP would do differently if they were government. All we hear is the quick-fix rhetoric, the 30-second clip for television or radio or newspaper, slickness but no depth from the Leader of the New Democratic Party. That will not sell anymore, Sir.

Mr. Speaker, what is the challenge, what is the agenda and what is the plan that has been consistently presented through six budgets by my colleague the Minister of Finance (Mr. Manness)? It is to make Manitoba a competitive environment in which business can invest, profit, create jobs and meet world production mandates. My honourable friend says where? Let me share with my honourable friend a couple of success stories that I know he will be interested in.

In my constituency of Morden we have 3M as a significant corporate partner. Last fall 3M turned the

sod on a \$10.8 million expansion to their plant in Morden. For what? For world mandate production of several products including the red dot electrode used in health care, including packaged Tegaderm, which is packaged in sterile packaging there and has eight languages of the world on it because they ship from Morden, Manitoba, all over the world.

Most recently, they have chosen the Morden plant and that \$10.8 million investment in new capacity to become the world production centre for a new kind of knee brace that they have developed for those suffering from problems with their knees. That has increased jobs. That has increased investment. That has increased creation of wealth in Manitoba. Why are they here? Because the workforce in Manitoba is as effective as any workforce they have in the world, and the taxation rates are now as competitive as any place they can be in the world.

* (1530)

Now let me deal with the second issue, because my honourable friend the member for Interlake (Mr. Cliff Evans) asked a very important question—show me where else. Well, also recently Monsanto searched the world—Australia, North America and Europe—to find a location to build a new plant to produce granular Roundup, the new wave product which is not yet licensed in Canada, I was informed yesterday. They cannot sell the product out of the Morden plant, but I have already given you the answer.

Where did they choose in seeking sights in Australia, North America and Europe? They chose Manitoba. They chose Morden, Manitoba, because it was the most economic place that they could locate in the world outside of paralleling their plant in St. Louis, Missouri. That was the next best alternative. Why? Because we have a consistent tax regime. We have gone, at the time they made the decision, five budgets without raising corporate or personal income taxes or sales tax.

What major investors look for is consistency in policy, not stop and go, not indefinite promises, not flip-flops that they see in other provinces governed by other governments, but consistency. Lowest cost place in the world to produce granular Roundup which they cannot even sell yet in Canada, they chose Manitoba and southern Manitoba and Morden, Manitoba. Now that is going to be approximately 40 jobs, and that is going to be the

production sight for world distribution of granular Roundup into the global market.

What happened in Brandon this fall? Ayerst Organics. Where did they expand? They expanded in Manitoba. Did they expand in Manitoba because we were the worst place to invest? Of course not, of course not. They looked at alternatives in the southern hemisphere. They looked at other alternatives in the United States, and this was their most economic place to be. [interjection]

Mr. Speaker, my honourable friend the member for Flin Flon (Mr. Storie) is a little bit sensitive these days because, as I said earlier on, he spent—what was it?—six years in cabinet under Howard Pawley trying to get the smelter in his town upgraded and could not do it. Now he sees it happening under a Progressive Conservative government, a failure in his own town. No wonder he is a little embarrassed and a little chippy. Abject failure in his own community. Of course, maybe he does not have the same commitment to Flin Flon today that he had in 1981 when he was first elected. Maybe he does not have that commitment anymore to Flin Flon.

Now let us talk, Sir, about where this province has to go, where this country has to go, and the kind of new thinking that we have to engage in, in order to achieve stability of economic growth in this province and in this country. World economy is changing. The old style of union versus management, the old style of the isolation where the academic community is by itself and never to be infringed upon, the old style of the banking community not investing in innovation but in bricks and mortars, all of those old styles of management and approach must and will change, because this economy now has to focus on world mandate products in innovation and technology and the new wave of the idea-driven economy.

Now, that is exactly what we have been doing for the last several years, is to try to position ourselves for that new idea-driven economy which will create the permanent employment in Manitoba. Others will share some of the successes in that endeavour which are on the communication side, for instance, with significant job opportunities, new jobs, new investment in Manitoba that are coming and have been announced, because we have to position ourselves into that new innovation-driven economy.

Does that mean that the old standbys of them and us, unions versus management, will prevail, the them and us that the academic community ought not to be part of the economy of Manitoba, that they should be isolated? Of course, that will not last. That is why a year and a half ago the Economic Innovation and Technology Council was created, with that marriage of labour leadership, that marriage of academic leadership from the universities, that marriage of business leadership and government leadership, to bring those forces together, to understand the challenges and the new wave of investment that we must make in this province.

Subsequent to that, let me tell you what some of the investment successes are. I heard a recent article on CBC Radio on Hughes Aircraft which was one of the success stories, where they have gone from production in California, where their production costs were so high that they could not achieve sales into the global market, to moving to Winnipeg where their economics of production are significantly greater. They have consistently expanded their sales, their employment, and they find that to be an excellent move in a new technology industry using Winnipeg as a home base, Manitoba as a home base, the economic advantages of being here to access successfully the world competitive market, a success story that my honourable friends the New Democrats will not talk about. I was very, very interested to hear that story, that news item on CBC Radio last week.

Let us deal with some other notable successes. We have mentioned Ayerst Organics, and what does it mean? It means that we not only have that investment in Brandon for world mandate production of Premarin, but we also have a significant investment in rural Manitoba on farms, a number of them in the Interlake, that my honourable friend the member for Interlake (Mr. Clif Evans) well knows, with a quarter-of-a-million-dollar investment into the horse business. Why? Because it is a very steady opportunity for income to protect and preserve family farms. Why is it here in Manitoba? Because we have some of the best producers with some of the best economic land base in the world to produce the horse herd and sustain it for the product that they make, Premarin.

That is one of the largest success stories I have been involved with in some 16 years of elected life in this province. It is genuinely a megaproject, if you

want to use that terminology. It is here in Manitoba because of the advantage of being here in Manitoba.

Now the new-wave economy says we must look at innovation and technology. Do you know what our greatest problem is? We do not recognize as Manitobans and Canadians just how good we are. We tend to believe the negative rhetoric that we hear constantly from some of our opposition people and repeated in the media. We do not believe in ourselves.

Let me tell you about agriculture. We keep thinking of technology and innovation, and we tend to focus our thinking on computers and electronics and all the gadgetry. That is not the only means of innovation and technology.

Innovation and technology in agriculture—let me give you some examples. These are Manitoba-made examples, built on the investment that we have made as taxpayers as a province in terms of genetic improvement around some of our substantial grains and oilseed crops. I want to give you several examples.

There is a utility wheat called Glenlea. It has been on the market for 20 years. It fell out of favour because other new varieties of bread wheat would pick up the yield. It started to come back into favour just in the last three years, and I could not figure out why because the Wheat Board is contracting—it is all going to the United States. Do you know why? We find that Glenlea wheat, a utility wheat, has high protein and high-gluten strength.

* (1540)

All of the bakeries in North America in the grocery stores use frozen dough. That is the new wave of the fresh bread that you smell when you walk into a lot of grocery stores with bakeries. It is all frozen dough. Glenlea wheat is absolutely unique in the world wheat market in that the frozen dough has a longer shelf life and builds and bakes a better, fluffier loaf. It is the best wheat for frozen-dough bread production in the supermarkets in the world. Did we know that? No, we did not.

I want to tell you a little side story, and I want to share this with you because it tells you how unique an advantage we have in Manitoba. The Americans found and discovered Glenlea would do that. They did not tell us about it, naturally. They imported Glenlea seeds and they tried to grow Glenlea on dry-land farming in Minnesota and on irrigation in

Colorado. They could successfully grow good yields, but do you know what? The unique baking qualities of Manitoba-grown Glenlea could not be replicated in Minnesota production or Colorado production because of our unique combination of soil, weather and rainfall, apparently.

We have an absolutely unique product in Manitoba, and where was it developed? It is called Glenlea wheat because it was developed at the Glenlea Research Station immediately south of Winnipeg by research scientists and the Faculty of Agriculture in collaboration with the Canadian Department of Agriculture. That is a success story. Do we ever talk about it?

Let us talk about the contribution Dr. Baldur Stefansson made in terms of developing low erucic acid canola to make canola the best edible oil in the world for human consumption. It keeps getting better and better because of research activities across the length and breadth of this province.

Guess what oil received the health food oil of the United States award two years running? It was Canadian canola oil marketed by Proctor & Gamble under the label Puritan. That is what it was. Do we every talk about that and brag about that kind of innovation and technology? Of course, we do not.

I want to deal with buckwheat because in Manitoba we have the most advanced buckwheat breeding program, in Morden Research Station, in the world. Now, what is so important about buckwheat? I want to tell you what is important about buckwheat. For those who wish to reduce meat intake—heaven forbid, because I think that we should support our meat industry, but if you wish to, buckwheat has the greatest combination of amino acids and essential protein components of any other single grain. It is a meal in itself. We have a breeding program to develop the best buckwheat in the world. There are market opportunities there that we have not even touched yet.

Let me deal with one more commodity, Sir, before I close off, and that is the new research that is going into develop yet another edible oil called linola. It is a flaxseed oil, but it has removed the acid component—linoleic acid is what it is—which causes the oil to discolour, which makes it fine for paint but not too good for human consumption. That is being developed in Morden and Rosebank, Manitoba, in my constituency, and will be the next best edible oil that will hit the world and take over the world.

And where is it produced? It is produced in Manitoba through Manitoba research.

What I am saying to you is, that kind of innovation can lead to significant secondary-processing, job-creation investment in Manitoba in small industry to feed the world from some of the finest soil, best climate, least polluted environment in the world with the best varieties that we have for human consumption in the world. That is where this government is heading. That is where this economy can head. That is where the farm community is heading.

That is why the programs, the policies of this government are so successful and will continue to be the most successful of any provincial government in Canada, because we have consistently stayed the course, not raising taxes, keeping the deficit and government expenditures under control and providing the best environment for investment in Canada, the best environment for investment in Canada. We will take those innovative ideas, those leading technologies, and we will turn those into industries of world mandate like 3M has done, like Monsanto is doing, like Ayerst in Brandon is doing.

Those are industrial presences of multinational corporations that are in Manitoba because it is the best place to be, the best place to invest, the best place to do business, not for local business, but for the world mandate and global market production of a number of key ingredients and products that the world demands.

That is the advantage of Manitoba. That is the made-in-Manitoba advantage. It has been here only because of the consistency of this government, the policies that we have put in place, the consistency with which we have approached taxation, economic development and business development.

