



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

**DEBATES
and
PROCEEDINGS
(HANSARD)**

41 Elizabeth II

*Published under the
authority of
The Honourable Denis C. Rocan
Speaker*



VOL. XLII No. 40A - 1:30 p.m., TUESDAY, APRIL 13, 1993

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, Clif	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

Tuesday, April 13, 1993

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

READING AND RECEIVING PETITIONS

Mr. Speaker: I have reviewed the petition of the honourable member (Ms. Wowchuk). 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 (William Remnant): The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS the United Nations has declared 1993 the International Year of the World's Indigenous People with the theme, "Indigenous People: a new partnership"; and

WHEREAS the provincial government has totally discontinued funding to all friendship centres; and

WHEREAS the provincial government has stated that these cuts mirror the federal cuts; and

WHEREAS the elimination of all funding to friendship centres will result in the loss of many jobs as well as the services and programs provided, such as: assistance to the elderly, the homeless, youth programming, the socially disadvantaged, families in crisis, education, recreation and cultural programming, housing relocation, fine options, counselling, court assistance, advocacy;

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Family Services minister to consider restoring funding for the friendship centres in Manitoba.

* * *

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Martindale). 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 1,000 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 (Mr. Santos). 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 1,000 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.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, may I direct the attention of honourable members to the gallery and also to the translation booth area, where we have 12 visitors from the Riverton Adult Day Care. They are under the direction of Leslee Gislason. These visitors live in the constituency of the honourable member for Interlake (Mr. Clif Evans).

Also this afternoon, from Churchill High School we have thirty Grade 9 students under the direction of Ms. Terri Gartner. This school is located in the constituency of the honourable member for Osborne (Mr. Alcock).

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

ORAL QUESTION PERIOD

Provincial Deficit Government Figure

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, my question is to the First Minister (Mr. Filmon).

Comments made by the member for Rossmere (Mr. Neufeld) last week in his speech I think are of concern to members opposite. The member for Rossmere, in talking about the budget and the budget deficit of '92 and '93, spoke about the fact that the \$167 million is noted in the budget of the government, a hundred million of which pertains to prior years, which tells me that while the hundred million dollars may not be in this year's deficit, there is another hundred million dollars in debt that was not there in 1992, March 31.

You might say, and I quote, that the deficit this year was not 562 but was indeed 862.

That is the difference between last year's debt and this year's debt.

I would like to ask the Premier: What will the deficit be when the Provincial Auditor ultimately reports on the government finances? Will it be 562 that the Premier announced in the budget? Will it be 762, or will it be \$862 million, as quoted by the member for Rossmere in a speech last week?

Hon. Clayton Manness (Minister of Finance): I am glad that the Leader of the Opposition finally is interested in something called "deficit." I know when he was part of the Treasury Bench of the former government, he did not care one little bit about deficits. As a matter of fact, he proudly indicates that maybe the Pawley administration, in their last gasp of life, maybe went too far.

Mr. Speaker, with respect to the question, the member for Rossmere (Mr. Neufeld) and I discussed this issue before the member for Rossmere made his presentation in debate the other day. As I indicated to him, as has been the longstanding accounting practice of this province, long before we came to government, that when the change, as a result of a methodological change as this was, with respect to the census adjustment—that it would be treated as an extraordinary liability.

Now, if it is a missed estimate with respect to income tax, either personal or corporate, by that time the year-end numbers reflect that change. But in this case where you had a significant adjustment as a result of a methodological change, we rightly took \$67 million of that and showed that as an add-on to our deficit. Now, I would indicate to the member that the Provinces of Saskatchewan and Quebec are recording the adjustments on a cash basis, and they will not record any portion as against '92 and '93. So when you look at the land, survey the land, Mr. Speaker, and you see how we have accounted for this change in methodology, you will see that basically the most open government in presenting an add-on is the Province of Manitoba.

Mr. Doer: Mr. Speaker, I guess the Premier (Mr. Filmon) will want to answer the question of why the Manitoba government had an 8.8 percent increase in their last year's budget in equalization and why provinces like Saskatchewan had a decline in revenue of 2.2 percent in their budgets. Perhaps that will explain the note, but the Minister of Finance

did not answer the question, where the \$100 million was going to show.

Was it going to show in the deficit of 862? Was it just going to float out there as a liability? He did not answer the question of how the Auditor will show that and I guess we will see ultimately when the Auditor reports. Suffice it to say, it is the highest deficit as a percentage of our gross domestic product of any government in the history of running this province.

Population Statistics Impact on Equalization Payments

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, the government has spent a lot of time blaming all their fiscal woes on equalization but not talking about their population and their lack of population growth.

I would like to ask the Premier: In light of the fact that in the '80s equalization payments, in some part, grew because the population of Manitoba grew modestly as a percentage of the population of Canada—and now we see that Manitoba's population is declining as a percentage and shrinking as a percentage of Canadian population, thus impacting on equalization—how much of the population numbers is reflected in the equalization decline in terms of the economic performance and lack of population growth in the province?

* (1340)

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, the Leader of the NDP does not put forward a proper depiction of the reality today. There is only one province in Canada today that has a growing population, and that is the province of British Columbia. All other nine provinces do not have a natural growth associated with their population, and that is unfortunate. No, that is true. It was not true six, eight months ago, when you had growth also in P.E.I., but the reality is today, there is no net growth in population growth, natural growth, other than in British Columbia.

So I say to the member, if he is trying to paint the case that somehow Manitoba is different than any other province, the reality is that is not the case. He asks what share we have now as compared to a few years ago. All I know is, in the overadjustments with respect to the change in the methodology, 3 percent uncounted people by the new methodology increased, taking in the census of the nation up to

roughly 28 million people. Of that share, we were credited, not with 3 percent, but something less, in the order of, it seems to me, 2.1. It was on that basis, on that very minute basis, Mr. Speaker, that there was such a swing, such an incredible swing in the amount of equalization payments made to us.

Mr. Doer: Mr. Speaker, I did not ask the question on out-migration and net migration. The population of Manitoba is actually growing about 3,000 per year, and it was growing in the 1980s about 8,000 per year. We are now shrinking as a percentage of the Canadian population, whereas in the '80s we were growing as a percentage of the Canadian population. Thus, our equalization payments went up in the '80s and they are going down in the '90s, unfortunately. Manitoba's population is growing. The answer the Minister of Finance gave is not correct.

Provincial Deficit Impact on Economic Performance

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, a final question to the Premier: Some \$700 million of the deficit for 1992-93 is outside of the equalization decline of \$167 million, close to 696 to be exact is a deficit outside of the equalization changes. We have been saying for some time now that the last place economic performance in 1991 would have an impact on our bottom line.

I would like to ask the Premier (Mr. Filmon): What is the impact on the deficit of the economic performance of the province, when we were in last place in 1991 and we are projected under the government's own budget to be in seventh place in 1992? What is the result of the lack of economic activity on the \$700 million in deficit, in the '92-93 fiscal year?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, the member is twisting all of these various areas of measurement and trying to then say, okay, what direct impact is the result of certain changes. I say to him that as far as last year's budget, if he wants to talk about the deficit breakdown, we brought in on the expenditure side in '92-93 and we are bang on with respect to expenditures. On the revenue side we acknowledged, as we said fully within the budgetary document, that \$130 million of that shortfall was as a result of the federal forecast associated with the economy. Then another \$30 million was the result of debt, the value of the Canadian dollar softening.

Then we took a \$67-million charge, as against the new methodology associated with the Stats Canada review.

Mr. Speaker, I had a conference call this morning with upwards of 200 investors around the world who lauded this province and the budget it brought down because of the fact hard decisions were made, the fact that tax increases were not used as has been the case in other provinces. They acknowledged that we held down the provincial sales tax at 7 percent and indeed that we were following the right course. It was on that basis that they will continue to lend us money. I would think particularly the arch borrower of money who sits across the way, that that would be very important news to him.

* (1345)

Motor Coach Industries Dial Corporation Competition

Mr. Jerry Storie (Flin Flon): Mr. Speaker, perhaps the 200 investors that the Minister of Finance was speaking to would not have been nearly so impressed if the Minister of Finance would have told them that the manufacturing base in the province is disappearing, that last year we lost 4,000 manufacturing jobs and we are about to lose more.

Mr. Speaker, on March 12, the Minister of Industry, Trade and Tourism said in a response to our Leader that the purchase of a bus manufacturing plant in Mexico by Dial Corporation would have no impact on the operations of Motor Coach Industries in Winnipeg. Today's Globe and Mail indicates that at a shareholders' meeting, Dial Corporation had asked shareholders to vote on a plan to get out of the bus body manufacturing business of Motor Coach Industries in Winnipeg.

Can the minister indicate whether that will have an impact on the 1,200 jobs approximately that Motor Coach employs in the city of Winnipeg and the province?

Hon. Eric Stefanson (Minister of Industry, Trade and Tourism): Mr. Speaker, once again the member for Flin Flon is totally inaccurate in his preamble when he compares Manitoba's performance in manufacturing jobs, again as it relates to all of Canada. He continually forgets and fails to look beyond the borders or outside of this room in terms of what is happening nationally, in terms of the kinds of losses that are occurring in provinces like Ontario. If you look at Manitoba's job performance in manufacturing over the last couple

of years, relative to the rest of Canada, we do fair reasonably well.

In terms of his specific question, Mr. Speaker, at the time of previous questions in this House we had direct contact with Motor Coach and we are assured that the acquisition that the honourable member is referring to will have no impact on their operations here in Manitoba.

Mr. Storie: Mr. Speaker, the fact is that Motor Coach is not the sole determinant of what is going to happen. The parent corporation now owns a bus manufacturing plant in Mexico. The Alberta Court of Queen's Bench has already ruled that the Dial Corporation plan to distribute MCI shares to Dial Corporation shareholders is approved.

Mr. Speaker, can the minister tell this House what impact that conflict, the clear conflict that Dial Corporation now has because it has a bus manufacturing plant in Winnipeg, with its operations in Winnipeg, what conflict that is going to have for the working people who work for MCI in Winnipeg?

Mr. Stefanson: Mr. Speaker, as I indicated at the time of the previous allegations made by the NDP in terms of the impact on Motor Coach here in Manitoba, once again to bring unfounded rumours and innuendoes and suggestions to this House in terms of employment levels at any operation in Manitoba does not do justice to the people working at that facility or to the people who operate that facility.

We had direct contact with Motor Coach at that time in terms of the investment in Mexico, of which there is approximately a 10 percent investment, and the clear indication from senior officials with Motor Coach was that it will have no negative impact. In fact, they view it, in the short term, as a positive impact on their operation here in Manitoba in terms of mutual benefits between the two operations.

Mr. Storie: The minister has not yet indicated whether in fact he has contacted any of the principals who will have an impact on any future MCI operations in Manitoba. The fact is that since the announcement the minister has indicated that he has done nothing.

Will the minister now meet with principals of Dial Corporation to ensure that their long-range plans do not include competing directly with MCI's operations in Manitoba and the potential loss of 1,000 or 1,200 jobs?

Mr. Stefanson: Mr. Speaker, unlike the member for Flin Flon and his style of government in his day, we are in ongoing and continual contact with businesses throughout Manitoba on a day-to-day basis. We pride ourselves on the relationship that we have with business in Manitoba because of the kinds of things we are doing in this province in terms of holding the line on personal, corporate and other taxes in this province.

When we deal with Motor Coach Industries we deal with their senior officials, and we were given assurances that the issue that is being addressed here today will have no negative impact on their operation in Manitoba and possibly has the opportunity for additional economic activity here at their facility in Manitoba.

* (1350)

Budget Fairness

Mr. Paul Edwards (St. James): Mr. Speaker, despite the rantings of the NDP, no one seriously today says that the government does not have financial problems and does not need to show restraint in spending. But the Premier (Mr. Filmon) defended his budget last Thursday as a fair budget.

Today the Minister of Finance (Mr. Manness) is reported as defending that budget as impacting fairly on everyone. He also said that there is no segment of society that will feel it any more than any other. That is the defence of the budget, that it is fair and it impacts everyone equally.

The truth is the expansion of the retail sales tax is a regressive, not a progressive, form of taxation. It does not respect ability to pay.

My question for the Minister of Finance: How is the harmonization of the PST and the GST, which the minister has embarked on in this budget, consistent with any definition of progressive, fair taxation, and will he acknowledge that a consumption tax by definition impacts poor people more than it does wealthy people?

Hon. Clayton Manness (Minister of Finance): If the member believes his rhetoric at all then he should be standing and lauding the government in its efforts to keep the sales tax rate at 7 percent. There are Liberal governments elsewhere of course that have increased the rate as high as 11 percent and 12 percent.

I can answer the question even more specifically by—when the member uses the word

“harmonization.” We are not taxing services, Mr. Speaker. To put into place a system where the federal government would collect our provincial tax at the border we had to accept a broadening of the base—no different than the province of New Brunswick, identical to the province of New Brunswick.

Mr. Edwards: Mr. Speaker, it was a Conservative government in Ottawa that brought in a nation-wide, regressive tax called the GST.

Mr. Speaker, he has defended again the across-the-board increase or increase in taxes of \$75 for every property owner in this province as fair. My question for the minister: Why again did he not respect the principles of progressive and fair taxation and raise the same revenue on a scale that took into consideration those who could afford to pay?

He defended that by saying, we cannot tell if someone owns a small house; they may be rich. Well, why did he not respect ability to pay in the imposing of a \$75 increase in taxation on every Manitoba homeowner?

Mr. Manness: Mr. Speaker, seeing the member is such a staunch supporter of the ability to pay, then I am sure he will support our measures on the expenditure side, particularly in the Department of Health, in the personal care homes, where we have introduced that method to a greater extent. I imagine he and his party will be staunch supporters of that particular approach on the expenditure side.

The member talks about the credit side and why is it we could not take into account and relate incomes to the supposed value of a home by way of assessment. I ask him, if he would talk to some of his friends who are accountants and maybe do some of the tax filing, he would find out that there is a tremendous strong linkage as between the property tax credit, the cost-of-living tax credit and all of the other credits provided by the Province of Manitoba.

One of the great difficulties that we had when we considered this whole area was that we would not impact in reducing at all the property tax credit, that we would minimize the impact on the working poor, whom we sense have to be protected the most through any taxation changes. I am proud to say that for the most part, we were able to do that.

Mr. Edwards: The fact is, you live in Tuxedo or the west end, you have got the same \$75, Mr. Speaker. That is the bottom line.

Mr. Speaker, finally, for the minister—he raises health care. How is it fair to require patients who need home care services to pay for home care equipment under \$50, like crutches, like colostomy bags? How is it fair to charge those people that money when you have absolutely no criteria which respects ability to pay? Will the minister admit that he is seeking to solve his financial woes on the backs of the poor and the elderly and the sick?

Mr. Manness: Mr. Speaker, I will reiterate what I said last week. Each and every one of us has an indebtedness of \$11,500, and as much as the member would try and characterize this as the government's debt, this is the people's debt. Therefore, every one of us in society has to make some contribution towards that debt.

The member can try and pretend that we have a tax system that is not progressive. We have one of the most progressive tax systems in the land. We have the most progressive tax credit system in the land, and I am saying to him that there was no way of dismantling that short of reworking it and rewriting. On that basis, when we take into account that everybody has to make some contribution to the indebtedness that we each have in this province, there was no alternative, and I am there to say that the budget is a fair document.

* (1355)

Red River Community College Course Cancellations

Ms. Jean Friesen (Wolseley): Mr. Speaker, this government claims that it does not want to pass on a debt to our children, but this budget ensures that the young people of Manitoba are going to be paying now and forever as the doors to education, to higher education, to training, to literacy programs close to them. Yet again Red River Community College has been forced to cut courses—this time 17 programs and courses.

I want to ask the Minister of Education: Could she tell us how fewer courses, students with no places, unemployed teachers, how does this fit with the continued and apparently hollow rhetoric that we hear from both the federal and provincial Tories?

Hon. Rosemary Vodrey (Minister of Education and Training): Mr. Speaker, our colleges have had to look at the kind of programming that they will offer,

because a great deal of the programming that they offered was also underwritten by the federal government. The federal government has decided that it will be changing the way that it funds training programs at our colleges, and they will be funding more programs as fee payers. As a result of that, the colleges had to re-examine what they could offer, but in addition, they also looked at enrollment in the colleges. They also looked at how highly people were hired following their training at the colleges. So a number of issues were taken into account by our community colleges.

Youth Employment Programs Reductions

Ms. Jean Friesen (Wolseley): Mr. Speaker, will the minister explain why in her department she continues herself to cut youth employment programs, when this month youth unemployment has jumped from 12.9 percent to 15 percent, and we are not even yet seeing the impact of the lack of summer jobs for students?

Hon. Rosemary Vodrey (Minister of Education and Training): The labour market statistics, I believe, indicated that Manitoba had the highest youth participation in the country. In addition, Mr. Speaker, we are still continuing to look at the employment programs that we have for students. Let me just give her some numbers: last year, Manitoba CareerStart, over 3,500 students; Student Temporary Employment, over 1,200 students.

Budget Impact on Youth

Ms. Jean Friesen (Wolseley): Will the minister tell us the impact of the new housing tax, the additional gasoline tax, the extra tax on school supplies, the tax on journals, the increases in fees at colleges and universities, and the cuts to summer youth employment? What is the collective impact of this on the young people of Manitoba?

Hon. Rosemary Vodrey (Minister of Education and Training): We have not even begun to speak about summer employment for youth. I have just let the member know, and she can see in the budget, that we are certainly committed to youth employment at, particularly, summer jobs. We are also continuing to be committed to our training programs and to accessibility to our universities, so I think the member better look again at the commitment that this government has.

St. Boniface Hospital Layoffs

Mr. Dave Chomlak (Kildonan): Mr. Speaker, today we are advised that another 141 people will be laid off at St. Boniface Hospital. In his November press release about health reform, the minister stated that 380 positions would be lost between Health Sciences Centre, St. Boniface, and less than a hundred people would actually lose their jobs as a result of reform.

Are these additional 141 layoffs announced today part of that total or are they in addition to the layoffs already announced? Where are the community jobs to replace those laid-off jobs?

* (1400)

Hon. Donald Orchard (Minister of Health): Mr. Speaker, the layoffs that were shared with the provincial government and with the respective unions this morning by St. Boniface Hospital are part of their ongoing downsizing and restructuring within that facility. It is anticipated, and I think it might be appropriate to read for my honourable friend the communication that St. Boniface made in conjunction with advising my colleague the Minister of Labour (Mr. Praznik) about the layoffs.

I will quote from their letter: "The hospital has an established local Workforce Adjustment Committee. Mr. Asselin of Industrial Adjustment Services; Mr. L. Schoomski, Department of Labour, and all unions are part of the committee. Employer representatives on the committee include C. Savard, S. Shofer, S. Macdonald and D. McMorris."

Mr. Speaker, clearly no one takes any particular joy in having a number of layoff notices go out, but St. Boniface is continuing internally to try and minimize the actual number of people affected by those layoff notices, as well as participating, Sir, with the provincial redeployment committee.

Mr. Chomlak: Mr. Speaker, the minister did not answer the question.

I will try another question. Can the minister advise if the positions, the cuts at St. Boniface Hospital are as a result of the nearly \$30-million cut in funding to hospitals, personal care homes, et cetera, by this provincial government in its regressive budget?

Mr. Orchard: Mr. Speaker, without naturally accepting any of my honourable friend's rhetorical flourish around the question, I would indicate to my honourable friend that certainly St. Boniface

Hospital is. My honourable friend I believe supported—at least his party supported the downsize and the reallocation of beds from St. Boniface to other hospitals and other institutions in Winnipeg. This downsizing has led to a number of layoff notices previously announced and, Sir, today an additional number of layoff notices.

I note my honourable friend seldom mentions that there were a significant number of new jobs and employment opportunities at Concordia Hospital with the commissioning of 60 new beds which are now in use at Concordia Hospital, or new employment opportunities at Deer Lodge with the commissioning of more and additional new beds, with the commissioning of new and additional capacity at Municipal Hospital. My honourable friend never talks about those job opportunities.

Mr. Chomlak: Mr. Speaker, I do not have to talk about it because the minister mentions it. That is the only thing he can positively mention in this House and has been doing so for the past four years.

Mr. Speaker, my final supplementary to the minister: How can the minister justify forcing St. Boniface Hospital to pick up the expenses, hundreds of thousands of dollars in expenses, of American consultants to fly to Canada, to stay in our hotels, to eat meals while they lay off people from the hospitals who deliver the service to the patients? How can he justify that?

Mr. Orchard: I appreciate my honourable friend's, again, rhetorical flourish. My honourable friend has yet to say that he disagrees with the process of restructuring at St. Boniface and Health Sciences Centre, that the boards and the senior management of those hospitals urged us to engage APM so they could undertake. My honourable friend's seeming concern is that it is an American firm, and maybe my honourable friend would like to explain why the government that his front bench was all part of so embraced American consultants that they hired Drs. R.L. Kain and R.A. Kain of the University of Minnesota to subcontract and examine the home care department. Is it only anti-Americanism when they are in opposition and embracing the Americans when they are in government, Sir?

Education System Federal Strategy Paper

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, my question is to the

Minister of Education. In today's *Globe and Mail* there was an article with respect to an increased role to be played by the federal government in the area of education. I find that somewhat ironic in that in a referendum debate just last fall the federal government was willing to turn over responsibilities for all manpower training and education to the provinces. It now appears that they have put their other foot down and now they would like to in fact play a role.

The paper has apparently been distributed to the Council of Education Ministers for the provinces and the territories. Can the Minister of Education tell this House if she has indeed a copy of this strategy paper, and will she share that strategy paper with the members of this House?

Hon. Rosemary Vodrey (Minister of Education and Training): Mr. Speaker, the member has spoken about what she has read in a *Globe and Mail* article, and that article did not give the complete tone of the paper. The paper did in fact stress the issue of federal-provincial relations and the co-operation and the national perspective which Ministers of Education are extremely interested in. I do not have a copy at the moment, but when we receive a copy I will look at giving the member some information.

Mrs. Carstairs: Mr. Speaker, if in fact the article does not reflect the complete tone of the paper, then presumably the Minister of Education has read the paper. If she has read the paper, presumably she has the paper. If she has the paper, why will she not distribute it today?

Mrs. Vodrey: Mr. Speaker, at the last meeting of the Ministers of Education some of the information that was related to the paper was discussed by the ministers. I do not have the paper at this moment.

However, as I have said to the member, one of the issues of discussion was an issue of national perspectives. I am aware that is of interest to that member. I can tell her, too, that within education, Education ministers and those of us who are also responsible for labour market development as well are particularly interested in some of the issues of national perspectives.

As many in this House know, we are also participating—Manitoba is one of the participating provinces—in an exam, the Student Achievement Indicators Project, and we will be looking at some of the national achievements of students across Canada, province to province.

Mrs. Carstairs: Mr. Speaker, it would appear that the Council of Ministers, of which this Minister of Education is indeed a member, sent a response to the federal government on this strategy paper. If they sent a response, presumably they have the paper, but they must also have a copy of the response.

Will the Minister of Education transmit to the members of this House the response of the Ministers of Education to the federal strategy paper on education?

Mrs. Vodrey: Mr. Speaker, a number of the issues that were covered in response were in response to the federal prosperity paper which the federal government has spoken about. Within that, we did want to look at the participation and the co-operation between provinces and the federal government on issues such as labour market development, the Stay-in-School Initiative, the Official Languages program and literacy programming.

In addition, other issues, this province has already taken a leading role in terms of looking at education legislative reform in our Task Force on Distance Education.

Education System Federal Strategy Paper

Mr. John Plohman (Dauphin): Mr. Speaker, as has just been discussed, the federal Conservative government is now indicating that it wants to assume a greater role in education, stick its nose into another area of the Canadian economy after making a mess out of almost every other area that it has jurisdiction—and education at the post-secondary level at this time.

We think it is probably to implement their very frightening agenda that they have outlined in *An Action Plan for Canada's Prosperity*. It is mistitled *Inventing our Future*.

In light of the federal government's cutbacks in education for post-secondary education and transfer payments, and its dubious record, Mr. Speaker, I want to ask the Minister of Education to tell us what specifically is her government's position with regard to the federal government's announcement?

Hon. Rosemary Vodrey (Minister of Education and Training): Mr. Speaker, as I said in earlier answers, we are interested in looking at working co-operatively and also consultatively, but we would like to work through the Council of Ministers of

Education because we are interested in the national perspective.

Mr. Plohman: Mr. Speaker, I do not know how this minister, first of all, can put any confidence in a national government that has made such a mess out of education up to this point in time.

I want to just follow up on the earlier question and ask this minister if she will now table a copy of the response—[interjection] It was asked of her, and she did not answer the question. The Premier (Mr. Filmon) is chirping from his seat.

We simply want a copy of the response that was given to the federal government by the Council of Ministers. Will that minister now table that response?

Mrs. Vodrey: Mr. Speaker, the member speaks about a national perspective. The national perspective is one which is developed in consultation with the Council of Ministers of Education, representing provincial interests across this province in co-operation and consultation with the federal government and each of our own provinces. He, I believe, is alluding to a federal perspective, and that is different.

Mr. Plohman: We have all been at these ministerial conferences, and we all give provincial positions. What is wrong with this minister?

I want to ask the minister what assurances she can give the education community in Manitoba that this federal government will have any more dedication and commitment to education than this minister has who has cut school boards in an unprecedented way this year.

Mrs. Vodrey: Mr. Speaker, the member speaks about having been at conferences representing the provincial government where there has been a federal minister. There is not a federal Minister of Education. Ministers across Canada meet together with a Council of Ministers of Education in an attempt to develop our national perspective, taking into account the provincial interests in each area.

* (1410)

Canadian Wheat Board Barley Marketing

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, my question is for the Minister of Agriculture.

Once again, farmers in western Canada will be dealt a severe blow by the federal government.

Charlie Mayer has commissioned a study to deal with barley sales and is considering ending the Wheat Board's monopoly of barley. Mr. Speaker, the federal minister does not have the mandate to do this. He has not consulted with farmers, and we know that this is going to have a negative impact on farmers.

I want to ask the Minister of Agriculture if he has seen the report and whether or not he supports the dual system of barley sales or whether he supports the Wheat Board's control of barley sales.

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, no, I have not seen the report because it has not been published. I can tell the member that 19 people have been appointed to the commission of study, seven of whom happen to live in the province of Manitoba. I will respect their judgment when they bring the report down.

Ms. Wowchuk: Mr. Speaker, will the minister admit that changing to a dual system will reduce the board's power and it will reduce the overall value of Canadian barley, and Manitoba farmers, Canadian farmers, will suffer because of this change?

Mr. Findlay: Mr. Speaker, it is rather interesting. That member has already formed an opinion, and she has not seen the results of a group of experts from across western Canada, over a third of whom come from Manitoba. I am surprised she does not respect their judgment.

I will tell the member what I will be looking for. I will be looking for maximizing the opportunity of Manitoba barley producers to access a very good market in North America and to maximize the ability of farmers to have the highest possible farm gate return for barley they produce.

Ms. Wowchuk: Mr. Speaker, I am surprised that the minister has not seen the report. It is the worst-kept secret that there is.

Will the minister admit that if we go to the dual sales, it is going to be remote farmers in northern Manitoba who are going to suffer more and those along the border who are going to get the best advantage out of this, or is he only interested in getting Charlie Mayer re-elected?

Mr. Findlay: Mr. Speaker, I am really disappointed. That member is fearmongering, interested only in a few people. She is not interested in the broad spectrum of opportunity for people producing barley in this province. One of the greatest markets we had for feed grains in, particularly, Russia is a

market that cannot pay anymore. We have to find other markets.

The mission of the commission was to see if we had maximized our opportunities selling in the North American market, and I will await the results of that group of experts who have analyzed the whole question for an average of all farmers in western Canada. I will be interested from the standpoint of Manitoba farmers' ability to access markets and of the highest farm gate return for barley that can be achieved from the marketplace.

Residential Tenancies Branch Staffing

Mr. Doug Martindale (Burrows): Mr. Speaker, due to funding cuts by the provincial and federal governments in housing, the number of units of new construction of public housing has declined from a thousand units in 1990 to 200 units in 1993, and now the Department of Housing is considering reductions in staff because they claim that the workload is not there.

Meanwhile, numerous families in the inner city have a very high migrancy rate which has a detrimental effect on children in inner-city schools.

I would like to ask the Minister of Consumer and Corporate Affairs, would she talk to her colleague the Minister of Housing (Mr. Ernst) and instead of laying off staff, would they give serious consideration to transferring staff to the Residential Tenancies Branch so that tenants who request work orders can see that those work orders are speedily processed and the work orders enforced so that families are not forced to move in order to find better accommodation in the private rental market?

Hon. Linda McIntosh (Minister of Consumer and Corporate Affairs): Mr. Speaker, the new Residential Tenancies Act, as you know, was brought into place last year. Always as that act is being put into the marketplace and we are living with it, we are refining and enhancing it at all times. We have had tremendous co-operation from landlords and tenants and excellent feedback.

As far as the Minister of Housing is concerned, I think he is handling his department in a very good way. We are always in communication with each other on areas of interest to Manitobans and will continue to be.

Public Housing Inspection Program

Mr. Doug Martindale (Burrows): Would the Minister of Consumer and Corporate Affairs give consideration to allocating staff to a housing inspection program, whether it is in the Department of Housing or in the Residential Tenancies Branch, since, with the demise of the Core Area Initiative and the termination of the Core Area Residential Upgrading and Maintenance Program, there is no housing inspection program.

The current system is entirely complaint driven. Would this minister consider allocating staff to a housing inspection program?

Hon. Linda McIntosh (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Department of Consumer and Corporate Affairs and the Residential Tenancies Branch work in close co-operation with the Department of Housing, indeed with many other departments in the government as well. Ministers are in close co-operation and communication with each other on the needs of their various departments and will continue to be in that kind of co-operation.