The consistency of the approach is leading investors to Manitoba for world mandate production. What does that mean? That means to the youth who are here and are going to be looking post education for careers—that means an opportunity for you, your brothers, your sisters, your friends, in this province, of jobs in high-tech industry, secure jobs, jobs because they are created on a stable climate of taxation that is predictable and an opportunity to become world-class manufacturers in the province of Manitoba.

Thank you, Mr. Speaker.

Mr. Jerry Storie (Flin Flon): Mr. Speaker, I am pleased to join the debate on the 1993 budget early. I am also pleased to follow the member for Pembina who, in his own usual style, put on his blinkers and provided this House with another example of why this province is in such trouble.

If you read between the lines from the minister's comments, the Minister of Health's (Mr. Orchard) comments, everything is coming up roses. The province is in perfect condition. It just seems that some other people outside this Chamber are not quite aware of the success of this government.

I want to start by talking about the Minister of Health's little rant, his little diatribe about the member for Flin Flon and the modernization which is occurring in the community of Flin Flon. I think the Minister of Health ought to know that when the NDP government were in power from 1981 to 1988, they responded on at least two occasions very quickly to emergencies in the community of Flin Flon. They responded to emergencies in the community of Leaf Rapids, in the community of Lynn Lake, when it came to the necessity of providing government assistance to ensure the survival of those communities.

Unfortunately, the Minister of Health (Mr. Orchard) did not comment on the fact that since this government has taken office, three communities have been decimated by closures. In the Flin Flon and Snow Lake area alone there have been five mine closures and a mill closure. And he neglected to mention the fact that the modernization project was not even proposed until late 1987, early 1988.

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

At the first meeting, when the company came to discuss that proposal with myself when I was Minister of Energy and Mines, I indicated we would be there to support them. Well, unfortunately, the government changed and the Minister of Health (Mr. Orchard) and his crew came into office, and they basically withheld support, frustrated the process for three years and allowed for the deterioration of the position of HBM&S to the point where a community was forced to close.

Madam Deputy Speaker, that is the legacy of the Conservative government when it comes to mining activities. Not only that, but the current Minister of Energy and Mines (Mr. Downey) and the First

Minister (Mr. Filmon) have on a number of occasions quite erroneously suggested that somehow there was no mining activity when the NDP were in government. Then the current Minister of Energy and Mines talks about the tax regime that was imposed by the previous government.

The previous government saw the opening of at least half a dozen mines. We saw an increase in the number of miners certainly in our community, in my community and the communities in the constituency of Flin Flon.

Madam Deputy Speaker, the ultimate irony from the comments of the First Minister (Mr. Filmon) and the Minister of Energy and Mines (Mr. Downey) is that when this government took office in 1988, they decided to impose a surtax on the mining industry and imposed an additional 1.5 percent on the mining tax in the province of Manitoba.

* (1550)

It seems a little bit ironic and a little bit dishonest for the Energy and Mines minister to start talking about an unfair tax regime when this government, this very same government, imposed additional taxes on that industry. Not only did the government impose those taxes on a one-year basis, but they have continued to impose those taxes and continue to impose those taxes to the present day.

Madam Deputy Speaker, I do not need any lectures or lessons from the Minister of Health (Mr. Orchard) or anybody else on that side about the importance of the mining industry or any lessons about how one needs to be committed to that important industry in our province. The sad fact is that over the next 18 months, approximately, some 400 and more miners and miners' family members are going to lose their jobs. Unfortunately, that scenario has played out across Manitoba in many of the communities, in many workplaces over the past four years.

I do not know who the Minister of Health was trying to kid when he started talking about the great success, the groundwork that has been laid for the creation of jobs and the development of Manitoba's economy.

I read a letter that was sent by the Minister of Education (Mrs. Vodrey) to teachers in Manitoba. I have in my hand a letter that was sent by the member for Niakwa (Mr. Reimer), the MLA for Niakwa, to all his constituents. What does the member for Niakwa say about the prospects for

Manitoba? He says the problem is, nobody wants to invest in an unstable, debt-ridden province.

This is the sixth budget of this government. Who has created this unstable, debt-ridden province? I wish members opposite, particularly the back bench, would look at their own Minister of Finance's (Mr. Manness) Budget Address and background information.

In the last six budgets we have seen deficit increases. Last year's deficit, for members in the back bench who do not want to listen to the Minister of Health (Mr. Orchard), was \$762 million. The fact of the matter is that this province not only has seen its deficit increase, it has also seen its unemployment rate increase, the number of people on welfare increase, and the number of people who have given up looking for work increase.

Madam Deputy Speaker, that does not speak to any great success in terms of economic policy, not any great success at all.

This letter, which is I believe the epitome of gloom and doom, that the Minister of Health told us was irresponsible only a minute ago, was sent out by his own back bench member.

A similar letter was sent out by the Minister of Education (Mrs. Vodrey). This letter does not talk about the promise of the Province of Manitoba. In fact, this letter does not talk about any of the successes of the government—it mentions a couple, I am sorry. What it does not do is talk about the failures of the government, the tremendous number of failures of the government.

Madam Deputy Speaker, it cannot have it both ways. The First Minister (Mr. Filmon) cannot have it both ways, the Minister of Health cannot have it both ways, nor can the Minister of Finance have it both ways.

I want to continue with this letter that is full of gloom and doom and, I think, fairly reflects the position that this government has placed the province of Manitoba in. It is becoming unstable, and it is becoming unstable because this government is hacking away at the foundation, the social foundation, the economic foundation which made it secure and stable. In an interesting twist the member for Niakwa goes on to say, and if nobody invests in Manitoba, our province will suffer enormously not only now but for decades to come.

Madam Deputy Speaker, the member for Niakwa (Mr. Reimer) is correct. The question is: Who is

investing in Manitoba? The back of the letter—and the Minister of Health spent a great deal of time talking about four projects where people apparently are going to invest in Manitoba.

Unfortunately, I have also a long list of companies that this government also told us were going to invest in Manitoba. The Minister of Industry, Trade and Tourism (Mr. Stefanson) had a press conference and a news release talking about the investment that was going to be made by MacLeod Steadman. The government instead had invested in a bankrupt company. The government promised 117 jobs; we got none. Only a short time later they were talking about the investment that was going to be made by Royal Trust. Of course, Royal Trust also went bankrupt and was forced to sell to another company; we have seen none of those jobs.

We have the debacle which has become the Repap investment, an announcement which was supposed to bring jobs to Swan River and jobs to northern Manitoba, which turned into a nightmare for both of those communities, which has seen no investment and which has led to frustration and anger on the part of residents in both of those communities and a number of others which are impacted by that failure to consummate a deal.

Madam Deputy Speaker, I think we were all saddened and disappointed that this government also bungled Conawapa. The Minister of Energy and Mines (Mr. Downey), in his wisdom, made Ontario Hydro a deal they could not refuse. He said, either pay me \$300 million and cancel the deal, or \$150 million and delay it. He made them an offer—I should correct that. He made them an offer which left them no choice but to cancel the agreement. That was the ultimate impact of this minister's negotiating skills.

Madam Deputy Speaker, the bottom line has been that opportunity after opportunity after opportunity has been missed by this government, and you have to ask yourself the question, why? Why has the government failed so miserably to do what it promised to do and what Manitobans hoped it would do and that is attract investment and create jobs and move our economy forward? I think the answer lies in this memo, lies in the letter from the member for Niakwa (Mr. Reimer). This is a plea as much as a statement from the member for Niakwa for someone to come and rescue the province of Manitoba. It is an acknowledgment that the government of Manitoba will not act to promote to

invest in the province of Manitoba on its own on behalf of Manitobans. It is an acknowledgment that Tory ideology is failing. That is what they are trying to do. [interjection]

Madam Deputy Speaker, the member for Arthur (Mr. Downey) is now talking about MTX. Well, if the member for Arthur wants to talk about public investment—the Minister of Energy and Mines (Mr. Downey) cannot have it both ways. Either Limestone, which he now claims was a good investment on behalf of Manitobans, is a good deal for Manitoba or it is not. I remember when the Minister of Energy and Mines was on this side of the House, he was not supporting the development of Limestone, neither were most of his colleagues. In fact, the only member who had the foresight to support the development of Limestone was the Minister of Natural Resources (Mr. Enns) who said in the early 1980s that the development of Limestone was a positive thing for the province of Manitoba. The Minister of Natural Resources has shown himself to be the only one with any real insight on the importance not only of private sector investment but public sector investment.

So, Madam Deputy Speaker, when the member for Niakwa (Mr. Reimer) writes to his constituents and says, well, nobody will invest in Manitoba because we are debt-ridden and we are poor, the reason that there is no confidence in our economy is because this government has run the economy into the ground. I agree with the member for Niakwa, if someone does not invest, if someone is not prepared to invest along with the private sector, if someone is not prepared to invest with working people in the province of Manitoba, if someone is not prepared to invest in young people in the province of Manitoba, if someone is not prepared to invest in the province of Manitoba, we do not have much of a future.

The Minister of Health (Mr. Orchard) was talking only a minute ago about the importance that investment and growth had on young people, wanted to suggest somehow that this government's agenda was going to create that growth.

Well, Madam Deputy Speaker, the people of Manitoba have waited for six budgets. They have waited for almost five years to see some sign of an economic strategy, a plan to move our economy forward. What have they seen in those five years? What have they seen? As my Leader suggested

only a few moments ago, what they have seen is flimflam. What they have seen is verbal deception.

* (1600)

When it comes to the issue of taxation, we know that in 1988 and '89, when the government had a choice to reduce mining taxes, they imposed more mining taxes. When they had a chance to reduce the 2 percent net income tax, or I should say leave it at 1 percent, they took the extra percent tax.

Madam Deputy Speaker, we have seen backdoor tax increases and offloading onto the municipal taxation base every single budget. And what do we see this year? Well, another \$100 million-plus tax grab, and to what end? Where is the other side of the agenda? All we have seen from the government in five years, and all Manitobans have been forced to endure, is a series of ideological, arbitrary cuts. My Leader talked about the impact of this budget alone on Manitoba.

Madam Deputy Speaker, I am not going to just talk about the tax grab, the fact that the Premier did not live up to his commitment, the Finance minister did not live up to his commitment, that, in fact, they have increased taxes across the board. They have also indirectly increased the property taxes that average Manitobans pay by approximately 30 percent in the last three years. This government, while attacking the incomes, particularly of those who can ill afford to have their incomes reduced, has systematically cut programs that support those with low, modest and fixed incomes.