Residential Tenancies Act Enforcement

Mr. Doug Martindale (Burrows): Would the minister who is responsible for The Residential Tenancies Act see that this act is enforced since tenants frequently complain to us from our constituencies including in Burrows that it takes an inordinate amount of time to have repair order requests processed and the repair orders enforced?

Will the minister talk to her colleague, the Minister of Housing (Mr. Ernst) and see if the staff cannot be redeployed in an inspection program or at least to enforce the legislation that is there, not just in the private rental market but also in Manitoba Housing Authority?

Hon. Linda McIntosh (Minister of Consumer and Corporate Affairs): Mr. Speaker, if any tenants, whether they be tenants of public housing or of private housing, have any concerns at all about repairs and work orders that need to be done in their buildings, they can certainly contact the Residential Tenancies Branch, receive advice and information, indeed receive action if it is required.

As I repeat from my earlier answers, ministers of the government are in close co-operation and

communication with each other on their various responsibilities and do work together, when it is required, when departments cross over in certain arenas, and they will continue to work co-operatively with each other in that venue.

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

Nonpolitical Statements

Mr. Gulzar Cheema (The Maples): Mr. Speaker, may I have leave for a nonpolitical statement?

Mr. Speaker: Does the honourable member for The Maples have leave to make a nonpolitical statement? [agreed]

Mr. Cheema: Mr. Speaker, the Sikh community today throughout Manitoba and the nation will celebrate the Festival of Vaisakh. It was on April 13, 1699, by the 10th guru Gobind Singh, Khalsa Panth was created by choosing five disciples of tested courage and administered them by holy water, prepared according to the set religious proceedings and blessed five individuals to guide their lives on the basic principles of sacrifice, responsibility, accountability, acting for the good of others, truth, beauty and goodness.

It was that day the common surname "Singh" and the five "K" symbols of the religion were given by the 10th guru.

Mr. Speaker, the foundation of the order of Khalsa, its growth, prosperity and contribution to human civilization, bear witness to the strength and vitality of Sikh faith. The ideals and values set by Guru Gobind Singh and embodied in the Khalsa—courage, sacrifice and compassion—remain as valid today in Manitoba as they were during the Vaisakh at Anandpur in 1699.

Mr. Speaker, I would like to extend best wishes on behalf of myself and my colleagues in this House to the entire Sikh community in our province on this very important social and spiritual occasion.

Let us pray for harmony, peace and prosperity for all people of the world. Thank you.

Mr. Speaker: Does the honourable member for Niakwa have leave to make a nonpolitical statement? [agreed]

Mr. Jack Reimer (Niakwa): Mr. Speaker, I am delighted to have this opportunity to recognize April 13 as an auspicious day for Sikhs here in Manitoba and throughout the world celebrating the Festival of Vaisakh.

It has been on this day, 294 years ago, 10th Master Guru Gobind Singh created Khalsa, the order of the pure beings, now being known to the world as a Sikh community. After asking for five disciples, who would sacrifice everything including their lives in the cause of righteousness, the guru laid down the basic tenets, practice and customs of the Sikhs.

For nearly 300 years, the baptized Sikh men and women have lived by the guiding principles of sacrifice, responsibility, accountability, truth, beauty, goodness and acting for the good of others. For Sikhs here and around the world, the Vaisakh festival is a time to gather and rejoice in their heritage.

I am asking the members of this House to join me in extending our best wishes to Manitoba's Sikh community as they gather in their temples to celebrate this special moment. Thank you.

* (1420)

Mr. Speaker: Does the honourable member for St. Johns have leave to make a nonpolitical statement? [agreed]

Ms. Judy Wasylycia-Lels (St. Johns): Mr. Speaker, I am very pleased and honoured on behalf of members in the New Democratic Party to join with the member for The Maples (Mr. Cheema) and the member for Niakwa (Mr. Reimer) in acknowledging and recognizing the significance of today for members of our Sikh community and indeed all members in our multicultural society.

As has been noted, today is Festival of Vaisakh. It is one of the most important days, both in a cultural and a spiritual way, for members of our Sikh community. It is a day which requires on the part of all of us to again look at the principles that are so much behind this festival and so much a part of the Sikh faith—principles about reaching out to others, about sacrificing for others, about holding our actions accountable for the good of all society and about holding on a very high plane the principles of beauty, truth and goodness.

We all know in today's society, where there is considerable conflict, trouble and difficulty on all fronts, that it is more important than ever to hold those principles high as guiding lights in our society today.

We appreciate the deliberations and the determination of the Sikh community in keeping those principles before us and in drawing all of our

attention to this very important day in the spiritual life of the Sikh community. So on behalf of all of us, I would like to join in commemorating this day and in sending our best wishes to all members of the Sikh community in Manitoba and across Canada. Thank you.

ORDERS OF THE DAY

BUDGET DEBATE

(Fourth Day of Debate)

Mr. Speaker: On the adjourned debate, the fourth day of debate, on the proposed motion of the honourable Minister of Finance (Mr. Manness) and the proposed motion of the honourable Leader of the Opposition (Mr. Doer) and the proposed motion of the honourable Leader of the Second Opposition (Mrs. Carstairs) in further amendment.

Mr. Jack Reimer (Niakwa): Mr. Speaker, it is my pleasure to stand in the House today to speak on the budget, which was presented the other day by the honourable Minister of Finance in this House.

I would like to start off, Mr. Speaker, by quoting out of Hansard on previous debates that were held in this Chamber. I would like to quote what was once spoken by one of the members here.

It says: Governments over the years, whether they are Conservative or New Democrat, have been faced to deal with a situation that has developed in the '70s and '80s of diminishing revenues in a relative sense and very, very hard challenges. The days of just being able to spend your way out of the problems had to change over the '80s. Ministers of Finance and indeed governments of all political stripes had to begin to manage their way out of these problems, often with some very unpopular decisions, whether they are taxation or cuts or combinations of both, but often Ministers of Finance have been asked, with very, very tough times in terms of the decisions that they have to make and present to the Legislature and to Legislatures across this country.

Mr. Speaker, those are words that are echoed throughout all of Canada now with the budgets that are being brought down. I would say that the quote I just quoted was not from our Minister of Finance (Mr. Manness), but was the honourable Leader of the Opposition (Mr. Doer), the member for Concordia, when he was talking about the budget speech back in 1988.

I would say, Mr. Speaker, the hypocrisy of sitting in the House here the other day and listening to the member for Concordia talk on the budget speech, and I had the opportunity, as much as the long weekend—and it was a long weekend—to go home and talk to—I mean to spend time at home and sort of enjoy the long weekend. I took home Hansard with me, because I thought it was important that I do read over what the member for Concordia (Mr. Doer) had to say about the budget, because I figure and I feel that as Leader of the Opposition it is important that I listen to him. It is important that I listen to what he may have to say, and something that may come forth of some sort of pearls of wisdom so that indeed these things can be looked at in a more comprehensive and more objective way.

I must say, Mr. Speaker, in reading over the Hansard of the Leader of the Opposition it brought back a lot of memories. One of the memories I believe that I have to refer back to was when the member for Concordia was also involved with the MGEA as president of that association. I look back at when the budget was brought back in 1983. As I mentioned, he was president of the MGEA. At that time the Finance minister was a Mr. Vic Schroeder.

In the comments that came out of the budget speech at that time, the then Minister of Finance Vic Schroeder said, and I quote again: I do not believe that just because an individual happens to work for the government he should be guaranteed a particular job for life.

We have members of the NDP on this side now criticizing any and every cut and every move we make towards a—

An Honourable Member: Yes, we are all around you, on both sides.

Mr. Reimer: I am being surrounded here, Mr. Speaker.

Talking about the cuts and the injustices of this government in looking at a way to become more fiscally responsible for the malaise, if you want to call it, that we find ourselves regarding the funding and the lack of funding and the ability to try to do things better with less, in a sense.

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

That is part of the philosophy and some of the mind-set, if you want to call it, that is throughout not only here in Manitoba but it is spreading throughout all of Canada, in a sense. When we look at all the

budgets that are coming down from all provinces, there is a very critical look and a very analytical look at the monies that are coming in and the monies that are going out. That is just because we have been forced into that situation because of the high spending and the high taxation of the '70s and '80s.

In the '70s, we looked at incomes that were rising in fact in double-digit numbers. Inflation and revenue growth was upwards of 10, 12, 14 and I believe even up into the 16 or 17 percent during the '70s. In the '80s, we looked at growth, Madam Deputy Speaker, of 7 and 8 percent during the '80s. Now in the '90s, we hear reports and we see that the growth of revenues here not only in Manitoba, but in Canada, we look in the very low figures of 2 and 1 and 1.5 percent.

So we are looking at a very diminishing amount of monies that are coming in and yet the services and the locked programs that we have been saddled with, not in a sense saddled with, but we have inherited, are programs and areas that we have to look at very critically now. We have to look at them in a sense in relation to what is before us.

When I say that when the budget was brought down by the former NDP government and the then Minister of Finance Vic Schroeder was saying that no individual who happens to work for the government should be guaranteed a particular job for life. That was a philosophy that they incorporated in trying to look at the way of being more fiscally responsible. The president of MGEA at that time, and which I mentioned, is now the Leader of the Opposition, the member for Concordia (Mr. Doer), and he goes on to say that in his analysis of that budget at that time, and I quote again: It is Darwinian. There are no set criteria. No one has taken political responsibility.

Again, the member for Concordia at that time was overly critical of his cohorts the NDP and the ministers at that time in all their budget perusals and what they brought down for. He goes on to say there was mass confusion in the NDP at that time because of what they were doing. The member for Concordia also goes on to say that the method lacks sincerity and common sense. He goes on to say and I quote again, there is a real sense of unfairness now. It is white wine socialism.

That phrase "white wine socialism" just stuck out in a sense in my mind because I remember him saying that, and I remember the philosophy and how that sort of stuck on the NDP at that time.

I have to say now in reading the Hansard over the weekend and taking it home and reading the member for Concordia's reply to the budget speech, instead of calling it white wine socialism, I must relabel it to vintage wine socialism. I will have to point out to Hansard that when I am talking about wine from now on, it is w-h-i-n-e, because that is exactly what we see across the House here now. We see the vintage whining that is coming forth from across the House made with sour grapes and they use that as the only effort of trying to do anything that is constructive is to whine. They whine about the cuts. They whine about this. They whine about that.

* (1430)

There is not one thing in this speech in Hansard of the member for Concordia, the Leader of the NDP party, that is constructive, contributory or has a method of trying to come to an answer. It goes on page after page of just whining and whining. It made for some very—well, boring reading if you want to call it, Madam Deputy Speaker, because it sort of spoiled my weekend in a sense. The weekend, as we know, we were celebrating a rebirth, if you want to call it if we look at it in a religious connotation because of Easter, and it is a time of reawakening, a time of spring.

We usually associate spring with this type of year and the new growth that is coming forth. We start to think that this is what the opposition is going to come forth with is some sort of new growth, some new ideas, some new energies, some new expressions of optimism that Manitoba is a place to be proud of to live in.

Instead, what we heard was the whining again and the doom and gloom. You know, we have the sour grapes over there from making "whine," and all the wannabe's over there are stomping on them trying to make it sound like Manitoba is the worst place in Canada to live.

Madam Deputy Speaker, we in Manitoba are very fortunate here. We have a strong population. We have a population of a very strong ethnic mix. We have a population that has a very strong sense of contribution.

We have a population that is—[interjection] Madam Deputy Speaker, I find that there is a distraction in this House here that keeps taking me away from my speech. I find that in looking at the distractions it is like the distractions of the NDP across the House. They keep trying to derail the

positive things that this government is trying to bring forth.

In talking, as I mentioned, with the Leader of the Opposition (Mr. Doer) he also went on to say back in 1988, actually when he was in the House here and he was talking about the budget speech at that time, I would like to quote another item from the Leader of the Opposition, the member for Concordia where he says, you have to make a tough decision. If you are not going to make the tough decisions today you will not have the money to deliver the services tomorrow.

That is a statement that could be made by the Minister of Finance (Mr. Manness) of our government, and it could be made by Ministers of Finance right across Canada. It is a statement of fact. It is a statement of today's economics. It is a statement that more and more governments here in Canada are living with because it is unfortunate that we have been put forth with a certain expectation and a certain entitlement, if you want to call it, that the provinces and the peoples of Canada are faced with right now.

They seem to feel that because programs are there or programs that started off as a temporary gap have grown and they have become an establishment, they become a crutch, they become a focus of entitlement. At the same time we stifle the initiative to grow, we stifle the initiative to expand because we put forth the reliance and the total reliance on, sometimes, governments to provide for everything.

We have to take a look at a new paradigm, if you want to call it, a new-think. Because when we look back in history we look back on the early '30s when we had the paradigm, if you want to call it, which started with Roosevelt in the United States where we started with the social programs. There was a need for it, there is no doubt about it.

There was a need, and there was a need for social programs and there was a need to protect and put forth the social safety net, if you want to call it, for the peoples of need because as a caring nation, as a caring peoples, I think that nobody wants to see people suffer. No one wants to see the disabled or the unfortunate being taken advantage of or being put into a situation where there is no reliance. And this is where government stepped in and has stepped in and does help.

At the same time there has to be a critical analysis and there has to be a critical awareness that you

cannot do everything for everybody all the time because it is just not there. The money is not there. The pocketbook is getting dry.

Madam Deputy Speaker, when we look at our wallets nowadays, there are only two things in it. There are the credit cards, and then there is cash. Well, here in the government, we have the credit cards, and we have very, very little cash. The credit cards right now are right at the limit, and what we are doing is we are paying more interest on our credit cards than what our credit cards are able to buy. We have to look more at trying to get more cash into the—these are the areas or some of the areas that we have to look at very critically in assessing the amount of monies that come into and are used by the governments and come from only one place, and that is the taxpayer.

There is only one pocket, there is only one taxpayer, and the monies that we keep taking from these people, we cannot afford to just keep going back to the well, if you want. People are saying they have had enough. They want to be able to enjoy some of their monies, but if governments are continually taxing and taking all the money, then they do not have the initiative to work or the emphasis to produce or to make things better for not only themselves but their children. It seems that when we look at the debt, what we are talking about, Madam Deputy Speaker, is a legacy that my children and my grandchildren will be paying, and it is a legacy that no one should be proud of.

We have to turn that corner. I think this budget presented by the Minister of Finance (Mr. Manness) is a turning point. It was a hard turning point, and I have to say that members of Treasury Board and the Minister of Finance, I am sure, went through an awful lot of very hard and very trying decision making in trying to come to this budget. Members of Treasury Board analyzed and looked at the various departments in a very comprehensive and a very critical way and, at the same time, in a very humane way of trying to still save or hold on to programs that they felt were of worthiness to Manitobans in trying to help them.

You have to help a bit along the way. You cannot just cut and slash, if you want to call it that, but you have to have the conscience to provide. I believe that is what this government has done. There will always be the criticism that we cut too much. On the other hand, there is also the criticism that we did not cut enough. So the balance that the Minister of

Finance has put forth is a very fair balance, I believe. I think it shows an awareness of how and what we can do, and we have to look at how we can try to get through this malaise, if you want to call it.

I would like to go on, Madam Deputy Speaker, and talk a bit—I was quite flattered in a sense that the member for Flin Flon (Mr. Storie) had taken time to read some correspondence that I had sent out to my constituency in Niakwa. It actually was quite flattering that the member for Flin Flon would get my mail. I do not believe that he lives in my constituency, because my constituency is Niakwa, but I am a bit flattered, like I say, in a sense that he took time to read my correspondence to my constituents, because I wanted to talk to my constituents in a way and send them some information regarding the situation of the government and the province, the way it finds itself financially. He had the wherewithal to bring these things into the House and mention them in his speech on the budget.

I was quite flattered that he recognized and made a point of saying that the problem that we have in Manitoba is that nobody wants to invest in an unstable and debt-ridden province. I agree. This is something that we are faced with in the sense that we have been saddled with it from the NDP philosophy and their spending habits of the '70s and the '80s. Now we are the ones who have to bear this cross, if you want to call it, this cross of debt.

When we spend 42 cents of every personal income tax dollar in 1993 on interest payments, you have to say there is something wrong. You have to say that we have ourselves too far into debt. The debt that we inherited from the NDP is where we are looking at in trying to correct all these promises. We can go on and say, well, we should have an alternative.

* (1440)

I look again at the member for Concordia (Mr. Doer). I thought back to his speech, reply from the budget. As I mentioned, I could not find too much in there, so I thought, well, I have to look maybe a little further into the member for Concordia's various other speeches.

I had to go back to when he spoke to the NDP convention that was here last year, because I believe at that convention, when you have members and delegates from all across Manitoba, that time is a good time for any Leader of any party to come forth with solid and concrete suggestions and directions

and proposals. Speaking to the faithful, if you want to call it, at that time, you have the confidence that what you are talking about is going to be accepted.

I went back to when the Leader of the Opposition, the member for Concordia (Mr. Doer), gave his speech to the delegates at the Convention Centre where they had their members in from all over Manitoba. I read it quite thoroughly, because I figured that, again, I wanted to find some sort of direction or something to come forth so I could say, well, the Leader of the Opposition does maybe have a point, and maybe I can take this forth, because he says, you know, the backbenchers, they do not talk to their caucus. I thought, well, I am going to go forth and I will speak on behalf of the backbenchers, because the Leader of the Opposition may have a good thing to talk about.

I went back into his speech that he said at the Convention Centre at the NDP convention. He started talking about education. He was talking about the education and the three Rs. He said what they were going to do, though, instead of replacing the three Rs, they are going to replace them by the three Ps. I will quote: private and privileged. Then he goes on to say that this is not the education we believe in and this is not the priority on education New Democrats will be putting in place.

He goes on to say there: We will stop the privileged financing of the Tory government regarding the private schools. That is a fantastic statement to make, Madam Deputy Speaker. We believe in the public school system, and we will recommit our government to a public school system. We will stop the privileged financing of the Tory government in regard to private schools. That is a phenomenal statement. We are talking about closing 74 schools that the member for Concordia is talking about.

I am asking him whether he wants to close—the member for Concordia is talking about closing the school in his constituency. He is talking about the Red River Valley Junior Academy. Close it, he says. St. Gerard School, close it—in his constituency. He talks about closing it. He talks about—the member for Wolseley (Ms. Friesen)—close the University of Winnipeg, close Westwood Mennonite Collegiate, close St. Edward's School. He wants to close them all.

He talks about the school in Radisson, Emmanuel Christian School—close it. St. Joseph The Worker

School—close it. The King's School on Panet Road in the constituency of Radisson—close it.

The member for Wolseley, now here is—close the University of Winnipeg; close Westwood Mennonite Collegiate; close St. Edward's School. These are the schools that the Leader of the Opposition (Mr. Doer) is saying to close.

In the inner core, the member for Point Douglas (Mr. Hickes), close Holy Ghost School, close St. Mary's Montessori School. The member for Interlake (Mr. Clif Evans), close the Melville School in Riverton. The member for Burrows (Mr. Martindale), close the Faith Baptist Christian academy, close the Immaculate Heart of Mary School.

This is what the Leader of the Opposition is saying. He is saying that we will stop the privileged funding of the Tory government. This is in the speech to the delegates at the NDP convention. Talk to the Leader. I would suggest that the members in the back benches of the NDP actually start talking to their Leader. He is advocating closing 74 schools. What is going to happen to those students? Where are they going? Where are those school students going to go? Incredible.

He talks about the members of the government, the backbenchers talking to our ministers, but I would challenge the members opposite, the backbenchers, if you want to call them, with the NDP party to talk to their Leader. Their Leader is saying these things that they will cut this funding out to these private schools, 74 schools. That represents thousands, tens of thousands of students. Throw them out of the schools just because they will not fund them.

He goes on to say in the same speech to the delegates, in the same speech to all the NDP delegates: and we will stop the tax breaks to corporations for training grants—I cannot believe that he said that, but I will repeat it—and we will stop the tax breaks to corporations for training grants. Madam Deputy Speaker, I find that statement absolutely incredible.

In this government, this Conservative government in introducing Workforce 2000, up to February 28 of 1993 since its inception from May 1, 1991—these are the figures from 1991 to February 28, 1993, the program has trained 43,816 employees. This was done by private business, private entrepreneurs. Private business has trained 43,816 employees. The member for

Concordia, the Leader of the Opposition, the Leader of the NDP, has said: and we will stop the tax breaks to corporations for training grants. I find that an affront to the people and the working people of all of Manitoba, Madam Deputy Speaker.

The private individuals, the private entrepreneurs here in Manitoba have come forth. They want to train their employees. They took advantage of the program, the Workforce 2000 program, and I repeat between May 1, 1991, to February 28, 1993, they have trained 43,816 employees. So when the Leader of the Opposition stands there and says that these training grants have no use, they will cut them, I would like to know where and what he will do to replace these and where will these people get the training? If he thinks that it is all done on the public trough, as we know, the money available is just not there anymore, Madam Deputy Speaker. The taxpayers of Manitoba are telling us that they do not have the ability to keep going and paying taxes and paying taxes. So we have to ask the Leader of the NDP party, where are we going to get that money? Where is he going to come forth with that money?

Over the weekend also, there were quite a few articles in the paper, as was brought up earlier in the House here—in fact, it was brought up during Question period—regarding the jobs and the availability of employment here in Manitoba and the fact that the Leader of the Opposition was asking very serious questions about good jobs and job growth. I have to remind the Leader of the Opposition that Manitoba had the second lowest employment rate for the country in the month of March.

I am not sure which paper he was reading, but I saw that in the paper. I read it. It was in the paper, and it also at the same time stated that 12,000 new jobs were created during the past year here in Manitoba.

It also goes on to say that the number of full-time jobs increased 4.3 percent in Manitoba over the past year compared to 1.3 increase nationally. To me that sounds like good news when you have the full-time jobs increasing by 4.3 percent compared to the national average which is 1.3 percent.

* (1450)

Madam Deputy Speaker, I would think that Manitoba is doing good. Manitoba is on the way to try to come forth with more jobs. Naturally we want more. We should not be satisfied with the level of unemployment that is here in Manitoba because

anybody that is out of work is a person who is disadvantaged in a sense. So we have to strive to try to create the climate where there is that opportunity for them to grow.

But I would also like to point out that over a year ago there has been an increase of 16,000 full-time jobs during the same period here in Manitoba. Those are figures that I feel that the Leader of the Opposition (Mr. Doer), maybe inadvertently, or he just did not see that in the paper, but these are some of the things that I feel that I should put on the record just in case the member for Concordia (Mr. Doer) did not see that because I feel these things are important.

People like to hear the good news sometimes. They just do not like to hear the Chicken Little syndrome that comes from across the row there with the rooster crowing in the morning in the sun all the time regarding the poor and the destitute that he was predominating in his speaking all the time.

We have got to look also, like we said, at the terrible debt that we are faced with here in Canada, here in Manitoba. I would just like to point out that a lot of that debt is foreign debt. Actually it is quite profound and quite astonishing when we look at the amount of money and the amount of debt that all provinces and all forms of government have gotten themselves into over the last years because it seems that we have been on a spending spree and an expansion spree, if you want to call it, of spending and money.

It was interesting that foreigners, people other than Canadians, owned \$230 billion of Canada's bonds and treasury bills, and they added another \$17 billion in their first quarter of this year. So we have a total of \$247 billion that is held by foreigners of Canada's monies that was brought forth.

Figures like that are astounding because it shows that we have a debt load that we have to come out from underneath because it is actually stifling growth. It is stifling a lot of the programs and the entitlements that we feel that are dear to us, which are our health care, our education and to a certain degree some of our social programs which all governments feel are necessary to provide for and to be there for in times of need.

At the same time there is the realization that we are talking about a tremendous amount of debt when we talk about nationally \$247 billion of just foreign debt. If we brought in all the debt that is brought through that Canadians have with their own

system and in their own banking system, then we have got to look at a lot of money that is available.

I would like to comment a bit on what the member for Concordia, the Leader of the Opposition (Mr. Doer), when he was talking about what we should be doing is we should be taxing the rich.

We hear that comment made all the time that there are people who are getting off not paying any taxes or corporations are not paying any tax, but I would like to point out that we have got to take a definition of what a corporation is, because we feel that corporations for some reason have this mystique about them as to what corporations really are. Actually, corporations are made up of individuals that work for companies, that provide for the services of the company, and, at the same time, the corporations are made up of shareholders. Shareholders are people that have invested in that company.

There are a lot of Canadians who are not even aware of the fact that they are a part of corporations, the people that a lot of times feel that, just because they do not work for a corporation, they do not have any affiliation with corporations. But in today's market, and in today's perspective, when we talk about pension funds or we talk about mutuals, we are talking about monies that are shifted into RRSPs and, through union dues and through contributions, into large pools of money that are handled, or directed, if you want to call it, by mutual fund directors or mutual funding directors. They invest that money. They are going to invest that money in companies that show a profit, because profit is what shareholders want on their investment. Profit is what mutual-fund owners want on their investment. So when you have large funding available through teachers' pension funds or through municipal employees' funds, this money is put forth or invested by individuals into other corporations.

I would just like to point out the amount of money, and the huge amount of monies, that are available that come out through contributions that go into the various business endeavours. For example, the Ontario Municipal Employees Retirement Board, which is made up of the employees working for Ontario, they have such a huge amount of money that is invested right now that for the exchange purposes they are classified as inside traders, because they have such large holdings in corporations that their shiftment of monies can affect

the balance sheet and can make or break corporations.

For example, in Ontario, like I mentioned, the Ontario Municipal Employees Retirement Board has such a great amount of monies that they are classified as inside traders for corporations like the Baton Broadcasting, the Cambridge Shopping Centres, Canadian Marconi, Compuland, Federal Industries, Fortis, Hawker Siddeley Canada, Hayes-Dana, Ipsco, Kerr-Addison, and a bunch of other ones. There is actually maybe about a dozen or 15 different companies. They have such large holdings that they actually can affect the outcome and the position of the stock on the stock exchange. These are all funds that have been donated by checkoffs, if you want to call it, because of the retirement fund, or these are also funds that are put forth by unions. Large unions, because of their donations and the amount of monies that they have available, will put these into mutual funds also.

What in effect you have, Madam Deputy Speaker, is you get something that is two ways. You have a union putting money, or union members putting monies with union dues into the union war chest or the union fund, if you want to call it. The funding manager of that particular union then takes that funding or that money and invests it back into the free-market society, if you want to call it, because they want a return on their funds.

Now, how can you have it both ways? How can you be fighting the unions or fighting this large capital corporation because of the fact that the large union bosses are the ones who are pulling the strings on our friends across the House here and telling them how and what to do? At the same time, the money that they are collecting goes into a fund that they invest in businesses that they want to get a return on. If they do not get a return on that investment, if they do not get their proper percentage of return, they then say, well, we are going to take our money out of that company and we are going to put it somewhere else.

I mean, it is a very delicate balance. How do union members foresee or how do they get along with their union bosses in the dictates or the philosophies that they are trying to come forth with? I am sure the monies that are collected now with all the union checkoffs going into these pools to pay for their large union bosses, I do not know where it all goes. We are not fighting strikes anymore so that

there is that buildup, a war chest for that type of endeavour for the union to use the fund.

A good example of where possibly some of the funding is going is when we look around the city of Winnipeg and we drive around. We have to say that they should be spending that money somewhere else. You know, when we look at the amount of billboards and everything that is going around the city here, the hundreds of thousands of dollars that are being put on billboards to advertise against this government, you have to say, why do they not put that money into some sort of social program or some sort of social feedback so that they can get some return on their money.

They talk about the fact that they would like to see monies going into different areas and the utilization of it, but we do not have that type of money to use but, at the same time, we see all this blatant use of funding that goes into advertisement that we hear on the radio and the fact that the union bosses are using all this money.

We were exposed to a demonstration out here on the front steps the other day, and who was part of that demonstration? University professors. University professors who are making \$60,000, \$80,000, \$90,000 a year, and they are standing out in front of the Legislature here complaining that they want more money. Madam Deputy Speaker, that is absolutely incredible, that these are the type of people who would be coming up and standing in front of our Legislature along with the union bosses who are making \$60,000, \$80,000 and \$90,000 demanding more money—demanding more money.

* (1500)

This is incredible, and they stand out there and you have people who were standing in front of our Legislature with an income of \$60,000, \$80,000, \$90,000, \$100,000 and they are placarding, we need more money. The head of one of the departments at the University of Manitoba, who is making \$98,000 a year, is standing up at the front of the steps saying that we need more money. It is absolutely hypocritical. Those same people are then sending their children to the university at no cost for education, no cost for tuition and saying that the fees are going up too much. How can they do that and sleep at night and be sincere?

Madam Deputy Speaker, it is incredible how some of these people feel that the government just has a big well underneath this building here some place and the money just keeps flowing out. There

is only one pocket. It is a pocket that is running out of money. It has a pocket that our credit cards are at the end of our limit and we are paying on the interest.

We have to get the house in order. We have to turn our corner. Manitoba is a strong place. It has the biggest and the best asset of any province in Canada, and that is our people. The reliance and the forthcoming of our people are what is going to make this province turn.

I think and I believe that there is an understanding that our house has to become in order. Our Finance minister has put us on the first leg of it. It is going to be tough. There were tough decisions, but I believe that the direction that we are taking and the emphasis that our minister has put forth are going to make a difference and we are going to make it through this time.

Madam Deputy Speaker, I would like to conclude by saying that Manitoba is a strong province. We have the competence, we have the people who are going to make it happen, and we have a government that is committed to work with the people, for the people, and I believe my constituency of Niakwa will understand that.

Thank you very much, Madam Deputy Speaker.

Mr. Jim Maloway (Elmwood): Madam Deputy Speaker, I am very pleased to take a few minutes this afternoon to address the Budget Debate. I thank you for giving us the time.

I listened with some interest to the address by the member who just spoke, the member for Niakwa (Mr. Reimer), and while I did not hear all of his comments, I did pick up and make notes on some of them. I did want to certainly address a few of his comments directly.

Nevertheless, the member for Niakwa sent out a letter to his constituents and he is obviously pleased that I have a copy here. I notice though that the member for Niakwa neglected to put his picture on the leaflet, and no doubt he is worried that perhaps it might be a very popular dartboard given what his constituents have seen via the budget.