I would like to talk about some of the groups that this government has attacked in the last year. Madam Deputy Speaker, we can start with my own constituency and the members of my own community in Flin Flon and Lynn Lake. This government did not reduce the training grants that went to huge corporations like Northern Telecom. No, what they did do was cut the funding to the friendship centre in Lynn Lake, cut the funding to friendship centres across the province.

Well, what did the friendship centre do for the people in Lynn Lake? For approximately \$80,000 the friendship centre employed two people full time, a third person part time. It provided direct service to literally thousands of young people and seniors in the community of Lynn Lake. They provided and co-ordinated a literacy program. They provided recreation support. They provided translation services for people who came in from communities

outside of Lynn Lake and were hospitalized. They provided a hostel service. They provided support to a lot of other community activities including the community's safety patrol, night patrol. In terms of a cost-efficient use of taxpayers' dollars, you could not have asked for a more efficient group.

Madam Deputy Speaker, this government did not care. Instead, they decided to continue to give tax breaks to companies who are committed and have been committed for a long time to the province of Manitoba. Instead of looking at a more progressive form of taxation they continue to cut and to tax those with the fewest means in our society.

Madam Deputy Speaker, the government chose in its wisdom to cut the funding to the crisis centre in Flin Flon. Never mind the rhetoric that we read in the throne speech. Never mind the rhetoric we heard in the budget about this government's concern for the most vulnerable in our society. You have to look at their action. The cuts to the crisis centre, the cuts to the friendship centre, the cuts to the foster parents group, the cuts to Pharmacare, the increases in deductibles, the increases in cost to people who are in personal care homes, the attack on the sick and the poor and the elderly continues not only in the budget, but in the program cuts that this government has implemented in a callous and careless way over the last several months.

Madam Deputy Speaker, earlier in the day, I tried to get the First Minister (Mr. Filmon) to address the question of fairness in terms of the extended retail sales tax, the harmonization of the provincial sales tax with the goods and services tax. The fact of the matter is that the figures that were used in the Free Press, the figures that were used by our caucus in terms of the cost to average Manitobans of this latest series of tax increases are very accurate.

All you have to do is look at the numbers provided by the Minister of Finance (Mr. Manness) in his budget document.

The sales tax is going to raise approximately \$49 million. That sales tax, Madam Deputy Speaker, is applied now to those basic supplies that every family needs. Virtually everyone in our society has to buy the kinds of product that this government is going to now tax.

Previously there was a consensus about what items should be taxed and what should not and there was a general consensus that food and other

necessities of life, including toiletries and toilet supplies and nonprescription medicines, those kinds of things, children's supplies were not subject to the tax for a reason. But this decision to broaden the sales tax to include all of those items has meant that the average person, the average family of four, is going to spend an additional \$410 to \$435 annually. That is not counting the increase in their property taxes.

It is accounted for this way: \$49 million is going to be paid for by the sales tax broadening, approximately half a percent of sales tax; the property tax increase is going to be \$53 million; the gas tax is going to be \$13 million, for a total of \$114 million. If you divide that per person, approximately a million people, multiply it by four people in each family, and you have approximately \$412, by my calculation, per family.

Madam Deputy Speaker, the First Minister (Mr. Filmon) spent a great deal of time refuting or refusing to believe that figure was accurate. We have not heard yet from the government what they believe to be a more accurate figure.

The fact of the matter is, by virtue of the nature of the increases that have been imposed on Manitobans this year, it is inherently unfair and is going to impose a great deal of hardship, particularly on those with modest means and modest expectations.

The list of cuts that this government has imposed is extensive, and one of the areas that has been eliminated is the student social allowance program. It was interesting to listen to members of the front bench defend this particular cut. Madam Deputy Speaker, a previous Tory cabinet minister in the Lyon government, the previous member for Swan River, was once quoted as saying that he believed in welfare rather than work. [interjection] I am sorry I did not hear the member for Lakeside.

Madam Deputy Speaker, the problem is, of course, that the mentality that goes into the thinking that it is better to pay someone welfare than to work, to create a job, to create an opportunity to work with industry or labour or municipalities, to do something constructive with the dollars that we are spending on welfare, is pervasive over there. It is pervasive. The fact of the matter is that the student social allowance program, which I will acknowledge is the only one in operation in the province of Manitoba, was effective. The government has not produced

one shred of evidence that this is not a cost-effective means of providing social assistance.

* (1610)

I do not think that you need to be a rocket scientist to know that it is better to have someone working. It is better to have someone going to school and educating themselves and upgrading their skills as opposed to sitting at home watching reruns of *Geraldo*. I do not think anyone would deny that, so what would possess a government to say, no, you single mother of two children, you cannot collect welfare payments and go to school. We are not going to allow that. Go and live at home, as the Minister of Family Services (Mr. Gilleshammer) would say, go live at home.

Well, Madam Deputy Speaker, what is wrong with the Minister of Family Services' analysis, of course, is that is not going to happen. What is going to happen is we are going to lose another generation of young people who could have been helped. What is wrong with the logic of saying that a single person who takes advantage of an opportunity to get an education, to better themselves and move out of the social welfare cycle is not an advantage to the province of Manitoba?

Madam Deputy Speaker, we only have to move a very few, a handful of people out of the social allowance—

Madam Deputy Speaker: Order, please. I am experiencing great difficulty in hearing the honourable member for Flin Flon (Mr. Storie).

Mr. Storie: Madam Deputy Speaker, thank you for that. The fact of the matter is, if we move only a handful of people out of the welfare cycle into the workforce, whether it is done through the counselling that some unemployed may receive through a friendship centre, or whether it is done through the student social allowance assistance program, we save the province millions of dollars.

I would like the Minister of Finance (Mr. Manness) to get up and tell this House what it costs to keep someone on social assistance for their entire working productive life? How much does it cost to offer that individual an opportunity, an education, a means of making a living, offering them some hope?

Madam Deputy Speaker, this government views those programs not in terms of their ultimate success, but in terms of how much they cost the government today. They view those as somehow ridding themselves of long-term costs when that is

not the case. It simply is not the case. On many other occasions, I have challenged the government, the ministers responsible, the Minister of Family Services (Mr. Gillshammer), the Minister of Finance (Mr. Manness), to table one single study which shows that the student social allowance program was not a cost-effective program.

I remind members opposite that about 10 years ago, the Manitoba Chamber of Commerce came to visit myself and the Minister of Family Services, it was then Community Services, to talk about the costs of daycare. They said that daycare was an expensive option for the people of Manitoba and one that we could not afford. The president of the Chamber of Commerce sometime later, a man by the name of Mr. John Doole—whom many of you will know, a fine individual—came and said, let us look at the net benefit to the Province of Manitoba to offering subsidized daycare, because we believed at that time that offering subsidized daycare, offering individuals who were at home collecting welfare, who needed that support to get them off welfare into the workforce, offering them that opportunity, by providing them with daycare made sense.

Madam Deputy Speaker, quite ironically, the Chamber of Commerce took us up on that challenge. I believe that the subsequent president was a Ms. Dorothy Dobbie. I had the privilege of receiving the report from the Winnipeg Chamber of Commerce on the net impact of daycare on the province of Manitoba. I would ask whether any members can guess what the conclusion of the Winnipeg Chamber of Commerce's study on daycare was? [interjection] Well, I appreciate that from the member for Lakeside (Mr. Enns) for letting me express no shock or surprise when the Chamber of Commerce came back and said that there was a net economic benefit to Manitoba by providing daycare—a net benefit. [interjection]

Well, as much as I would enjoy getting into a debate with the member for Lakeside, I remind—Madam Deputy Speaker, I would like to ask members opposite to get their pencils out. If the member for Lakeside accepts the premise that providing daycare provides a net economic benefit to the Province of Manitoba, then I would like the member for Lakeside to tell me how much the province is losing when he cuts 400 spaces out daycare? Perhaps the member—[interjection] Well, you cannot have it both ways. Either there is a net economic benefit providing daycare or there is not.

The Winnipeg Chamber of Commerce has done the study which showed that there is a net economic benefit. I want the very reasonable, rational member for Lakeside (Mr. Enns), who has supported public investment on occasion, to also join with me in supporting the investment in daycare, in supporting the investment in the student social allowance program, in supporting the investment in education. Those are all investments. [interjection]

Madam Deputy Speaker, the Minister of Natural Resources (Mr. Enns) also knows that the simple-minded slashing of programs, in some cases very cost-effective programs, is counterproductive in the long run.

I have said on other occasions, and I would wish that this front bench, this Treasury Board would encourage some of their staff to do the analysis, to show me where a simple-minded, cost-cutting approach to solving the economic problems of any nation, of any province has worked.

If the approach taken by right-wing, neoconservatives anywhere in this world had ever solved the deficit of a province or a state or a country, then I would like members opposite to show me. It did not work for Ronald Reagan. It did not work for Maggie Thatcher. It did not work for Brian Mulroney. It is not going to work for Gary Filmon.

Madam Deputy Speaker, we need not get bogged down in rhetoric when it comes to the deficit. If the simple-minded approach of this government worked, why, when this government took office and they had a surplus of approximately \$58.7 million, do they now have a deficit of \$762 million for 1992-93? If the simple-minded approach saying cut, cut, cut was going to increase revenue magically somehow, I would like them to explain how that is going to happen. If the simple-minded approach of cutting spending, denying people access to programs that have proven cost-effective is going to work, I would like to know why, after six budgets, we are in a worse mess than the province has faced in its history.

I would like to know why the member for Niakwa (Mr. Reimer) is sending out a letter to his constituency bemoaning the unstable, debt-ridden state of the Province of Manitoba. Even the member for Niakwa knows what a dismal failure this government's economic program has been.

Madam Deputy Speaker, as much as I agree with the member for Niakwa that it has been a dismal

failure, unlike the member for Niakwa, I believe that an even more dismal failure has been their social policy.

* (1620)

Social and economic policy go hand in hand. You cannot have a successful economic policy that ignores the social implications of that policy. You cannot have an economic policy that says the private sector is going to be the engine of growth when clearly our economy is based on more than simply the imperatives of the private sector.

In 1981, when we came to office, we said that the province's economy is based on the co-operative efforts of business, of labour, of municipal and other levels of government and of the business community—business, labour, municipalities.

This government has ignored three of those elements. This government has denied municipalities any responsible role in creating economic development. This government has denied labour any responsible role in promoting economic development. This government has attached its horse to the private sector, and the private sector quite frankly has let them down.