The member also, I note, in this 8-1/2 by 11 double-sided sheet had the printing done in rather small print. I do not know of very many people who would be interested in reading something of such small print.

So, Madam Deputy Speaker, he does make reference in this leaflet that he sent out to Manitoba

being an unstable, debt-ridden province. What we can see here is the Conservative propaganda machine, this government's propaganda machine trying to sugar coat as many of the rough edges and unpopular measures that we find in this budget. I do not give the member high marks for this particular piece because it is not as slick as I would expect from a Conservative but, perhaps, there is some method to the way this particular document was drawn up.

Madam Deputy Speaker, I want to talk about how the Conservatives have dealt with public relations over a number of years. I recall in this House a number of years ago, as a matter of fact, the Duff Roblin government employed a system to determine the popularity of certain government programs and tested them against the popularity of the government in certain swing constituencies.

I rushed down to my office while the member previously was making a speech in an attempt to find him a copy of that old document called, I believe it was, project working papers. The Conservative government in the old days prior to 1969 had a very deliberate, organized, orchestrated method of determining government programs and their effect, negative or positive, on their target seats. Perhaps by the time I next rise to make a speech in this House I will have located the documents for the members opposite and they will see. Perhaps when they leave office in the next two years, we will find similar documents to the project working papers of 1969. I think that this government has done nothing more than just dusted off the old project working papers and, in fact, is following those old guidelines to the letter.

I believe, Madam Deputy Speaker, that this government focus tests all its initiatives. I believe it polls constantly; I believe that this is, in fact, a government by polls. With that in mind, it seems to me that this particular government is a government more of popularity polls and focus groups than it is in terms of—it is more interested in the Bill Davis type of Toryism, the staying in power at all costs than any previous Conservative government I have seen in this province.

Madam Deputy Speaker, that may work for a while. It has been a proven way for the Conservatives to operate in other jurisdictions. It has worked well for them over the years but, in the end, people wiser up to it and in the end it will not work for them.

Now I come to the total hypocrisy of Conservatives when it comes to deficits. When we were in government the Conservatives in opposition would constantly demand—one Conservative member would stand up and make a speech demanding that this road be paved, that bridge be built, that money be spent in his or her constituency, another Conservative would stand up and make a similar type speech, and then their Leader would stand and make a speech about reducing the deficit.

The one thing that Conservatives nationally and in provincial governments have been doing and making a case for over the years is that somehow they are better on deficits. For some reason they have people that actually believe that. I think that if we look at Conservative governments nationally and across the provinces, provincially we find that the Conservatives have in fact a terrible record when it comes to dealing with the provincial deficit.

In fact, I think, to address the member for Niakwa (Mr. Reimer) more directly, debts are not peculiar to the Conservatives and they are not peculiar to NDP or Liberals or Socreds or any other kind of government. I think it is as much a generational problem as anything.

I can recall in the 1950s people of all stripes tended to, and I think if you probably could take yourself back to the 1950s in this very House, you would probably find that members from all sides would be more inclined to be opposed to debt. As a matter of fact, there was not the availability of credits in those days that there is right now, and I can see members in those days being very much more concerned and actually practising bringing in balanced budgets.

* (1510)

In fact, you saw the NDP under Ed Schreyer and the NDP under Allan Blakeney and the CCF before that and the Socreds under old wacky Bennett in B.C. along with Conservatives and Liberals who used to bring in balanced and surplus budgets in those old days.

As the '50s passed and consumer credit became much more available and people became comfortable with debt, and that is the key, when people started to become comfortable with debt and became used to taking out mortgages on houses and taking out credit cards and so on, they over the years became more comfortable with debt, and so what we find is that it transcends all political parties, Madam Deputy Speaker.

I submit to you that the people who grew up in the '50s and '60s are now members of this House, and they in their own personal lives conduct business much the same way that the government does. There is not that fear of debt that there was in the old days. So the result is that we have run up, collectively, as politicians, substantial debts over the years.

The hypocrisy of the Conservatives, however, is that at least with the Liberals, and there is a Liberal here, so I do not want to leave the Liberals out of this, but at least the Liberals do not make any pretext about reducing the debt. You do not find them discussing the debt too much, and we in our party, in the NDP, historically, have not paid a lot of attention to addressing the debt kind of question.

The Conservatives, on the other hand, have prided themselves in being able to address the deficit. In fact, they have credibility on that issue, and people believe them on that issue, but what they produce is anything but action on the deficit. It just does not happen.

Now, Madam Deputy Speaker, any action, however, that they do take toward reducing the deficit, in fact, is designed in such a way that the richer people in society, the richer groups, the richer organizations and companies in society, pay less as a percentage than poor people.

Of course, the Conservatives will argue, well, there are fewer rich people and, also, rich people tend to be able to be mobile and leave the country and go to Florida. I believe the member for Rossmere (Mr. Neufeld) talked about, that if the rich get taxed too much, they will simply relocate in Florida. He made some statement to that effect in his speech the other day.

So the Conservatives, not only do they do very little about a deficit—you look at the Lyon government when it was in power. It left government leaving a bigger deficit than when it started. But not only do they not do anything about the deficit while they are in government, when they claim they are going to do something about it, but in actual fact, when they make any kind of taxation changes, changes within the taxation system, the effects of their measures negatively impact more on the poorer people.

So it is fairly obvious to me that when this budget was crafted, when it was designed, it was done fundamentally on the same basis of the old program. The old Treasury Branch papers of 1969 looked at

government programs. It was done with the view to make certain that the groups that were hurt were not the target Conservative voters.

I believe that the Conservatives know who their target vote is. They certainly do not want to alienate their target vote, and they have looked and weighed each of the tax measures in this budget with a view to not alienate those target voters. From a political point of view, that makes sense, but people in this province have to recognize that this is, in fact, the case.

What the Conservative government, at their peril, must recognize is that there are more poor people in the province than there are rich people in the province. So if we are successful, and I think we will be successful in communicating to people the devastating effect, the negative effects of this particular budget on each target group, if we are able to communicate to those people how this budget negatively affects them, then I believe we will be the political winners out of this fight. I think it is only a matter of time before we are able to get to the people to explain how the budget negatively affects them.

Now, if the Conservatives were concerned about proper and fair taxation in this province, I would have thought they would be looking at some type of a tax that we see in a good number of the OECD countries in Europe. I believe it is 14 out of 22. So countries of the OECD have what is known as a net-wealth tax, and before people get too scared about that concept and get too excited about it, let me explain what the net-wealth tax is all about.

What we would find if the government had a net-wealth tax in Manitoba would be more than likely a scenario whereby we would have a reduction in sales tax by a point, we might have a reduction in income tax by a point, and we might have, as a tradeoff, a 3 percent net-wealth tax. But Bob Kozminski and other people who support the Conservative Party, Terry Stratton and other big Conservatives, would not be too supportive of a net-wealth tax. I would like to submit to you that (a) they would get used to it, and (b) I do not think it would be that detrimental to their overall financial health. Think for a moment, if you were to have a net-wealth tax in this province, say, a phased-in net-wealth tax, perhaps 3 percent as a base and going up to 4 or 5 percent based on income, that in fact would be a progressive tax.

I hear people talking in the Legislature here about progressive tax, and in fact some people—one of the

Liberals the other day was talking about income tax being more progressive than sales tax, and that is true to the member for St. Boniface (Mr. Gaudry). It is a true statement to say that income taxes are regressive, they hurt the poor more than the rich, and that a progressive income tax is more equitable. In actual fact, what is even more equitable than an income tax is a net-wealth tax. In fact, one could argue from the standpoint of a net-wealth tax that even income tax is regressive, because let us look at where people's wealth comes from.

What we have seen in this country, particularly since 1977, are the federal government and the provincial governments phasing themselves out of succession duties. I recall in Wolseley in 1977 during the election, people on Langside Street, one particular fellow on social assistance telling me that he was going to vote for Sterling Lyon and the Conservatives. I asked him why he was going to vote for Sterling Lyon and the Conservatives, and he said, well, that Sterling Lyon was going to take away succession duties. Here was a guy concerned about the succession duty question and he was on social assistance. The Conservatives were able to sell that whole concept of trickle-down economics and that you can buy a lottery ticket and become a multimillionaire—the dream merchants of the Conservative Party selling the chance on a million dollars, and they were able to bamboozle enough people during that election to buy themselves one term, but people caught on to them afterward.

The fact of the matter is that the governments phased themselves out of succession duties—I am finding it very difficult to hear myself over the Minister of Labour (Mr. Praznik, my friend the Minister of Labour, and, normally, Madam Deputy Speaker, that would not be a problem, but today I have a sore throat and a cold and I am having a difficult time getting fired up here.

So, Madam Deputy Speaker, I do not want to leave the succession duty question yet, because what we saw is the governments in Canada phasing out of succession duties at a time when we are into an era where unprecedented wealth is going to pass on untaxed to a new generation within the next 10 or 15 years. We have an enormous amount of wealth that is in the hands of retired people at this point that is going to pass to their heirs within the next 10 or 20 years and, unless governments revisit the whole area of succession duties and estate

taxes, that wealth is going to pass to the new generation untaxed.

* (1520)

Madam Deputy Speaker, that simply further accentuates the disparities in society. We have a federal government just recently that buried in an omnibus tax bill in Ottawa a sneaky little provision that allows family trusts, Tory family trusts which have been untaxed now for 20 years and, in fact, were supposed to spring free at the 20-year mark, which is now, and were going to be subject to taxes, and what these big trusts did was get to the federal Conservative government. They managed to convince them to bury this tax measure in an omnibus tax bill and it is the law today. Those laws are now in effect and those family trusts holding billions of dollars are going to continue now for some unspecified time. I am not sure whether it is yet another 20 years or whether there is a time limit on it or not, but the point is that they will continue untaxed now for a length of time to come.

Madam Deputy Speaker, when people ask about where the money for deficit reduction should come, there are a few places for the government to start looking. The federal government, rather than ordering new helicopters, should have been looking at taxing those family trusts, having them pay just a little bit of tax which they have not been paying for 20 years. These trusts, the assets have been building and compounding over 20 years and they are going to remain untaxed.

Now, what would be wrong with taxing these trusts a miserable 1 percent or 2 percent or 3 percent? Why would the trusts have a problem with that concept? Obviously they did, because they went to the people whose bills they pay at elections, whose campaigns they pay for, they went to those people and they caused them to change these rules.

I am waiting for the day when the news media are going to pin Kim Campbell down on where she stands and how she voted on the questions of the trusts.

Another area that the government has to revisit at some point in time will be the succession duties, and I know the provinces will say individually they cannot do anything but, as a collective, they are going to have to revisit that and, once again, that is a major, major source of revenue that is untapped, that will be coming on stream over the next 10 or 20 years, and the governments, I predict, will be forced, no

matter what stripe they are, to look at bringing back some kind of succession duties.

Madam Deputy Speaker, another area where the government may have to look at taxation on will be lottery winnings. In the United States, I believe, that if you have a big winning in Las Vegas—I have never been to Las Vegas, and I really do not plan to go—but if you go to Las Vegas or Mahnomon or wherever you go these days and gamble away your money, and if you are successful and able to win money in Las Vegas, the Americans have a tax on lottery winnings. Canada has no such tax. Given that we seem to be headed headlong into full-fledged gambling in this province and across this country, it seems to me that is the only growth industry in town other than perhaps shares in Teemu Selanne. Other than Teemu's stock at the present time, I think the only other growth industry seems to be the lottery area.

The government will probably, at some point, have to look at perhaps increasing or bringing in some kind of a tax on lottery winnings. It was not a major problem to tax lottery winnings when we were only dealing with perhaps one lottery in one province, Madam Deputy Speaker. But, as the dream merchants across the way prevail—and that is what they are is dream merchants, because lotteries are nothing more than a tax on the poor—as they prevail in their proliferation of the one-armed bandits and the VLTs back-to-back across this province, then it seems to me that this whole area of taxing back a chunk of the lottery winnings is something that they are going to have to look at.

I do not hold out a lot of hope that a government that operates by polls the way this government does is going to take any measures such as this. Once again, one only has to look at recent activities of the Motor Dealers Association to see how pliable this group over here is. I sat down with the Motor Dealers Association, I think it was in January, and they laid down their short-term plan. Now why they came to me for advice, I do not know, but they obviously were not getting anywhere—they do not get anywhere with this government. At least, they did not last year with their safety legislation.

They fooled the motor dealers into believing somehow that they could pawn it off on one of their backbenchers, and then he got locked in his trunk and the whole thing went down the drain on the last couple of days. They came out of there shaking their heads over this one, right, because they

thought they had elected their government, that it all came home for them. Talk about dream merchants and winning the lottery, when the Conservatives won the big lottery back in 1990, the motor dealers thought bingo, they had hit the jackpot. They had pulled the slot and three cherries had shown up.

So, Madam Deputy Speaker, when they came to collect their winnings, they found out that this government was not as enthusiastic about giving them what they wanted—and not that they were not enthusiastic about it, they had to find a way to do it. Well, the Conservative caucus was split on the issue of the safety checks, and they still are. So they put off the motor dealers for a couple of years, and finally they created a diversion. They got the member for St. Norbert (Mr. Laurendeau) to bring this thing in as a private member's bill when they have a majority government, when they should be taking action on their own, they get him to do it to fool the motor dealers.

Well, the motor dealers smartened up and realized that that was a diversion, so they got back on track. I think that basically big Bob may have threatened to take the T'bird away or they threatened to quit making contributions to the Conservative re-election effort.

Whatever they did, they got the government's attention, because, bingo in the budget, what do we see? We see one of the measures that they were telling me, one of the three measures that they were demanding from this government.

What was that? They want the public to pay a market value on private auto sales. They are very disturbed that 70 percent of the people in Manitoba are buying cars privately and by-passing the dealers. They are concerned that people are perhaps falsifying bills of sale and perhaps paying less sales tax on the sales than they should, and they have determined—how they determined it is a \$6 million tax loss I do not know but, nevertheless, they say it is.

The problem that they are running into, and I do not say that this is a particularly bad idea. I mean, something probably should have been done about this area and it probably was time to do it, but it is interesting, Madam Deputy Speaker, as to the timing and why they did it. They did it because the motor dealers told them to. That is why they did it. There is no question about that.

Of course, now what we are going to have is, we are going to see people now paying tax in many

cases on a higher value than they actually paid for the car. So you are going to find the tax department is actually going to be now inundated with a lot of calls come August 1 from people who actually bought the car that they are driving for \$100 to \$200 because it was a beater, and the book says that it is a \$500 car.

To keep the motor dealers happy, tax will be collected now on a higher value than people paid for their car. So in an effort to correct one inequity in the system, the government has inadvertently walked holus-bolus into another problem.

* (1530)

Nevertheless, given this government's reliance on its apple polishers and its media people and whatnot, they no doubt will have Barbara Biggar and the other apple polishers out there putting the best spin on this initiative that they have done to try to collect money on the sale of—tax.

Now, of course, they have yet to deliver on the complete package to the car dealers, and perhaps they are involved in a slow dance here with the Motor Dealers Association. They do not want to give them too much at one time because they do not want them to lose interest. So they give them a little bit now and kind of keep them on track, eh. Collect all those cheques for the next election and, you know, get by the next election and give them a few more scraps and keep them happy.

Madam Deputy Speaker, the picture is clear though. Fundamentally, they act in lock step with the interests of the business community and those that they hang around with and they talk with.

I cannot leave the Liberals out here because, while they are dispirited and they are diminished in their number, they have recently taken on a vastly depreciated asset from our party in the hopes of increasing their federal profile. That is not going to help them too much. They are out there trying to sort of negotiate for talent I guess. They maybe have some kind of Liberal board of directors out there trying to sort of hustle a few more people on board, eh.

The member for St. James (Mr. Edwards), the leader apparent here, said about three months ago that he was not interested in the leadership, right? Then all of a sudden, he changed his mind. He came back in.

I remember that this was at a time when Jean Chretien still had a chance at becoming Prime

Minister, and they were still appointing judges, so they had a potential to appoint judges and senators. As that becomes a fading memory now, I do not know, I think the member for St. James might want to reconsider and throw his support to the member for St. Boniface (Mr. Gaudry).

The member for St. Boniface told me last week that one of the reasons he sent out a press release saying that he had decided not to run for the leadership—and he told me in the hall it was because I had withdrawn my support for his leadership bid. I am very disappointed. I want to let him know that I am firmly behind him. I want to see him in the race.

I want to let the member for St. James (Mr. Edwards) get off the hook here. I want to let him off the hook so he can get back to his lucrative law practice. I do not want to see him in poverty for the next so many years that he is the Liberal Leader, because while he is waiting for that judgeship that may never come—he may never see that judgeship because the way the Liberals are going right now—[interjection]

Madam Deputy Speaker, the Minister of Health (Mr. Orchard) is growling again. It is obviously past his mealtime, or he has been let out once again without his muzzle and his leash. I keep telling him he should not go out in public without them, but it never seems to stop him. He just—I rest for a minute.

Madam Deputy Speaker, I thought I was going to have some trouble filling my 40 minutes today, because I have a sore throat and a cold. The time has gone so fast.

Madam Deputy Speaker, now that I have dealt with the car dealers and their lobby with the Conservatives, I wanted to also make reference to the whole question here—the member for Niakwa (Mr. Reimer) made a reference. He is paying attention now, and I thank him for that.

The member for Niakwa was talking about some union bosses making \$80,000 or \$90,000 or \$100,000 a year. I do not know what that was all about, because I could not hear him. I do not know any union bosses who make \$80,000, \$90,000 or \$100,000 a year. I do not know where he gets this erroneous information.

I guess that is the way the member opposite would attempt to discredit people who put in long, long hours and work weekends and so on, working for the interests of their members for years and years. That is his attitude and approach to them. I find that is not helpful, Madam Deputy Speaker.

I wanted to deal for a moment with the issue of Sunday shopping and how the government has dealt with that. That is another major gutless issue.

The member for Lakeside (Mr. Enns), you know, he has had a history in the Conservative Party a bit more admirable than some of the others over there. I remember him standing up and voting against his own opposition party over the takeover of the gas company, because he wanted gas, rightly so, wanted the gas pipes extended out into his constituency.

I do not know where he stood, Madam Deputy Speaker, on the question of Sunday shopping. I would have suspected that he must have rolled his eyes at the way the government handled that question, to bring in a bill and then offer to have public hearings and then actually having no intention whatsoever of going into the public hearings field and then to allow the whole experiment—the bill to become redundant, essentially.

They wait until the Sunday shopping experiment period is over so they can test the air. Then what do they do? They throw it off to the civic government who are really not overly thrilled about the idea of having to deal with this issue, because they are not prepared to do it. They are, obviously, feeling the heat. I sent out a number of survey questionnaires in my constituency over the last few months, and I certainly got an overall negative reaction to the Sunday shopping issue.

I can tell you, Madam Deputy Speaker, that the Liberals—I hate to get back at the Liberals again, but I cannot resist—the Liberal Leader, and deal with the Liberals and Sunday shopping, talk about a messed up, mixed up group of confused people over there. The member for River Heights (Mrs. Carstairs), their Leader, decides to support the legislation. The member for St. Boniface (Mr. Gaudry), I do not know where he was actually, but he—[interjection] He abstained and then he did a survey of his constituents. When the constituents came out against it, he decided he was going to support the Sunday shopping question. The member for The Maples (Mr. Cheema), he had a third option that he was advocating. He was suggesting Sunday shopping at Christmastime.

So it is hard to read the Liberal players without a score card here. [interjection] Well, to answer the member for St. Boniface, at least the NDP has been consistent. The NDP is consistent in its positions

and its views on the question of Sunday shopping. There is a dissipated, disarrayed group over there trying to find an issue, trying to find any issue to grab onto, to claw onto. They are so split.

I predict, Madam Deputy Speaker, without any kind of moorings, without any kind of solid philosophical position anywhere, that we are going to see the end of the Liberal Party. I think after the next election, in another year from now we are going to be back down to a two-party system. It is going to be back to the good old days with them over here and us over there and the Liberals out on the sidewalk out there operating hot dog vendor carts and as judges.

I think the Liberals are in an absolute mess. I think their polls show them that, that they are in an absolute mess. I do not think if there was an election today that the Liberals would have a chance to pick up any seats unless it is one or two Conservative seats, optimistically, certainly nothing out of the city of Winnipeg. So I can see the wisdom that the member for St. Boniface has shown us in his decision not to run. I would have thought that his decision would have been based more on the fact that they are going nowhere and so he at least wants to save what he has, Madam Deputy Speaker.

So, Madam Deputy Speaker, it is once again with a very heavy heart that I conclude my speech and turn the floor over to I believe the member for St. James (Mr. Edwards). I was hoping, in fact, to be following the member for St. James, but it is the luck of the draw I suppose.

* (1540)

Mr. Paul Edwards (St. James): Madam Deputy Speaker, it gives me great pleasure to rise and speak to this, the Filmon government's sixth budget. I want to start by saying that I think this is the budget worthy of more comment than any past budget that this government has brought down, because I believe that we have now clearly reached the stage where the government more than any other time in its term has to account for its priorities in spending and the way it is raising revenue in this province and the way that it is handling the economy of this province.

Madam Deputy Speaker, I think this is the most important budget in the tenure of this government for all members to consider carefully and speak on.

Now, I think that the government believes at this point that it has had somewhat of a coup in this budget that, well, we had 1,500 or 2,000 people show up at the Legislature, but they were all union members anyway, and the polls suggest that the public supports the thrust of the budget. So I think that they think they are safe, but what we in the Legislature know and see, which perhaps not many other Manitobans do, is the thrust of this budget in terms of whom it is going after to deal with the fiscal restraint which is necessary, not just in this province, but all over this country and indeed throughout the western world.

The truth is that when you scratch the surface of the budget, you see an agenda that is dedicated to solving the financial woes of this government on the backs of those who can least afford to pay. That is the bottom line, Madam Deputy Speaker, and for that, I believe that in time, maybe not this week, maybe not next week, but in time, this government will pay the price. That is my hope, of course.

What I know for certain is that in the short term, today and tomorrow, the people of this province will pay the price whether or not they understand completely that it is the work of their government, not necessarily and not wholly the work of forces outside of this province, as the Minister of Finance (Mr. Manness) leads us to believe, but it is the agenda of this government which is pressing them every day in their attempts to live decent lives and provide for themselves and their families.

Madam Deputy Speaker, I start with that comment and that premise that the government does, of course, have fiscal reality to deal with, something which the New Democratic Party never really concerned itself with. This government is correct and has tapped the public sentiment in favour of fiscal responsibility. However, the way they are doing it and the priorities that they are setting are regressive, not progressive, and far from being fair, as the Premier (Mr. Filmon) and the Minister of Finance have both said. It is my belief and it is my opinion, having reviewed these budget documents, that it is grossly unfair.

Madam Deputy Speaker, let me start with the fiscal reality that this government finds itself in. I think it is important that members understand the history of deficits in this province. I looked back briefly, only to 1970. I did not go further back beyond that, and I think I could have. But what I see is that in those years between then and now, there

have been 17 deficits. I do not have the statistics in front of me, but I am led to believe that you can go further back than that, and you will not find the governments of this province running deficits.

Out of those 20 or 30 years, you find 17 years that have deficits. Of course, we now have a prediction for an 18th year of deficit, for the coming year, of \$379 million. The very disturbing fact is not so much the number. If we had a few years of surplus and a few years of deficit, as Mr. Keynes suggested so many years ago that we would have if governments properly financed public works during recessionary times and then paid it back in the good times, if that had ever happened, it might not be so bad that we had 17 or 18 years in a row of deficit financing.

The problem is that it is 17 years, and going to be 18 years, in a row. That is the problem. Prior to that, we did not have those deficits occurring, Madam Deputy Speaker, except in times of insurgence and emergency, the Second World War, for instance. This, I think, tells us that the government of the day, going back to 1976, in which the first deficit in this province occurred in recent history and has continued since that time, that the governments since then have been on a track that they cannot get off.

Now they are not unique, and I do not suggest that they are. And the problems they face are not unique. Every province in this country, I suspect, will have a roughly equivalent history. Indeed, the federal government has almost the same history. So it has been a pattern of conduct in governments. The United States has a level of debt in the last 20 years, and other western countries.

But we are in Manitoba. We are elected as representatives in this province, and it is our duty and our obligation to focus on what we can do in this province. We cannot say, well, the rest of the world cannot solve this so we will never solve it.

We have to come up with some solutions to deal with this problem. Why? Because I believe that most Manitobans understand that social responsibility and fiscal responsibility are not opposites. They are one and the same thing.

Proof of that is today's comment from the Minister of Finance (Mr. Manness) which is correct, and I believe if anything a little low, that 10 percent of revenue is being spent to finance the debt in interest payments. I think it is 11. But what we know for sure is that next year it is going to be a percentage point higher because \$562 million is being added to

the deficit which interest on that will equate to roughly 1 percent of revenue.

So next year it will be 12 percent of revenue that is having to be spent on interest going to people in Tokyo and New York and all over this world to pay for interest on a debt.

Madam Deputy Speaker, I want to suggest that money which was spent for very good reason in the last 18 years in many, many cases—sometimes not, sometimes it was squandered—but most of the time all three of these parties would have defended the expense to pay for social programs, to pay for education, to pay for health care, to pay for these things.

It is not so much the expense that is made today which has to be criticized, it is the fact that the public is not asked to raise sufficient money to pay for those things today and are instead told, you can pay for it tomorrow.

What that does is it takes programs, it takes the things we will want to spend, out of the mouths of future generations. You are paying for people who are born today, who are living and who have needs today, which of course is defensible, and I agree with, but you are doing it at the expense of people whom you will want to spend money on tomorrow.

So, I do not think it is socially responsible to run consistently 18 years in a row, a deficit. If we had been in an 18-year depression you might defend it as necessary and things have got to get better. But let us look at the statistics.

1976, was the first year of deficit. That was the last year of the Schreyer administration. He balanced the budget, or had a surplus in every year of his tenure except the last. That is an interesting point because it shows the stark departure for the NDP between Mr. Pawley's administration and Mr. Schreyer's. I am going to get to that in a minute.

But the truth is, 1976 to 1977, revenue decreased—[interjection]

The Minister of Health (Mr. Orchard) has just indicated that the first deficit was in 1972. In 1972 there was a surplus of \$2,800,000; in 1973 there was a surplus of \$938,000. Madam Deputy Speaker, those are the facts. The Schreyer administration was, relatively speaking, in comparing it to future administrations, fairly responsible.

Since then, there was one year of decreased revenue between '76 and '77. Since then, since

1977, every year revenue has increased, so it is not as if we had dramatic declines in revenue which then led us to necessarily deficit finance. We had increases in revenue every year, obviously not enough because deficits have been run every year.

* (1550)

Sterling Lyon, as the Leader of the Opposition (Mr. Doer) said in his speech, left in 1981 roughly a \$350-million deficit. That was in his four-year tenure. So much for the fiscal responsibility of the Conservative government.

When he left in 1981, between 1981 and 1988 when Mr. Pawley was the Premier—and we have before us in the opposition party so many of the participants in that administration, one of them the speaker who spoke just before me, but the whole front bench is made up of cabinet ministers from that regime. Let us look at what happened between 1982 and 1988. Madam Deputy Speaker, you will find that the revenue growth in particular between 1984 and 1988 was unprecedented. The revenue growth was there. Let us look at the deficits: 1984, \$857 million; 1985, \$774 million; 1986, \$805 million; 1987, \$559 million and in 1988, \$306 million. The biggest deficits in the history of the province occurred in the years in which this province was ostensibly doing the best it had ever done. That, I think more than anything else, shows the incredible irresponsibility of the Pawley administration.

There is simply no excuse for that type of mismanagement. No matter what the rest of the world was doing, we are looking at Manitoba, we are looking at the former administration. The complaint of the Conservative government today about the fiscal irresponsibility of the former NDP administration hits the mark. There is no way around that for the inheritors of the New Democratic Party who sit before us today. They are the ones who put us unequivocally on that road to debt, Madam Deputy Speaker, which future generations will inherit. Before we spend a cent on a book in a school, before we spend a cent paying for a nurse, before we build a mile of highway for decades to come, we will be paying that debt. That is their legacy.

Madam Deputy Speaker, if you move to the Crown corporations where there is the Workers Compensation Board, the Manitoba Public Insurance Corporation or many, many others—Manitoba Telephone System—you will find

that legacy of mismanagement is repeated again and again all the way down the line.

Lest we stop in 1988, let us move forward since then. Madam Deputy Speaker, 1988 to 1989 was the biggest revenue increase in the history of the province due to Mr. Kostyra's tax grab. Some \$850 million in new revenue came into the coffers because of the many, many taxes that he put in place. That \$850 million in increased revenue resulted in what should have been a \$34-million surplus for the government, but did they do that? Did they make a payment on the debt? No, they set up the Tory slush fund, also known as the Fiscal Stabilization Fund, Madam Deputy Speaker. They did that so that for the next five years, which they have done, they could have press conferences with nice charts that showed a graph going down, and they could show and say, we are decreasing the deficit. Why? Not because they were doing anything to control costs. Not because they had any new ideas. Not because we were even retaining the wealth in this province, let alone increasing it. None of those reasons. They were abysmal failures at all of those. The reason was that they benefited from Mr. Kostyra's tax grab, and they had that money and they paid down to make the graph look like it was the right slant.

Now that brings me back to why this is an important budget, because this spells the end of the Tory slush fund, Madam Deputy Speaker. I think all Manitobans who want to keep an eye on the real progress of government in this province should be thankful that fund does no longer exist to mask the reality of what is going on with the government and the government's problems.

Madam Deputy Speaker, what galls me, and I guess all people who do not ascribe to the Conservative government and Mr. Filmon's government, is that this party stands up still today—and always has—and tells Manitobans that they know how to manage the economy. They are the party of business. They know how to do things. They say, trust us with your money. Socially, they have never particularly claimed, and nobody has really accepted, that they had much responsibility, but fiscally they get away with it. That is a great mystery to me, and it is a job for us. We have a job to do to expose this, because we have to shake that sense, because it is just not true.