The Minister of Health (Mr. Orchard) was in here talking about the tremendous investment in the Manitoba economy. Of course, he neglected to mention that part of his party, the Conservative philosophy of free trade, saw the flight of jobs from Morden, approximately three or four times as many jobs, moved out of Morden as the minister was referencing. The economic record is written pretty large. The economic record is that this government—\$58.7-million surplus to a \$762-million deficit. That is the record. [interjection]

Madam Deputy Speaker, the Minister of Health (Mr. Orchard) knows as little about trade as he does about health. Since 1867, Canada has been, and before, a trading nation. We always have been. Eighty percent of our trade has always been free. The only thing we have done is move companies like Tupperware out of communities like Morden, and the Minister of Health is proud of that. He thinks that is a tremendous accomplishment.

Madam Deputy Speaker, to show you how hypocritical the Minister of Health (Mr. Orchard) is, he then goes on in his early remarks and he talks about how important creating the right climate is. The Minister of Health then spent some of his time berating the much-hated payroll tax and how it was

servicing as such a disincentive to businesses who wanted to invest in Manitoba. Then the Minister of Health goes on to relate how Ayerst has come to Manitoba to make an additional investment, how 3M has come to make an additional investment, how Monsanto is going to make an investment in Manitoba.

What the Minister of Health did not acknowledge that their decision to come to Manitoba or to build additionally in Manitoba had nothing to do with the tax regime. The payroll tax is still in full application to all of those companies, so which way is it? The Conservatives on this side want to pretend that somehow our tax regime was so out of whack. They have not changed it in any substantial way and now they are claiming that they are having such great success with it. Well, which is it? Is it an impediment or is it not an impediment?

Madam Deputy Speaker, what is more telling is the letter from the member for Niakwa (Mr. Reimer) to his constituents which talks about an unstable debt-ridden province. The last five years have been debt-ridden. I have just shown you that. The minister's own statements show that they are debt-ridden, increasing the highest debt in the province's history and it is unstable. It is unstable right now because there is no one in the public of Manitoba who has any faith in this government. There is no one who believes that their job is safe. There is no one who believes that the services they have come to depend on are secure.

Whether it is home care or the student social allowance systems or crisis centres, there is no one in our society today who feels secure, and it is because of the approach of this government, the heavy-handed, heartless, mindless approach of the government in power. That is the tragedy.

Hon. Linda McIntosh (Minister of Consumer and Corporate Affairs): Madam Deputy Speaker, I have been sitting here in amazement over the last 40 minutes. I think I heard the member opposite say you cannot have it both ways three or four times. I heard him talking about our concern about a debt-ridden unstable province which is definitely what we will have if we do not take the measures we are taking right now. They know that full well, because a lot of the problems we are in right now are of their making. It is not the kind of thing that people are grateful for.

Madam Deputy Speaker, my mother, not long before she died some four or five months ago, was wont to tell me on a fairly regular basis that she felt that she was a member of one of the luckiest generations ever to have lived in Canada. She spoke about having received family allowances, old age pensions, things of that nature, regardless of income, of medical services, seniors discounts and of the rich safety net available for the disadvantaged.

What worried her, and it worried her very greatly, was that she had concerns about me, my sister, our husbands, and most especially about her grandchildren, that we and they would pay forever for the lifestyle that had been made available to her generation and that we might not ever be able to have what she and her peers had been given. Most especially, Madam Deputy Speaker, she fretted about every tax increase that was placed upon her children and grandchildren's generation.

She believed very strongly that such increases would become an ever-increasing burden that would prevent those generations following her from progressing according to their efforts and would rob them of their natural initiatives and independence. I am not unlike my mother, Madam Deputy Speaker, because like my mother before me I worry about my children and my grandchildren yet to be. That is why I, along with my colleagues on this side of the House, want to relieve future generations of the burden of excessive taxation and the problems that go along with debt and deficit that we are experiencing in this country and in this continent and, indeed, in many places of the world in this particular generation.

We want our children to be able to have the incentive to strive to get ahead and to be able to start small businesses and maybe just to be able to keep some of their pay cheques in their pockets at the end of the month. We want them to live in a country with a good credit rating so that there is hope for an economic future that will be stable and not unstable. That is why, for the sixth budget in a row, we have not raised personal income taxes. We have not raised the sales tax. We have not raised the business tax, corporate tax or capital tax.

The budget includes a four-year plan to balance the budget that is based upon controlled government spending, modest increases in revenue and transfers from lottery revenue. I cannot believe that I would hear members opposite say shame

when we talk about controlled government spending. I suppose I should be able to believe it, Madam Deputy Speaker, because controlled government spending is not something with which they are terribly familiar.

We have had a decade and a half of government overspending and high borrowing, not just in Manitoba, in other provinces as well, but it is Manitoba with which we must deal and we are reeling under an incredible burden of debt.

* (1630)

It is unfortunately a nationwide phenomena, and provinces of all political stripes are struggling to set budgets which will address their current situations.

My colleague has asked me how this incredible burden of debt came about, and maybe I could attempt to give that an answer, Madam Deputy Speaker, and perhaps we could look back at Manitoba.

Manitoba has had 19 Premiers. Howard Pawley was the 18th Premier. The first 17 Premiers saw us through wars and depression and all kinds of economic situations and all kinds of international situations. The same time, Madam Deputy Speaker, those first 17 Premiers built lasting infrastructures such as roads, universities, hospitals, even a floodway to take us into the future.

In the six years that Howard Pawley was Premier, he borrowed an unprecedented amount of money, and he borrowed this money during a period of high interest rates and he left it for future governments to repay. He doubled a provincial debt that had taken over 100 years to accumulate, and in six short years he doubled what had taken over 100 years to accumulate. His legacy for the future was not the hospitals, universities, roads, floodway. His legacy for the future was the debt.

He did leave a bridge, as has just been pointed out. He left a bridge that went nowhere except to add to our burden of debt.

The interesting thing about this period of six years in which our Premier Howard Pawley reigned was that they enjoyed growth in revenues of up to about 19 percent, and they had a very real opportunity to use those revenues wisely. They did have that opportunity.

Our current revenue increase, Madam Deputy Speaker, is about 19 percent less than that, and yet the debt and the interest on the debt still need to be

repaid. We face the alarming fact that we have to spend more on the interest on our debt than we do on most of the government departments, with the exception of Family Services and Health.

I often ponder what we could do with that money if we had it. We could maybe even leave it with our children in their pockets instead of having to collect it from them in taxes. I am surprised, very surprised when I hear members opposite advocating an increase on the sales tax while at the same time they chastise us for having cut spending. I wonder why they do not seem to realize that by not increasing the percentage of the sales tax we help all citizens, especially the poor, in a very effective way.

I might add, by the way, that our sales tax is now the second lowest in Canada, which puts us in a very advantageous position vis-a-vis the other provinces, a much different position than we were in under the NDP when our sales tax was near the highest in the country.

We have adopted tough measures to cut spending, and this is very important both for individuals and the economy. Those who think about it will understand why. Those who care to only be negative and criticize for the sake of criticizing will not bother thinking about it.

Along with these expenditure cuts we have increased revenue by comparatively modest changes, and I say comparatively modest because, compared to what is happening in other provinces, we are not seeing the same distress being imposed upon us here as is happening in other places in Canada.

Just a quick glance at some of the newspaper articles across the nation can tell us that quite clearly. I have some clippings here, and I would just like to indicate the one factor that cannot be overlooked when we are talking about our provincial budget, and that is the common theme that is being faced right across the nation. I know the member for Radisson (Ms. Cerilli) does not wish to acknowledge that provinces of her political stripe are having to do what provinces of other political stripes are having to do.

There is an interesting article by Vern Greenshields who is the Ottawa correspondent for the Leader Post and Saskatoon Star-Phoenix that addressed this common concern that is stretching from coast to coast.

Greenshields talks about the bad news that hit across the country as provinces across the land produced their budgets, and he says: To a Finance minister, they grabbed hold of each side of the ledger and pulled mightily. None of them managed to bring them together to the point where the torrent of red ink would be totally blocked, but all reduced the flow. Those who suffered directly from government cutbacks raised the predictable wails of pain, and the opposition dutifully joined in the chorus. However, something different was happening across the land this spring, something that has never happened before—this is perhaps something the opposition should open up their ears and listen to—the chorus is largely falling on deaf ears. Those deaf ears belong to the general public who finally are listening to those cries from the wilderness that governments and the country cannot keep living beyond its means. It appears that the general populace is ready now to believe that Canada is on the verge of not being able to pay its bills. It is as if some giant creditor has just threatened to chop up all the provincial and federal credit cards if spending does not come more into line with income.

The country—Madam Deputy Speaker, maybe the member for Radisson (Ms. Cerilli) would care to listen to this. The country, like New Zealand a few years ago, is at the limit on the national credit card. The member for Radisson says, is money all you care about? I tell you, if we do not take these actions in a few years, money may be all that we have to care about, and she can walk to the international money lenders in Zurich and New York and see what she can do to help pick the province up if we do nothing.

Like New Zealand, quotes Greenshields, the country is at the limit on the national credit card. This singleness of purpose by all governments across the land has not been seen since times of war, say some observers, nor have such sacrifices been required since. That is an indication of across the country and looking specifically at some of the other provinces, just to put it in perspective, because I think it is important that we do put our budget into perspective. We do not live in isolation. No man is an island is the quote that has been said around this Chamber and other occasions. It applies here.

British Columbia, with its relatively new NDP government, the paper in Victoria says: Major taxation measures will affect every wage bracket, a

boost to the provincial sales tax, an increase in the gasoline tax, a hike in the medicare premiums—this is British Columbia I am talking about. Critics said the British Columbia budget will hurt the people the NDP had once sworn to protect, the middle classes and even the working poor. This budget will slow the economy, drive away investment and sacrifice jobs, said Jerry Lambert of the B.C. Business Council.

The Finance minister in British Columbia, Clark, said the enormous tax grab is necessary to tame the province's growing debt with the soaring welfare caseload. The new taxes, combined with existing revenue sources, will rake in a record \$17.5 billion this year, a 9 percent increase over last year. But—and here is important news for those who believe that some governments, that all NDP governments, keep their promises—the government in British Columbia still will not fulfill its 1991 election promise to balance the budget. A broken promise by an NDP government? I can hardly believe it.

The administration instead will spend \$19 billion in 1993-94 for a fiscal year deficit of \$1.5 billion. That pushes the province's long-term debt to a staggering \$26.4 billion, a 32 percent increase since the NDP came to power in British Columbia.

They will spend \$1.8 billion on welfare this year including an extension of the sales tax to cover pay parking. They are going to have a tax on parking now in British Columbia.