The fact is, not only did they set up the fiscal slush fund in 1988, but since then, despite that, they have

still run substantial deficits, culminating in a deficit this year of \$562 million, in reality \$762 million. [interjection] Maybe \$862 million, we are not sure.

Madam Deputy Speaker, let us—[interjection] Harold, that is right. The member for Rossmere (Mr. Neufeld) did put on the record that there was another \$100 million which he felt was missing. I am prepared to accept his statement on that, because whatever you say about the member for Rossmere, he generally calls it like it is when it comes to fiscal matters. I think he is probably one of the few, if not the only member on the other side of the bench, who can read a balance sheet, and knows when monies are being shifted for political purposes and when they are not. So I trust him on this.

We are dealing with a deficit, in his opinion, of \$862 million. Now that is the largest deficit in the history of the province. That is the largest. The next biggest was \$857 million in 1984. That is the biggest deficit in the history of the province, rung up by whom? By the so-called money managers across the way here, by Mr. Filmon and the Conservative government, Madam Deputy Speaker—\$862 million. That is only with expenditures of \$5.5 billion. They are running a 17, 18 percent overrun in expenditures. This is fiscal responsibility? Heaven help us if this is fiscal responsibility.

The truth is, this government has absolutely no idea, except for the traditional hack-and-slash means of dealing with it. They are stuck in this mind-set that says, you either hack and slash programs to save money or you have to increase taxes. That is the balance that they play all the time. Those are the only two options they put forward.

Frankly, it is the only two options put forward by the NDP. These two parties thrive on that dialectic. You are cutting too much. You want to raise taxes? That is the dialectic. Manitobans, they think, are so unsophisticated that they just look at that and say, okay, that is my choice—higher taxes, lower services. That is what they think. These two parties, over the decades, have told them that those are the only options.

* (1600)

The truth is, Madam Deputy Speaker, there is a third option, and both of these other two parties have been abysmal failures in the last 20 years in doing anything to deal with the third option. The third option would be to even retain, let alone increase, the taxable wealth in the province. You do not have

to cut programs and cut spending, nor do you have to increase taxes if you have a growing economy. If you have more people, more wealth, more businesses to tax, normally the economy should grow. They like to grow.

The problem with these two parties, to my right and to my left, is that they have both failed horribly and so tragically for Manitobans, and in particular young Manitobans, at achieving, even retaining, existing wealth in this province. Look at the record of the Filmon government on their biggest linchpin plans.

Conawapa was going to bring in billions and billions of dollars to this economy. This government was so desperate to get that infusion of capital and to get Conawapa going that they were willing to play politics with northerners, with the environment, with hydro development in this province as badly or worse as the New Democratic Party was with Limestone back in 1986.

They went out and cut a deal with Ontario Hydro to get this money into the province. They were desperate to see it go ahead, and if that meant going by the side of the environmental process, so be it. They were blindly going ahead because they needed that investment, just like the New Democratic Party had back in the mid-'80s when they sacrificed labour training for natives in the North, when they sacrificed prudent, financial management and went ahead with Limestone for one reason—to get the infusion of capital prior to the next election. So, Madam Deputy Speaker, Conawapa has failed.

What was the other linchpin of this government? Well, it was Repap. They were going to get—I believe in the neighbourhood of \$1 billion to \$2 billion of investment was going to come into The Pas and the Manitoba forestry industry. They were so desperate to get that they signed over cutting rights to 20 percent of the land mass of the province to a company, the Repap company from Montreal, traded on open stock exchanges. They traded that off in order to get that investment.

Now, Madam Deputy Speaker, without commenting on the wisdom of the actual deal with Repap, the fact is that too has failed. The plans of the Filmon government to do anything to increase taxable wealth in this province have failed.

It is interesting to hear the government—and the member for Lac du Bonnet (Mr. Praznik) today at the St. Boniface Chamber of Commerce waxed

eloquent about all the jobs coming to this province. Economic growth, is it not wonderful? The fact is that Manitoba's share of the national labour force has dropped by 23,000 jobs in the last five years. That is the tenure of the Filmon government.

The fact is that the jobs they say they are creating are the lowest paid in the economy. They are the service-sector jobs. They are not full time. They are part time. They are poorly paid. They do not come with benefits which feed families, pay mortgages, Madam Deputy Speaker. Those are the jobs that this government is creating. We are losing the institutional manufacturing industrial jobs which families can rely on to feed them, clothe them and give them a decent standard of living.

So when this government talks about job creation, we must always keep that in mind. What type of job are they creating? They are generally not creating it in the first place and they cannot take credit for it, but the jobs themselves that do come into the marketplace—[interjection] The fact is, there is another factor at work when it comes to talking about employment statistics, and that is the outmigration that this province is suffering from. So you have to keep that in mind when you are looking at the numbers of employed people. You have to look at the number of people who are leaving the province, because they do not see an economic future in this province.

In 1991, this province lost 7,663 people. In 1992, it will lose close to 5,000; 1990, 8,836 people. This is net. This is after immigration, Madam Deputy Speaker, has been taken into account. These are net losses: 1989, 8,910; 1988, 9,529. That is net loss. The tragedy about those numbers, more than anything else, is that the biggest group of people leaving this province are young people. It is the people under the age of 30, and many of them are very well educated. They have gone through our universities. I venture to say that every member of this House either is related to or knows personally young people in this province who become well educated and then they leave.

That is a very, very major tragedy. [interjection] I see the Minister of Natural Resources (Mr. Enns) indicating that this has always been a problem.

An Honourable Member: One of the great freedoms of being a Canadian.

Mr. Edwards: It is a great freedom to leave and no one is suggesting to the Minister of Natural Resources that anybody be actively restrained, but

the difficulty is that those people who are leaving, I believe, given the choice for an economic future in which they can reach their goals here in Manitoba, would stay. They want to stay but they feel they cannot. Why? Because they cannot get a job. Because they feel they do not have a future.

Madam Deputy Speaker, as the Minister of Natural Resources must know, if you lose a 25-year-old from this province with a future, with prospects, you lose a taxpayer for 35 years. You lose someone who is going to be paying more into the system than they are taking out for 35 years. If you lose a well-educated or an ambitious, entrepreneurial 25-year-old, you have lost an enormous amount, because you have lost—just in fiscal terms, leaving aside the social costs of losing those people and how they participate and enrich our community—an incredible amount of revenue. You lose 35 years of a contributing, tax-paying wage earner when you lose young people.

Madam Deputy Speaker, the Minister of Natural Resources (Mr. Enns) says, that has always been a problem, we have to let these people go if they want to go. That is not good enough. We have to provide an economic future for young people in this province because I know that, given the choice, they want to stay. I know that their parents want them to stay and they want to be able to provide a future in this province for those young people. That is a very human cost but also a very real financial cost to this government that that trend continues.

Madam Deputy Speaker, having outlined what I consider to be in my view the major negative factors affecting this government, which are that this government and the prior one have absolutely no idea how to handle the consistent deficit financing. [interjection] The Minister of Natural Resources says, everything is on schedule. I remember a prediction that the deficit this year would be, I believe, \$227 million. I remember them saying that. Well, it was \$862 million. That is not bad, and these are the guys and the ladies who are telling us that they are going to have a surplus in 1996. That is what they are telling us.

No Manitoban should be so gullible as to believe this government's predictions on anything. They only missed by about four times on the deficit this year, and every year at budget time they stand up and say, boy, next year is going to be better. They are all coming, all the people, all the investors, everybody is coming. It is going to be great. We

are going to grow. We are going to have good jobs. Everything is going to happen and coming up roses—and it never does. It has gotten worse every year, Madam Deputy Speaker, so much so that this year they have the biggest deficit in the history of the province.

* (1610)

Madam Deputy Speaker, having dealt with that, and the bankruptcy of new ideas that this government and the bankruptcy of new ideas that the New Democratic Party had or has, there is one overriding message that comes from these difficulties we face, which is that it is time for some new ideas. It is time for some new solutions to these problems. The assumptions that we have been functioning under and the tired policies and rhetoric of these other two parties do not work, have not worked, and will not work.

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

I want to talk about some of the things which I believe that the government should be doing, Mr. Acting Speaker, to really reach that goal in 1996 of a balanced budget and not hack and slash social programs. I agree the cutting was necessary in spending in the government. I agree with that. There is no question that there was a need to cut some programs and perhaps some positions. What I do not agree with is that is the only solution of the government, hack and slash.

An Honourable Member: Oh, you want more taxes. You want taxes, . . . higher taxes.

Mr. Edwards: There goes the Minister of Energy and Mines (Mr. Downey) saying it again; he plays the game. It is played out every day on this floor. It is the dialectic between cutting programs and more taxes. Has he ever had a thought about economic growth in the history of this province? If he has, it sure has not worked and he has not passed it on. This province is going further and further back in terms of our political and economic ranking in this country. They have no ideas for the increase of wealth in this province, to retain people in this province.

Mr. Acting Speaker, let us talk about some of the rhetoric of the Leader of the Opposition (Mr. Doer), because I actually agree with some of his rhetoric if you take it for what it is. He has the right lingo; that is for sure. Let me just quote in particular—this is Hansard for April 7, 1993—the Leader of the

Opposition. Here is his statement: "I believe that Manitobans need an alternative vision, . . ."—I agree with that—. . . 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 do not disagree with a word of that, Mr. Acting Speaker. The only thing that I cannot understand is how it ever came from the lips of the Leader of the Opposition. Alternative vision, vision of co-operation, vision of working together, partnership between business, labour and government—where were they when they were in power? Not one of those things was ever worked out on the floor of this Legislature when they had a majority. They talk about this government causing all kinds of strife, parents are fighting teachers, teachers are fighting school boards. Well, I remember, when the Pawley administration was in, we had some of the biggest fights in the history of this province. They were the party of division.

Mr. Acting Speaker, labour and business under the Pawley regime had the worst relationship in the history of the province. Ask anyone who had to participate in that forum. Well, ask Bernie Christophe. Now, they were happy because Mr. Pawley toed the line, gave him what he wanted. They were happy. But when the New Democrats are in power, they punish business. They punish business. When the Conservatives are in power, they punish labour.

Mr. Acting Speaker, is it not time that the pendulum stopped swinging and we got off of it and we said, we have the same goals, we have the same interest—a job, an economy where businesses can make a reasonable profit, because if they do not make a profit, they do not stay in business. That is something the New Democratic Party has never had a whiff of understanding, that business has to make money or they do not stay in business, or they go somewhere else.

Mr. Acting Speaker, conversely, what this government, the Filmon government, has never understood is that they need and should seek, in a co-operative fashion, to get the participation of labour.

Both sides are at fault. I have sat on committees in this Legislature and heard the same level of rhetoric from the Chamber of Commerce that I have heard from the Manitoba Federation of Labour. They are no better. They come to this House

playing out a political agenda. Why? Because they know that the Conservatives and the New Democrats will play right into it.

These two parties thrive on that division. Do not ever let them say that they want co-operation and participation. They do not. They thrive on that division. It defines them in terms of each other. They go to the electorate with it every election, and they play it out on this floor every day in order to divide Manitobans and pit them against each other so that they can define themselves politically come election time.

Now, Mr. Acting Speaker, it is time someone, some party, showed leadership and rose above that, but it can only be somebody and it can only be some party that has not previously sold its soul to one of the sides of the occasion.

The truth is that both of these other two parties come to this House with debts well entrenched to the sides of the business-labour equation. They come with debts well entrenched on the other divisions that we see worked out on the floor of this Legislature: rural, urban, north, south, aboriginal, nonaboriginal, poor, wealthy. Those are the divisions that these parties define themselves by.

Do they come in a true spirit of co-operation? They talk it. They talk the lingo. They talk co-operation, visions of partnerships. Mr. Acting Speaker, you have been around this House for a few years. None of that is what these parties are after. They are trying to define themselves, maintain their political constituency for the next election, maybe expand it a bit, but just hang on. The way they do that is to play to the divisions which exist. They talk about getting rid of them, but they do nothing but exacerbate them in the rhetoric and the policies that they bring to the floor of this Legislature.

It is time that somebody, some party, showed leadership and brought those parties together. I do not say it is going to be easy. Everybody is used to this game. It is very comforting to know who your enemy is because that helps you define yourself—well, I am not them. It is a wonderful thing for people. It makes it easy for them, and they can have nice shotgun responses to issues because they just listen to what the other side says, and then they say the opposite. It is easy. It is lazy.

What is difficult, what is the challenge in today's world is to move past that and to say, well, is it not time we understood we have the same goals—north, south, rural, urban, multicultural, nonmulticultural,

aboriginal, nonaboriginal, business, labour. We all have the same interests.

I have been in this House now for five years, and do you know what has occurred to me is that on the level of rhetoric, on the level of what we say we ascribe to—quality health care, quality education, a good social safety net—on that level there is not much to choose between these parties. We all have the same rhetoric about what we believe in.

But the reality is that we have now had 18 years in a row of deficit financing. We are losing the forest for the trees. It is not which bed or which schoolroom or these types of things. Those are important today. They will be reported in the Free Press tomorrow. That will happen. But it has been 18 years in a row of deficit financing.

Eighteen years from now are we still going to be having these debates? Are we still going to be saying the same things? I dare say if either of these two parties is in power, we will, because that is the reality, the way these parties define themselves. They define themselves as opposites because it is a wonderful thing.

Mr. Acting Speaker, I see you giving me the proverbial "T" with your hands. I am not sure what that means. Maybe I will ignore it. I notice my book is covering the red light.

Mr. Acting Speaker, let me conclude by saying that I remember in the 1990 election when the Leader of the Opposition said one day, I think, on TV: We will not have any new taxes for 10 years. That is what he said, the now Leader of the Opposition (Mr. Doer), and you know what, maybe he became the Leader of the Opposition by saying that. Maybe he did. Maybe that is political reality, but it was absolute hypocrisy on his part.

* (1620)

The Acting Speaker (Mr. Laurendeau): Order, please. The honourable member's time has expired.

Hon. Harry Enns (Minister of Natural Resources): It is always a privilege to rise in this Chamber and be able to participate in what certainly has become perhaps the most important debate that we conduct in this Chamber. I say that fully acknowledging the importance of the Throne Speech Debate in which we all participate which sets out the rough and the visionary goal posts that government strives to attain.

Certainly in these last number of years, the issue of budget, the budgetary question, the question of taxes, the question of deficits have become all-important, so perhaps even more important than in the past, the Budget Debate has assumed this role unto itself, although, Mr. Acting Speaker, there is hope.

(Mr. Speaker in the Chair)

When I listened to the member for St. James (Mr. Edwards), I must acknowledge, although I think I have not attempted to hide my favouring of my choice as to who will assume the leadership of that party but, in listening to the honourable member for St. James today, I want to come back and show that there is hope, that there is a quality in the member for St. James' contribution today on this budget speech that is akin to the wise words of a person of whom it is written in the very first book, Genesis, of our Scriptures, Joseph, on whom an entire economic theory was built, John Maynard Keynes, the Keynesian theory, and now, we have it from the member for St. James. There is a common thread linking them, and I will attempt to pull in those threads from what I heard today.