The NDP's rhetoric suggests that it is under the impression—

* (1640)

Point of Order

Ms. Marianne Cerilli (Radisson): If the Minister of Consumer and Corporate Affairs (Mrs. McIntosh) would read anything on sustainable development, she might realize that tax on parking cars—

Madam Deputy Speaker: Order, please. The honourable member for Radisson does not have a point of order. It is a dispute over the facts.

Mrs. McIntosh: Madam Deputy Speaker, I trust that the time the member for Radisson has just wasted will be given back to me.

The NDP's rhetoric suggests that it is under the impression that British Columbians—[interjection]

Madam Deputy Speaker, would you please ask the member for Radisson to get herself under control? I am sorry, I cannot hear my own self speak over her whining from her chair.

Madam Deputy Speaker: Order, please.

Mrs. McIntosh: Thank you, Madam Deputy Speaker. I appreciate having the member brought to order that way.

The NDP's rhetoric suggests that it is under the impression that British Columbians are, relatively speaking of course, undertaxed in the same way that they say they are undertortured. [interjection]

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

I seem to be touching the member for Radisson's sensitivities in a way that is very revealing.

So the British Columbia budget, in short, has raised taxes—

Point of Order

Ms. Cerilli: Mr. Acting Speaker, I would like the Minister of Consumer and Corporate Affairs to clarify the comment that she just made about—

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

Mrs. McIntosh: Mr. Acting Speaker, as I say it is very revealing that the member for Radisson cannot sit still in her chair when some of these points come out. If she wants an explanation as to why—she is again continuing to harass me from her seat because she cannot tolerate hearing what is going on in other provinces governed by the NDP—what I am trying to do is put in perspective for her the actions that are being taken by governments of all political stripes right across this nation, something she cannot accept. I am sorry she has so little tolerance that she cannot do anything but jump up on points of order to embarrass herself in the way she is doing.

In British Columbia, the NDP this year raised taxes by 13 percent on top of last year's 12 percent hike rather than cutting spending. This equates to a total of 25 percent increase in two years of NDP government in that province. They already raise more revenues from its citizens per capita than any other provincial government. As well, they have had a series of hikes which I will not take the time to go through, because I have already lost time

because of the member for Radisson (Ms. Cerilli) on her points of order.

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

I will say then, we should maybe take a quick, quick look at Saskatchewan, our province next door, which is struggling and working very, very hard to get control of its deficit, as they should be. We applaud them for their efforts. But let us say that in Saskatchewan what they have had to do or feel they have had to do is reduce operating expenditures by \$142 million from last year. In doing this, they have reduced operating expenditures by 7 percent over the past two years. This was accomplished in many cases by offloading expenditure reductions onto third parties such as municipalities, school boards and hospital boards. They have increased their provincial sales tax from 8 percent to 9 percent, something that the opposition is advocating that we do here as well. But we will not raise our sales tax no matter how much they urge us to.

They have also in Saskatchewan had funding cuts to health, education, training and employment, agriculture and food. I find the comments about food very interesting from the member for Flin Flon (Mr. Storie) in light of the funding cuts for food in Saskatchewan. More than half of the \$845 million the Province of Saskatchewan expects to cut from its spending over the next four years will be through cuts to grants for third parties including funding for daycares, elderly support services, the working poor, the disenfranchised. As well, they are imposing \$193 million in new taxes on the backs of ordinary people. So, you know, we just look at some of those things.

The Liberals, of course, have to be included because we are all in this together, as I have said before. We see that in New Brunswick their 11 percent sales tax will be expanded to include more items, and that in Newfoundland 42,000 civil servants had \$70 million cut from their compensation package. I guess one final comment that kind of says it all is that the personal income tax level in Manitoba is 52 percent. In Newfoundland it is 69 percent. In the last six years here in Manitoba we have enjoyed a decrease in personal income tax of 2 percent. In Newfoundland it has gone up 9 percent. I think that says it all about how we are trying to cope with our various problems across the country.

I was intrigued by the member for Flin Flon (Mr. Storie) saying you cannot have it both ways, but it does appear that is exactly what he is trying to do, Madam Deputy Speaker, to be able to be a cabinet minister in a government that put us into the kind of debt situation we currently face and then sit there and try to say that they would do it differently, when it is very clear that they had a very bad habit of high borrowing and high spending.

I am not pointing fingers by talking about the other provinces. I want to make it clear that I am not pointing a finger at the way in which our NDP neighbours are trying to cope with their fiscal problems or indeed what our Liberal neighbours are having to do, because they are trying to cope with the same kind of problems that they were left with. What I am trying to say is that we all have a similar problem, and for anyone to point a finger at Saskatchewan and say it is Romanow's fault or to point at B.C. and say it is Harcourt's fault, or to point at Manitoba and say it is Filmon's fault is to deny the reality that governments of all stripes through the last decade and a half have overspent and overborrowed. Governments of all stripes today are left with a mess to clean up. That is just the way it is.

The Leader of the Opposition (Mr. Doer) said, nobody likes taxes. This is an amazing comment to come from the Leader of the NDP, just absolutely amazing. Nobody likes taxes. I waited to see his nose grow right across as far as the back benches here, but I finally found it interesting that when he said nobody likes taxes he at the same time spoke in favour of what he euphemistically calls the health and education tax, which is commonly called the payroll tax, which in reality should be called the tax on jobs. We have moved to exempt more businesses from this punitive tax so that they are able to create jobs without that penalty.

When the member for Flin Flon (Mr. Storie) asked, as he did so arrogantly from his seat, why companies are moving here despite the fact that we still have some companies left paying the payroll tax, my reply to him is that there are hundreds of companies not paying that payroll tax, thanks to our action. Companies coming here know our trend towards removing and reducing taxation, and that is very important.

We have done a lot of things with this budget, measures which I hope the opposition will support. In fact, I would like to see the opposition tell us what

they think of a one-year freeze on diesel fuel tax to support the trucking industry, a 3.15-cent-per-litre reduction in railway diesel fuel tax to support this important area of employment, a reduction from 5 cents to 4.2 cents per litre in aviation fuel tax to boost local airport activity—I would like to see the member for Transcona (Mr. Reid) vote on those because I know he would want to support them—a new 5-cent-per-litre preference to encourage recycling of waste oil into diesel fuel. I would like to hear the member for Radisson's (Ms. Cerilli) comments on that.

We have done a number of things, Madam Deputy Speaker, in our budget to encourage businesses to come and to locate. I would like to go through some of those new companies that are coming to Manitoba because of that. The list is very, very long. I will not go through them all.

Just before I do that, I would like to make reference to a comment the Leader of the Opposition (Mr. Doer) and members opposite frequently make that they left us with a surplus. Maybe the member for Flin Flon (Mr. Storie) could pay attention and listen. It would be very much appreciated, because he speaks frequently, as does his Leader, about honesty, about portraying figures correctly. I say to him, let us look back about six years, let us look back to what the Minister of Health (Mr. Orchard) referred to so well in his speech, to the vote that took place when Jim Walding cast his last vote with the NDP in Manitoba.

* (1650)

You heard what the Minister of Health (Mr. Orchard) said. You did not deny it when you stood up. You cannot deny it, because when you take a look at that budget that was defeated by Jim Walding—it was said earlier, and I encourage all members to read the comments in Hansard that the Minister of Health made because we are talking about a \$334 million deficit which was in the books. I somehow, looking at those kinds of figures, cannot see calling that a surplus. The projected deficit under the NDP was \$334 million. It does not sound like a surplus.

The fact was that what you left out of your budget, you left out of your budget some rather significant things, amongst other things, 20 more million dollars into health. These are items that the PCs put back in to create a more honest budget, to reflect the reality. I think you should be very careful about

making your words sweet, because you may have to eat them one day and you do not want to be choking on something sour. There were about \$60-plus million of expenditures not in that budget that you say gave us a surplus.

The other thing that is very important to recognize is new revenues came into us in that year unexpectedly because of Ontario's growth. We are certainly not seeing those revenues coming into us now because of Ontario's growth because Ontario is not growing. You know what the deficit is in Ontario. You know why the deficit is what it is in Ontario, and you know what Premier Bob is now desperately trying to do to undo what he did by allowing that deficit to creep up to the size that it is, a \$17-billion debt, which is not Manitoba's debt, but rather that of our NDP neighbours.

I listened carefully to the Leader of the Opposition's (Mr. Doer) speech. It was a hollow diatribe that attracted little attention. It attacked and condemned but offered no alternative. He had no alternative. All he said was we should not have cut expenditures. We should not cut spending, but we should bring down the deficit. We should not be raising the sales tax, but we should raise the sales tax. We should bring down the deficit but not bilk the taxpayer. We should not cut spending. I do not really know what the man was saying. He attacked everything all over the place—no thread of consistency in there except to be negative, negative, negative, negative, negative.

The member for Radisson (Ms. Cerilli) at the time said when we were saying, where is your plan, well, we have policies.

We know about those policies. We know very well what those policies are. We lived through them in the years of horror here in Manitoba. We lived through them with our 17th Premier, and we are still paying for those years, and I mean paying literally—literally paying.

But the Liberals have a plan. The NDP do not have a plan except to follow their old policies, which is to try to please everybody all the time, which you cannot do. Well, the Liberals have a plan. I heard the leader say it yesterday. She said she would rather we raise taxes on personal income tax. I read it in the Winnipeg Free Press so it must be true. I saw it on TV so it must be true. Would TV and the Free Press lie? Of course not. So the Liberals say that they would raise income tax. The NDP we

know would raise income tax because they did that quite successfully while they were in office.

(Mr. Speaker in the Chair)

But what both of those parties do not understand is that high taxes are counterproductive to the stimulation of a strong economy in every instance. I used to listen with some degree of bittersweet amusement when the NDP would holler out, make the rich pay, make the rich pay, because according to their taxation record, they clearly believe that everybody in Manitoba is rich, because everybody in Manitoba was made to pay.

I truly believe that they will be satisfied only when everybody is equal at the lowest common denominator, which is not our goal. They were well on the way to achieving that goal. With the taxation burdens that the middle class bear here in Manitoba, we are hard-pressed to recover from the road we were on that was destined to make us all equal at the lowest common denominator.

We see that happening now in Ontario, driving away those citizens who are the generators of the wealth that is so needed to bolster their economy, and it does not take long to undo what has been built up over many, many generations. It takes a long time to build a solid structure. It takes only six years, as we found when the NDP doubled the provincial debt, to blow that building up. It takes a lot less than that if they got back in and had a chance again.

The member for Flin Flon (Mr. Storie) asked a question. I believe he was sincere in asking it when he said, where is your job creation? Where is your job creation? He hollered that out many times heckling from his seat. Where is your job creation? I think it was pointed out by the Minister of Health (Mr. Orchard) that there has been some very substantial job creation support in the member's area. Perhaps if he ever got up to Flin Flon to take a look, he might visit around the community he represents and take a look at some of those things.

I would like to indicate some of the things that have happened, say, just in the last six months or so. The list is too long to go through it all, but let me give you just a few highlights. Ayerst Organics in Brandon, PMU operations, a \$123-million expansion, about a thousand jobs in the making. The member for Brandon East (Mr. Leonard Evans), I think, probably is not too unhappy about that. He asked what that had to do with the budget, and to me that is an appalling question. I cannot believe

the member for Brandon East asked, what does job creation have to do with the budget? My God and King, I cannot believe it. That is the most incredible statement. Circulate it to everybody—

Point of Order

Mr. Leonard Evans (Brandon East): On a point of order, the minister is getting up and making false statements. I do not think that is in order. She said the budget—she said that I said that jobs had nothing to do with the budget. I did not say that. I said the budget had nothing to do with the Ayerst expansion.

Mr. Speaker: Order, please. On the point of order raised by the honourable member for Brandon East, I would like to remind the honourable member that indeed he does not have a point of order.

That is a dispute over the facts, but I would ask the honourable member for Brandon East that the words "false statements," they are unparliamentary. I would simply ask the honourable member for Brandon East to withdraw that remark of "false statements."

Mr. Leonard Evans: I certainly do not want to attribute any dishonest motive to the member, but she did make a statement which I did not say. If she—

Mr. Speaker: Order, please. I realize that. That is a dispute over the facts. I am telling the honourable member for Brandon East that his remarks of "false statements" are indeed unparliamentary. That is the only part that I would ask the honourable member to withdraw. Withdraw it? I thank the honourable member for Brandon East.

The honourable Minister of Consumer and Corporate Affairs (Mrs. McIntosh), to carry on with her remarks.

Mrs. McIntosh: It is my understanding that the correct phraseology, and I will attempt to correct it because I certainly do not want to leave false information on the record, is that the member for Brandon East says that this budget has nothing to do with the job creations in Brandon East.

An Honourable Member: Ayerst.

Mrs. McIntosh: Okay. This budget has nothing to do with Ayerst Organics in Brandon. Our previous budgets absolutely did, and this budget will reinforce that direction that was put in place, that inspired this operation to come to Brandon, his area. I know he

is pleased to have it there. [interjection] To expand, the expansion we are talking about and you know that.

CalWest Textiles in Portage is yet another venture, about 40 people employed now, about 50 later. Canada Post's customer service in Winnipeg, that is about 100 jobs. The International Game Technologies in Winnipeg, they have chosen Winnipeg to be its third world location, the only one in Canada by the way. I am very pleased about that. The ISM Atlas in Winnipeg, it is world-class provider of automated library systems and services starting off initially with 45 high-tech jobs. The Monsanto in Morden, a \$5.1 million manufacturing plant which will produce a new dry form of weed killer with a global market. UMA Engineering research centre in Winnipeg with the assistance of MIRI and UMA Engineering, in partnership with a firm in Kansas City, is developing a \$1 million centre of excellence for the design of power generation plants. UNITEL in Winnipeg, 400 jobs in telecommunications.

Those are just some of the recent indications of expanded activity in Manitoba which come about because these particular companies and many others have faith that they are coming into an economy which is vibrant and beginning to be stimulated. They do not want to come into a debt-ridden unstable society, the kind with which we would be faced if we did not take the action we have been taking over the last five successive budgets.

So when they see that we are pulling away from the kind of society that was left for us, not a surplus, but left for us a debt-ridden unstable economy, when they see that we are pulling away from that, attempting to get control of our deficit and our debt, and the Liberals have a better understanding of that. Although we disagree on many issues, they have a better understanding of the importance of attacking the deficit and the debt than my colleagues directly opposite.

I believe very firmly that unless we can continue to do things that will inspire companies to want to come and settle here, and we are doing those things, on a constant basis being criticized for the doing of them by members opposite who say that we should tax the life out of the corporations, we should set up punitive measures to keep businesses out of Manitoba. They, when they were in power, taxed the mining industry until they would not come back anymore. They, when they were in power, imposed a payroll tax that we are beginning to get

rid of, and we are hearing from people all across the nation that—[interjection] Now, you know, the member for Flin Flon (Mr. Storie) is saying that I am believing my own party, and you know what? He is right, I am. The problem the member for—what?

* (1700)

Mr. Storie: You just put a falsehood on the record. You increased the surtax in 1989.

Mrs. McIntosh: Oh, the member for Flin Flon—you know I am just so amazed when I listen to the way in which we all view history in this Chamber. It is a fascinating procedure. We take a look at a party that raised taxes, that borrowed highly, that did not in any way, shape or form try to put good measure between business and labour the way they say they did, that were punitive to business, that still today insist on taxing the corporations, on setting in rules that will make it not to the advantage of corporations to come here to create jobs, to hire people, to stimulate the economy, to pay taxes, to add to our overall wealth and provide for us the necessary money to pay for health, education, the social services that are the hallmark of a caring and compassionate society.

So, Mr. Speaker, while we have cut spending and while we have frozen taxes, while we have taken decreases not just for ourselves but for those who work for us, we have at the same time enhanced our ability to be seen as responsible, fiscally responsible managers of the money in this province.

I do believe that my mother, who had worried so very much about the debt and the deficit and the burden of taxation that would be imposed upon her grandchildren, might not—

An Honourable Member: How does she feel about the \$762 million?

Mrs. McIntosh: She died five months ago.

An Honourable Member: Oh, I am sorry.

Mrs. McIntosh: I can tell you I think how she would feel, and that was what I was about to do.

At the beginning of my speech, I indicated that, but you may have missed it. It is easier to hear when you are in the room.

I like to think that perhaps the worries she had prior to her death about the kind of society her grandchildren would be left to pay for would be somewhat lessened by this budget. I believe that there certainly would be joy in her heart, were she still with us, that we are finally getting a handle on

the control on government spending which was the big fear that she had and worked hard for in every sense of the word at every level of government throughout the last 10 years.

Mr. Speaker, with that I will close. I support this budget. I know that the opposition will want to support many facets of this budget or explain to their constituents why they are not.

Mr. Leonard Evans: Mr. Speaker, I would like to join in this debate on the budget presented by the Minister of Finance (Mr. Manness). I am sorry to say what I observe is, Manitoba, a relatively poor province economically speaking, is becoming even poorer on account of this budget. I am afraid that what I see are a lot of important social programs that were established way back when I was in government with Mr. Schreyer, programs that we established, property tax rebate, Children's Dental Program and many other good programs are being seriously eroded by this particular budget.

I guess it really is in keeping with the philosophy of this government. The Conservative philosophy is simply keep services down as much as possible, cut services, cut taxes and have government as small as possible. That is, I suppose, you could argue, the legitimate position for the right-wing political party that this government is.

The fact is that we believe that government has a very important positive role to play to ensure that there is adequate social security for our people, to ensure that there is adequate health care for our people, to ensure that we protect the environment. A government should play a positive role in stimulating the economy, in encouraging private enterprise to invest, to doing its very best to eliminate unemployment.

We believe that government has a positive role to play. It should play a positive role, an aggressive role. The position of the government of the day is that the smaller the government the better. Therefore, their ideological aim is to cut spending and hopefully keep taxes down or even cut taxes. That is the basic philosophical or ideological difference between that side of the House and this side of the House.

Having said that, what I find very strange for a government that continually ad nauseam talks about the problems of high deficits and accumulating debt, itself—and I look at the figures in the report tabled by the Minister of Finance (Mr.

Manness)—has achieved a couple of records in terms of Finance.

As of—according to the figures we have here—this past year the budget of Manitoba had a deficit of \$762 million—\$762 million. Mr. Speaker, we have never been anywhere close to that before. In fact, we were criticized for having one of \$559.1 million back in '86-87, and now we have a budget deficit for the year '92-93 which is well over \$200 million, in addition to this high-level deficit that we were accused of having in 1986-87.

Mr. Speaker, the fact is that this government has to take full responsibility for continual deficits and has to take responsibility for a rising debt load. Under this government, we have now achieved the highest debt per capita in the history of the Province of Manitoba. According to this document tabled by the minister, in 1993-94 our total net debt per capita, that is for every man, woman and child in Manitoba, will be \$11,923.

We were never anywhere near that under the NDP, Mr. Speaker, never were anywhere near that. As a matter of fact, I guess if the government had not played around with the Fiscal Stabilization Fund in 1988 and 1989, they could have used about \$59 million to reduce the debt. Here was an opportunity. If you were concerned about the debt, here was one major opportunity to reduce the debt but, instead of doing that, the Minister of Finance (Mr. Manness) took it, put it into a so-called stabilization fund and showed instead a deficit again in that year.

Mr. Speaker, we can hear as many speeches as we like from the other side professing their concerns about high deficits and accumulating debts, but they have quite a record building up the highest debt load in the province's history, highest debt load in total, highest debt load per capita. We have never been so high, and you people were critical of accumulating deficits under the NDP. Well, I am afraid you have outdone us.

* (1710)

You have outdone us even in terms of debt costs as a percentage of our total expenditure. In the first year that you were in office, '88-89, the debt cost as a percentage of total spending was 9.8 percent, and now, '93-94, you are forecasting it to be 10.3 percent. So this government is going absolutely nowhere in removing the burden of debt and debt costs on the people of Manitoba. You can look at other figures to get a handle on this.

What really surprised me, Mr. Speaker, was the fact that the Minister of Finance (Mr. Manness) was so way out on his forecast of what the budget deficit was supposed to be. It was supposed to be originally \$330 million and, instead, this is after you took away the \$200 million for the Fiscal Stabilization Fund. You can add the \$200 million back in and come to \$530 million, but regardless, the fact is, the minister was out by \$200 million in his forecast. That is an unheard of error in forecasting in my judgment. It is totally out of whack.

Why do we have these high deficits under a right-wing government that professes a concern about debt and accumulating deficits? Why have we had such an outlandish deficit of \$762 million in the last year, the highest ever recorded in the history of the Province of Manitoba. Let that go on the record, the highest annual deficit ever recorded in the history of Manitoba was under the Filmon government last year and, as a result, the net debt per capita of Manitobans now is the highest in the history of this province, much, much higher than anything realized under the NDP.

But the question is, why have these deficits got out of hand under this government? It is not because they have not been holding down spending, because I have looked at some figures comparing Manitoba's expenditure per capita with the rest of the country. This admittedly is based on budgets tabled by the various provincial governments and, as we all know, the budgets can be off by a considerable amount but, just taking the provincial budgets as tabled in their various legislatures, and this was compiled by the Royal Bank of Canada, a provincial industry and economic service of the Bank of Canada, they showed Manitoba as having the lowest expenditure per capita of all the provinces last year and the year before.

Now, I say this is subject to revision, as we all appreciate, but the fact is, the problem we are having with deficits is not because of high spending in relation to what is going on across the country. The problem we are having is on the revenue side, and the minister has acknowledged that in his speeches, and indeed this is evident in the information provided in the budget document.

The budget last year forecast revenue to be \$4,895,000,000; \$4,895,000,000 was the budget but what actually happened, and this is still a

forecast, it was down considerably. It was only \$4,765,000,000. In other words, it was down by approximately \$135 million, if my quick arithmetic is correct here—\$135 million. The reason the revenue was down in a large measure was because the economy did not perform. The economy did not grow to the extent that was expected, and indeed the economy stagnated and we had unduly high levels of unemployment. As a result, the revenues of the Crown were not materialized. Because consumer spending was lagging, therefore retail sales revenue lags. If people are not working, then obviously you are not going to get the same expansion in personal income tax that you would have otherwise.

Similarly with corporations, if corporations are not doing well, if corporations are being forced to cut back, and if you find some going into bankruptcy or just simply closing down, businesses closing down, well, obviously then corporate income will not keep pace.

So as a result, Mr. Speaker, I believe the chief failure in this government has been its failure to stimulate the economy, its failure to get the private sector to respond, its failure to get private investment, its failure to pursue policies that would have caused more jobs to be created and to lower the unemployment levels. This government has singularly failed in that, and we are paying the price now in this budget. Because of the failure of the economic policies, we have got this government involved in cutting back to various groups, in fact, throughout the society in Manitoba. No matter where you look, in the health care field, education, social services, municipal governments, et cetera, right across the board, we find everyone taking on a burden of this deficit, this high deficit that we realized last year which, as I said, is a result of the failure of the economic policies of this government.

I would also put as a footnote, Mr. Speaker, that we are subject also to the failures of the economic policies of the federal government. The economic policies that Mulroney and Kim Campbell and Jean Charest have been—

An Honourable Member: And Hugh Segal.

Mr. Leonard Evans: —and Hugh Segal have been involved in over the last few years, they have been a disaster for this country. It has given this country unacceptably high levels of unemployment. It has caused economic stagnation. It has caused

enormous amount of grief. It is causing, this government of Mr. Mulroney, Campbell, Charest and Segal and others have caused our industries to erode because of the Free Trade Agreement and so on.

One element of federal economic policy, of course, is the role of the Bank of Canada and the federal monetary policy. All provinces have been hurt over the last few years by excessively high interest rates. In fact, interest rates are still excessively high, and I say that—people will want to interrupt and say, but interest rates are coming down. Well, they are coming down, but you have to look at interest rates in terms of inflation. What is the difference between the nominal interest rate and the rate of inflation, and you subtract one from the other to get the real interest rate.

Real interest rates are still too high. I am particularly concerned that the federal monetary policies, the policies of the Bank of Canada, right after free trade was introduced about three years ago, kept the Canadian exchange rate unduly high, thwarted exports from this country and caused a lot of unemployment that was absolutely not necessary.

I am of the view, Mr. Speaker, that the Bank of Canada should be used as a progressive instrument to get the economy going in this province and in this country at large. Indeed, as during World War II, the Bank of Canada could be used in a positive way to enable provincial governments to cope with their responsibilities and also to enable a federal government to fight the recession, put people to work, and to therefore raise the standard of living in this country.

I would remind people in this House, if you are at all interested, during World War II we fought the war primarily with borrowing, primarily through a national debt that escalated enormously. We did not chicken out by 1942 and '43, telling Mr. Adolf Hitler, sorry, Adolf, we cannot fight you anymore because the national debt is too big. We did not do that. In fact, what we did was use the Bank of Canada to monetize the debt that was required for the war effort. A great deal, I think 25 percent by the year 1942, was financed directly by the Bank of Canada.

There are economists today who are saying that we should be using the Bank of Canada, and I would hope this would be adopted by other parties, the Liberal Party as well as the NDP and others, to use

the Bank of Canada now to help put Canadians back to work. The problem is that people are concerned about the national debt and that we cannot get it any higher because we cannot sustain any more interest payments and so on, but the government could use the Bank of Canada to finance a program of putting Manitobans and Canadians back to work. It could also use the Bank of Canada to buy government of Manitoba bonds and other provincial bonds, to reduce the burden of debt costs on provincial governments and therefore make it easier for provincial governments to maintain services.

Instead, we have this insane right-wing economic ideology running the Bank of Canada which is doing its part to ruin this country. So I want to give full blame to the federal government which has made the task very difficult for all provincial governments in this country.

* (1720)

Mr. Orchard: Do you know who is making the Bank of Canada's job difficult? It is Bob Rae, talking about \$17 billion deficits, interest rates up and dollar down.

Mr. Leonard Evans: Mr. Speaker, obviously the Minister of Health (Mr. Orchard) does not know what he is talking about. He has not been following what I have said, he does not know what I am talking about either. So let us go on and discuss what has been happening because of this budget. Since the Minister of Health in his usual way has interrupted me, I want to talk about some of the spending cuts that have occurred that I think have hurt this province enormously.

(Mr. Jack Reimer, Acting Speaker, in the Chair)

One in particular really bothers me, and that is the scaling back of the Children's Dental Program. I really think that is a mistake, and I only wish the minister could have found money elsewhere. If he wanted to cut I only wish—and I know it is a difficult job. I know it is difficult to cut anywhere, but that is one program that was not in the city of Winnipeg so a lot of the city MLAs here do not know about it, and it is not in the city of Brandon, but it is throughout virtually the rest of the province. It has, for a relatively small amount of money, enhanced the quality of children's dental health enormously in this province over the years that it has been operating. It was set up during the Schreyer years, and even though Mr. Lyon came along and wanted to make some changes, he did not eliminate the program.

He changed the nature of the program. He involved more dentists, using dental offices and so on and, as a result today, we have a twofold approach. We use dental nurses and dental technicians in the school divisions and in some areas children go to the offices of dentists in their communities.

The fact is, the program was a good program. It was a preventative program, and I am afraid as a society our costs of dental health care are going to escalate in the future because of what we are doing now. I think it is a classic example of being penny-wise and pound-foolish, Mr. Acting Speaker, and I really regret this.

There is no question in my mind that a lot of children are now going to go without proper dental care that should be administered in the early years. I can tell you that this is a program that was extremely well received in rural and northern Manitoba, and I know there are going to be a lot of people out there who are going to be really upset, not only the 45 nurses and technicians and others who are going to lose their job, but the children and the families of these children who are losing a very important program. What I am afraid of is that people will simply not, unfortunately, ensure that their children's teeth are being looked after the way they should be.

There are other program cuts that I think are undermining the quality of life in the province of Manitoba. I think that it is unfortunate that municipalities continue to be squeezed, are being cut back in various ways, not only reduction of grants to the City of Winnipeg, but I know there are reductions in grants to the city of Brandon and other municipalities, making it much more difficult for the municipalities to deliver the services required by their residents.

I regret that there have been cuts in benefits to social assistance recipients, including eliminating the number of over-the-counter drugs that are covered.

In particular I want to mention a couple of constituents who phoned me. They are in both instances suffering from asthma. They had to take certain drugs and certain inhalers to just breathe, and they say now—this one lady told me now that she and her husband are going to have to purchase this. It is going to cost them another \$80 a month, and they simply did not know how they were going to afford it, because their social assistance income

was already very, very low, and they just did not know how they were going to afford this.

I think it is really a classic example of how we are zeroing in on the most vulnerable in our society, people on social assistance who are also of ill health. As I said, I got two phone calls from two different households on the matter. Here is a good example of how people are being hurt in that particular cutback.

I am concerned that we are threatening the quality of education in this province by the reduction in funding of the universities and the colleges and the school divisions. I think all in all we have always agreed in this House that education was an investment in human beings, that it was a human capital investment, if you will, and that we should do everything to ensure we have the highest of standards. I think that ultimately these cuts and these squeezes that are taking place are going to cause a lessening in the quality of education in the province of Manitoba. There are all kinds of nuances here that we could discuss as well, if one had the time.

I am also concerned about the cuts to foster parents. We had a demonstration in Brandon a week ago, and the foster parents there were extremely upset, not only with the reduction in the basic rates, but also in the total withdrawal of the grant to the Foster Parents Association of Manitoba, which did play a role in enhancing foster parenting in this province, and that organization has just been totally eliminated. I find this incredible.

Of course, Mr. Speaker, we have had the elimination of all kinds of grants to various groups. There were grants withdrawn to 56 groups, and I would say that there has been a lot of pain and suffering caused out there by this withdrawal. I think the withdrawal of funding from all of these groups amounts to something on the order of \$3 million, according to the press release of the Minister of Finance.

I think back, and of all the grief and all the deterioration of service that is going to be caused by the elimination of these grants, to '88 when this Minister of Finance came along and said, well, we are going to cut taxes. I guess the bottom line was, taxes were reduced by about \$50 million.

I mean, we all want to reduce taxes. No elected representative in his right mind wants to increase taxes and every representative would like to

decrease taxes. I mean, why not? But the fact is, Mr. Acting Speaker, in 1988, in respect of then, I would say that this government was fiscally irresponsible by reducing taxes at that time, fiscally irresponsible because now you are making cuts to the sick, to the poor, because you say you have no money, and yet you cut \$50 million in 1988-89. On an accumulated basis we are talking about, what, \$200 million you gave up?

The point is that this government is crying poverty now, saying, we do not have the money, so we are sorry, foster parents, we have to cut. We are sorry, old folks, we have to cut. We are sorry, social allowance recipients, we have to cut. We are sorry, universities, we are cutting. We are sorry, municipalities, we are cutting. We are sorry, schools, we are cutting. We are cutting everybody. We are sorry we do not have the money.

Well, I say, you gave up \$50 million, which accumulates to \$200 million over the year, and you cannot have it both ways. That act was fiscally irresponsible—fiscally irresponsible, totally irresponsible.

I repeat, no MLA wants to increase taxes. I do not want to increase taxes, and I like to see taxes lowered, but I say it is irresponsible to lower taxes when you cannot—look, you have the biggest debt per capita in the history of Manitoba and yet you lower taxes. So do not tell me that you are concerned about the deficit and then you lower taxes.

You were lowering the taxes four years ago, 1988-89, and now what have we got? We have the highest debt per capita in the history of Manitoba, and last year we had the highest deficit in the history of the province, \$762 million. That is more than we ever achieved. That is more than we ever realized when we were in government.

So you cannot have it both ways. You are complaining about how the deficit is rising, so you have to cut the poor, hit seniors, hit kids, kill a good dental program for children in rural Manitoba and northern Manitoba, do all these other things and yet, just for short-term political gain because you wanted to get a majority government, because you were in a minority in '88, you cut taxes to appeal to the people and now you are crying the blues because you do not have enough money. That is the truth.

* (1730)

What I am saying, Mr. Acting Speaker, is that this minister and this government were fiscally irresponsible, absolutely irresponsible.

Mr. Speaker, I am confused. These members say they want a balanced budget. You want a balanced budget, you want a minimum, you want to reduce the deficit. Well, tell me, how do you reduce the deficit when you cut the taxes? Can you tell me that?

An Honourable Member: We cut spending.

Mr. Leonard Evans: You cut spending. This is what you have done now, but the problem with the spending that you have cut is that you have hurt seniors, you have hurt children, you have hurt people trying to get an education. You know, we had—

Some Honourable Members: Oh, oh.

The Acting Speaker (Mr. Reimer): Order, please. I have a very hard time hearing the member for Brandon East. The member for Brandon East, please continue.

Mr. Leonard Evans: Well, I must be getting to the Minister of Health or somebody, because—

Mr. Orchard: You are silly.

Mr. Leonard Evans: Well, I am logical. Mr. Speaker, I am logical. The Minister of Health is complaining about deficits, and yet, do not tell me about your problems of deficit spending when you gave up the tax revenues just to get a majority government in 1990. That is all it was about. That was totally irresponsible on the part of this government.

Mr. Speaker, we get the litany that, well—there is a lot of phoniness too in terms of what you are going to do about taxes, because I listened to the Minister of Finance, I do not know how many times when he was on this side, attacking the payroll tax, the health and education—we are going to get rid of the payroll tax.

I predicted when we got on this side and one of the budget speeches I guess back in '88-89, '89, I said to this Minister of Finance that we still have that, you will never get rid of the payroll tax, you will never get rid of it. And you have not. In this budget document, you are collecting \$190 million in payroll tax, and that is not a tax that is disappearing. So \$190 million worth of payroll tax, so do not tell me you are on the way to eliminating the payroll tax.

Please, Mr. Acting Speaker, please, let us have a little bit of honesty here and admit that you were wrong, that you were foolish when you were in opposition to say that that payroll tax could be eliminated and would be eliminated. Again, I would prefer not to have a payroll tax. I do not want a payroll tax. Nobody wants taxes; no one in their right mind wants to increase taxes. I do not want high taxes, but the real problem that this government has, as I said, was on the economy and the failure to stimulate the economy. We keep on hearing, oh, well, we are going to keep taxes down in order to stimulate investment.

Well, I have listened to this Minister of Finance (Mr. Manness) five or six times over now, saying how we are keeping taxes down and that is going to stimulate investment. Mr. Acting Speaker, I did a study of what happened to investment since 1988, and our investment level is lower now than it was in 1988. Not only that, it is a smaller percentage of the total investment that is occurring in Canada.

In other words, our performance has been worse than the national economy. You just cannot blame it on the recession. Yes, the recession is there, but it is not just the recession. The fact is that investment in Manitoba as a percentage of Canadian total investment has shrunk seriously.

I am not going to read all these figures, but I have them here. You could look at all the major economic indicators in this province, whether it be employment, whether it be retail sales, whether it be housing starts or whatever, and you will see that we have shrunk. Our economy is smaller in terms of the national economic picture than it was when you took office.

Where is all the great economic growth that we were supposed to have by your budgets, by your tax policies? It has not materialized, particularly investment. You know, investment is going down, and we are way below the national achievement in investment.

Mr. Acting Speaker, they keep on saying, well, we are going to keep taxes down because we are going to stimulate investment. That is not the key factor in investment. If you are a business person, the key factor is whether you can sell the output from your factory or your establishment or your business, and what is happening is that our businesses are underutilized.

Our factories are not operating to full capacity, and if you cannot sell your output, you are not going to be idiot enough to expand it. You are not going to invest to expand your industry because you cannot sell what you are already producing. The reason you cannot sell what you are producing—that is very fundamental—is because there is not the consumer demand for the goods and services. It is a circular business. There is not the demand there, because people do not have the purchasing power because we have been in a recession. But as I point out, Manitoba has been hurt worse than the national average in this recession. The fact is that there has not been the economic growth. So to keep on talking about having the low tax regime to have investment simply does not follow. It simply does not follow. There are more important factors.

To try to pretend that Ayerst expanded because of the tax regime in this province is nonsense, absolute nonsense. Ayerst was built long before many of you came to office here. In fact, it was built in the Schreyer years. It expanded in the Schreyer years and is expanding right now. It is a block and a half from my house. I wish it was a little further. I wish it was a lot further than it is because it smells up the environment, I must tell you that. Nevertheless, Mr. Acting Speaker, there were other factors that were far more important. Sure, Ayerst likes low taxes, but there are far more important factors such as the millions of dollars of grants from the federal government, such as an industrial grant from this province, such as the fact that there are farmers in western Manitoba and in the Prairies that are prepared to supply the PMU, the raw material. These are all important factors. These are more important factors than any difference that this budget or previous budgets have made in the tax regime. In fact, you can look. There has been no significant change made in the corporate tax structure in the last few years. There has been no difference. So what are you talking about? A lot of nonsense.

Mr. Acting Speaker, you can go down the list and show how this economy has unfortunately shrunk. You know that picture, Honey, I Shrunk the Kids? Well, I could ask the question or make the assertion how Mr. Manness and the Filmon government has shrunk the Manitoba economy, because we have shrunk.

(Mr. Speaker in the Chair)

You know, even our population as a percentage of the Canadian population has fallen. We used to be 4.03 percent of the Canadian population in 1988; 1992, according to Statistics Canada, we have dropped to 3.88 percent. Yes, our population has grown, the dotted line here, if you want to look at it—or rather the solid line—but the fact is that our national population growth has exceeded that of Canada. Here is Manitoba here and here is Canada there.

So as a result we have shrunk, but not only our population. If you look at the construction work performed, we used to have—in 1988 we had 3.45 percent of the construction work performed in Canada, and now we are down to 2.83 percent. That is a serious drop. It is not just the recession. We have shrunk relative to the national economy, and the same thing is true if you look at other economic indicators.

The same thing is true if you look at building permits, if you look at manufacturing employment. We have a smaller share of the total people working in manufacturing in Canada. We have the smallest percentage working in Manitoba.

Certainly, in terms of housing starts, we have a lower percentage. Our labour force has not grown. The number of people working certainly has not grown. In fact, as of 1992, we had 10,000 fewer people working than we had in 1988. That is not only in my report, it is in the budget. The budget itself tells you that.

In the year 1992, there were 10,000 fewer jobs than there were in the year 1988. So we have not had the economic growth. Yes, there has been an economic recession, but why has Manitoba shrunk relative to the rest of the national economy? I say, therefore, that this government has to take responsibility for this aspect.

* (1740)

They have not lifted one finger to try to fight unemployment in this province. They have not lifted one finger to provide economic stimulus, and I have made suggestions over the past. I would like to remind people that previous governments, the Schreyer government and the Pawley government, had an incentive program for municipalities. The Minister of Rural Development (Mr. Derkach) should look into this. It might be a good use of VLT revenue—and that was part of the Jobs Fund—but that is a direct incentive to municipalities in

Manitoba. The City of Winnipeg, the City of Brandon, rural municipalities and towns and so on have a long, long list of municipal projects that they would like to proceed with.

I mean, the infrastructure in the city of Winnipeg is going to pot. I mean, potholes are going to pot. The fact is that the City of Winnipeg, you talk to the administration, cannot keep pace with the deterioration and the erosion of the infrastructure of this city. That is true in Brandon as well, and it is true in many other towns. The fact is we could create jobs and improve this infrastructure by providing an incentive to municipalities. We would pay two-thirds or 70 percent or even 50-50, whatever, offering the municipalities an incentive to bring forward—they have the plans, they have the projects. They would like to go. They do not have the money. This is one way—and I give credit to the Liberal Party of Canada, Mr. Chretien, for saying that he would come up with a massive program for municipalities in Canada. That is the way to go to create jobs for Canadians. We can create jobs for Manitobans.

Mr. Speaker, the fact is the failure—I have only two minutes left and I would like to wrap up—in this budget, the main failure in this budget is the inability of this government to realize that it has a responsibility to create economic growth, and by that I mean stimulating the private sector.

I am not saying government should do all this. It should stimulate the private sector. One sure fire way, we used it in the Dirty Thirties, the Great Depression, and it has been used around the world, and that is to have an increase in public works spending to put in place the infrastructure that we all need for whether it is driving on the roads or for having clean drinking water or adequate sewage disposal or whatever it is.

The municipalities have a long list, and we could help those municipalities. We would help the municipal taxpayers in the process, but what I am getting at is that we could create jobs, useful jobs. We could take people—we could alleviate the burden of the Minister of Family Services (Mr. Gilleshammer).

He has more money for welfare. The reason he has more money for welfare, not that the rates are going up, but he has more money for welfare because there are more and more people falling off of UI onto welfare. I say, if you use an intelligent

approach, we do not have to have people on welfare. We can have able-bodied people, in my judgment, who are willing and able to work, should be given jobs. Everybody should be working.

People should not have to draw welfare if they are able and willing to work, but you have to have government programs to do that. That is the only way it is going to happen, is if the initiatives are taken by provincial and federal governments. I ask this government here, I leave as a challenge, to look into this matter of stimulating the economy and to provide an incentive to create jobs in this province. Thank you.

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, I move, seconded by the member for Osborne (Mr. Alcock), that debate be adjourned.

Motion agreed to.

Mr. Speaker: Is it the will of the House to call it six o'clock? [agreed]

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

Erratum

On Friday, March 12, 1993, Vol. No. 25, page 969, Mr. Gulzar Cheema's first question should have read: Part of this minister's health reform package has been the centralization of services, and we believe that centralization of services is a necessity to improve the efficiency in the system and spend our health care dollar more effectively.

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 7, 1993

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