First, Mr. Speaker, I re-enter the debate with the ringing words of my colleague the Minister of Environment (Mr. Cummings) still fresh in my sound as we adjourned this debate last Thursday. He was hurling the accusation across to members opposite, as indeed all of us have. I have heard it from the First Minister (Mr. Filmon). I have heard it from certainly the Minister of Finance (Mr. Manness). I have it from the Minister of Family Services (Mr. Gilleshammer). Most of us on this side have hurled an accusation across to members opposite to the point that it is troubling me, and I wish to collectively apologize for all of them, because what we are doing, quite frankly, is not fair.

You see, Mr. Speaker, we have often countered the carping and the whining from the members opposite with, what is your alternative? We have heard it not once. We have heard it 50 times. What is your alternative? Well, to be fair to members opposite, we know deep down in our hearts, and we know that they know deep down in their hearts, there is no alternative. There simply is no alternative, and so I think we ought to acknowledge that and not make their job more difficult by constantly asking them for what their alternative is, because there is none. There is not an acceptable alternative.

[interjection] Well, the honourable member says he gave one. Indeed, he did.

You know, Mr. Speaker, I want to just spend a moment. The honourable member for Burrows (Mr. Martindale) in his contribution to the Budget Debate waxed eloquent by quoting Scripture to us, and I for one find it passing strange that we are so reluctant from time to time to quote from that book of guidance. I note in this week's national magazine of Canada, Maclean's, hardly a religious magazine—not the United Church Observer or something; it has been called our most popular secular magazine—which has as a featured article the, encouraging for me but I am sure somewhat surprising to some, fact that God and religion is very much alive, that 78 percent of Canadians acknowledge the Christian faith. That does not include if we add our Jewish friends, if we add our Muslim, Hindu and other peoples who believe in some form of a divine being. Obviously, there is a considerable belief among Canadians, as done by a very sophisticated poll.

Mr. Speaker, we politicians, we pay a great deal of attention to polls. There is a rumour that within my family, the national party, we are about to elect our next Leader because of what the polls tell us. Well, I could be wrong, but I am inclined to believe that influences, you know, decisions of import on a regular basis. I know that we make a lot of decisions as government, as members of the opposition, based on polls. It is strange, therefore, that we are so reluctant to acknowledge what 78 percent of Canadians acknowledge to be true, their belief in Christianity, their belief in the risen Christ. I think it is appropriate that on this Easter weekend we feel comfortable to talk and, from time to time, seek guidance in the books of both the Old and the New Testament that have served mankind so well over the years.

I come now to the point, because I did not have the opportunity to do my research as did the member for Burrows (Mr. Martindale) when he had the Bible at hand and could quote and read back the actual chapters. But I do recall that in the very first book of Scripture, Genesis, there was a wise man in the ancient land of Israel named Joseph who was called to the court to his king, to his leader, in the ancient land of Israel because the leader had been troubled with a dream. We could paraphrase that in our terms, like our Premier, our Leader, has been troubled with a dream and he calls on his economic

advisor, the Minister of Finance, who was Joseph then, to interpret the dream.

What was the dream? The dream was, Mr. Speaker, that this leader saw seven fat, healthy animals come forward and then followed by seven lean, mean-looking animals who devoured the seven fat animals. He saw seven healthy ears of corn spring out of the ground to be followed by seven lean and unnurtured ears of corn that devoured the fat ears of corn, and he called all his wise men around his court to have somebody explain to him the meaning of this dream. Nobody could explain to him except it was rumoured that there was this one Joseph that could come and explain the dream that this leader had.

Of course, most of you, I would like to think, are familiar with the story. The story was simply and correctly interpreted that there shall be seven good years, seven prosperous years, followed by seven bad years, and a prudent king, a prudent leader, a prudent government would set aside stores of grain, stores of food during those seven good years so that the people would not hunger during the seven lean years.

* (1630)

Well, that is from the very first book of Scriptures, from the earliest recordings of man. Really not that much different than John Maynard Keynes espoused in his Keynesian theory on modern democracy, modern governments that essentially said, in good years of economic growth, in years of good revenue growth for governments, governments should not just be providing those services to the people who are called upon for that day but they should set aside some for the lean years that might follow, and that is what Keynesian economic philosophy was about.

The trouble with Keynesian economic philosophy is what the honourable member for St. James (Mr. Edwards) alluded to just a little while ago. So we have from the very beginnings of recorded history of man, as recorded in the Book of Genesis, the Keynesian economic theory that really found its wherewithal in the post-Second World War economic period of our western democracies—to the member for St. James pointing out to us, and correctly so—what is wrong with what has happened in these last 17 or 18 years is that we have broken those rules, whether they are Joseph's, whether they are Keynesian, or our own, because we did

have seven or eight good years in between that period of 17 years of steady deficits.

An Honourable Member: You were here.

Mr. Enns: Yes, and we sat on the opposite side.

An Honourable Member: It was '78 when the deficits first started.

Mr. Enns: We sat on the opposite side. In '81 we were already into what was then talked about a very serious recession, in '80-81, and in '78 and '81 we were cleaning up the mess that we were inheriting which was not bad yet. The real trouble came in the six unbelievably good years of double digit revenue increases for the government, and yet we could not contain our deficit habits.

I mean, gentlemen, could we even envisage revenue growths of 12 percent or 14 percent or 15 percent? But that is what happened, and on top of that the deficits were piled on by the Pawley administration. The honourable member is correct, that what it has placed us in is the very difficult task that the first charge on the government expenditures is that unacceptable \$500-550 million interest charge which hires not a single nurse, pays not for a single hospital bed, paves not a single mile of highway, provides not a single training spot for a young person trying to upgrade his learning skills. That is the legacy we have left. We do our federal government a disservice when we do not acknowledge that, as difficult as it has been for them, they had much the same legacy left to them, in this instance, by a Liberal administration, but they have, and I wish to acknowledge this, brought at least their 12-month, their year-to-year spending, under control.

We are now in Ottawa spending 93 cents of every dollar that we are taking in as revenue, and we are beginning to apply it to the deficit, although the deficit keeps growing, regrettably. We are not in that position regrettably here in this province as yet, and in too many provinces, because, quite frankly, the choices are extremely difficult, as you point out to us virtually on a daily basis.

It is fairly easy when you single out a particular program which may be a relatively modest amount of money, but as our Minister of Finance (Mr. Manness) indicated on the day of the budget, it is the million dollars, it is the \$50,000, it is the \$30,000 that helped make him at least begin to address the problem and collectively put together a hundred-million-dollar reduction in overall

government spending for the first time, and I am sure the honourable members will not abuse themselves to not acknowledge that.

You know, we can fight about what should be done with respect to stimulus for economic development, what kind of particular economic development we should be after. There is no one magic formula. I happen to have a very strong belief that the future of this province in terms of economic growth is very much tied to the availability of water, that we could tremendously expand the opportunities of this province in an environmentally acceptable way, in a friendly way, to do those things that are natural to us in the further growth in our processing, in our food, diversification of our agricultural capacity, utilizing those things that we already have.

That is not to say that we should not travel the world, as indeed my Premier (Mr. Filmon) and the Minister of Industry, Trade and Technology (Mr. Stefanson) or the Minister of Finance (Mr. Manness) do from time to time. It is not to say that we should not be looking to bring the big ones to this province, but we do ourselves, in my humble judgment, a disservice if we do not do those things that governments really are meant to do.

That is to provide the climate, to provide the infrastructure that allows 101, 1,001, 10,001 individuals to make their own private decisions as to whether or not they want to build a business, whether or not they want to hire two, three, four, five or 10 people, and you do that in communities like Carman, Morden, Winkler, Portage, throughout this province. That is where our growth comes from. That is where our stability can come from.

In the portfolio that I happen to have some specific responsibility for, I have to know that the availability of water is an extremely important part of that function, and so my direction and my lobby, quite frankly, within my government is to ensure that we make available those supplies of water.

We have a plant providing 500, 600 quality jobs to people in rural Manitoba, providing french fries. They have just most recently got a contract to provide french fries to the McDonald's organization in Chicago which is half the size of the entire Canadian market, believe it or not. Now, the betting is in Chicago, the betting is in Idaho from whom we took the business away, that we cannot deliver the goods, that we cannot produce the potatoes, that we cannot do that.

Now, Mr. Speaker, we may not be able to do that, because we allow ourselves to be cowed, or are too timid about the responsible use and allocation of a renewable resource like water, of which we have plenty. We are using one-tenth of the resource now. We can provide thousands of more jobs. These are jobs paying \$15, \$16, \$17, \$18 an hour. These are jobs that could be available in much greater form if we have the political courage and the will to assure that we provide the basic infrastructure, water, roads, the kinds of services that local governments, towns, communities, are called upon to service this kind of an industry.

So, Mr. Speaker, we can argue the different approaches that governments ought to take, not to take, with respect to how we create a better employment situation, how we create a better economic opportunity in this province. But surely there is no serious argument that can be made by any members opposite that unless we bring spending under control, unless we undertake, commit ourselves to several years of spending less than we take in so that we at least make some inroads on the debt, then it is all for naught.

* (1640)

Mr. Speaker, there were different times when it was not that possible to make this argument, but it is so today. There was a time when this argument could be put in very partisan lines. Oh, it is the Liberals doing it wrong, it is the New Democrats doing it wrong, or it is the Conservatives doing it wrong. That argument does not hold water in Canada in the 1993 that we are in, because if the Liberals are doing it wrong or have it all right, then what are they doing in Newfoundland? And if the New Democrats have all the answers, then what are they doing in Ontario or Saskatchewan? Or if the Conservatives were doing it all right, what were their problems in Saskatchewan?

No, Mr. Speaker, it is not a partisan question. It is really, in the final analysis, a question of very basic economics. We are paying, paying, paying too much of our tax base, our resources, into an unproductive area, namely to faceless, financial gurus housed somewhere in Zurich, in London, in New York.

You know, one of the things I always like to remind my constituents, when I have an opportunity to talk to them about the public debt, is that there is a very fundamental difference between a government being in debt, like our debt that we have, and the

debt that I have with the local credit union or the Bank of Commerce. Now, I borrow some money to buy some cattle from a bank or from a credit union, I am actually expected to pay it back. The credit union, when I borrow \$30,000 to buy some nice heifers—I am going to borrow some more money to buy some more heifers, by the way; the cattle market is still strong—but when I borrow that money, the bank or the credit union or my brother-in-law or my friend, they actually want me to pay that money back with interest. But when governments borrow money, they never have to pay it back. Nobody wants them to pay it back. The people that borrowed us the money never want to see it paid back. That is the big fundamental difference. All they want is the interest. There is no safer place to have their pools of international money in, to have billions of dollars loaned out by the American government, by the British government, by the Canadian government. All they want is the interest payment. They only get nervous when all of a sudden a government, and it has been tried—Cuba did it, for instance, many years ago when they came in. They just said, no, we are not going to pay off any of our debts. Well, they are still driving 1947 Chryslers in Cuba, too. And nobody is buying their sugar now that the Russians are not buying their sugar anymore. And they are on rations.

Argentina threatened. Mexico said for a moment, hey, we might not want to pay our interest, or all of our interest, this year, and the big international money boys moved in very quick and said, oh, if that is the case we will just shut your country down.

So that is really the situation that we are in, Mr. Speaker. Can we manage our debt? You know, I think what is finally coming home to more and more people—we get responsible people like the Leader of the Liberal Party federally saying that he is going to do away with the GST, or the New Democrats. What are you going to do, gentlemen? We know darn well that there is not a—the GST, which happens to be a pretty fair tax in today's society, is here to stay. The Canadian public is not going to let Jean Chrétien off the hook by saying, well, we are going to study it for a year, but try to leave the impression that if you vote Liberal we will not have the GST. That is just plain nonsense.

The New Democrats, they are at 9 percent because they are floundering around, wondering what they are doing. People that suggest that this country, Canada, can live, that we can run a

hospital, that we can pay for a teacher, that we can afford a university—without trading with the world, where are you? If you do not want free trade, then write off the University of Winnipeg. If you do not want free trade, then write off Health Sciences hospital. Because 35 percent of our well-being comes from trade, and without trade we do not have a medicare program. Without trade we do not have a welfare program. Without trade we do not have education programs. So let us be realistic.

There is no question. Of course, the Liberal Party, of all, historically a party that ran on reciprocity, a party that I am ashamed to say my federal party opposed, because my federal party years ago were the defenders of big business. Not today. Today it is the Liberal Party, the Liberal Party that has forsaken its roots, the Liberal Party of all people, the very name—liberalized trade. They know darn well—Paul Martin knows. Paul Martin knows that he will do nothing to take away the free trade. Free trade—our future lies in trade. And allow the New Democrats to sink into oblivion beyond the sunset, and we will sing them songs, we will carve on their epitaphs. On the tombstones erected in the trash bins of history, we will carve some suitable epitaphs for them about being the last visible, detectable dinosaurs seen roaming this part of the great plains country. But those of us with vision understand that trade is vital to the interests of this country and vital to the solution of this problem. What we need to do in the meantime, have the courage of our convictions that we cannot be all things to all people.

We have to also, with some integrity, I suggest—I am looking directly at the honourable member for Broadway (Mr. Santos) who, I think, always contributes in these debates with some integrity—that when our Minister of Family Services (Mr. Gilleshammer) or when our Minister of Health (Mr. Orchard) or when the Premier (Mr. Filmon) says, look, we have been able to offer a level of social service above and beyond any in the country or in the world, but because of today's circumstances, we have to slightly reduce them or indeed cut some of them right off, that that is not a big sacrifice to ask.

Mr. Speaker, to play the game as is played, and I suppose it is effective in the business of politics that constantly equates the impact on those of lower economic standing, of lower income levels, well, the simple truth of the matter is, if there were an equal

number of Jimmy Richardsons in this province, you know, the tax-the-rich theory could apply, but it simply does not work that way.

The honourable member for St. James (Mr. Edwards) raises the legitimate question about brain drain out of our province, the young people, educated, talented people, leaving our province. They do not leave simply if there is not work or economic opportunities provided here. They will also leave and have left indeed in droves when we are seriously out of step in terms of economic opportunities that their publicly paid for education enables them access to. If somebody can make 10 percent or 20 percent more relatively at the same wage level in another jurisdiction simply because our tax structure is that punitive, that is where they will be working, whether or not there are jobs here.

So, Mr. Speaker, this budget has a great deal that commends itself to this House. It ought to ask all members to examine themselves in a way that perhaps has not happened on too many occasions in this Chamber, about what really the alternatives are to what the Minister of Finance (Mr. Manness) is offering in this budget.

I close by that because in fact the Minister of Finance kind of apologized to all the members opposite. We have taunted across the way, you know, what is your alternative, when deep down in our hearts, there is no alternative, and they know there is no alternative.

I see the member for Broadway (Mr. Santos), he may be looking at the good book right now, our Scriptures. If he is, I would ask him to check on Genesis, that particular chapter where Joseph was called upon to interpret the dream of where seven fat cattle came out, followed by seven lean cattle, and were devoured by them, or where a healthy, nourished seven ears of corn grew out of the earth to be consumed by seven lean and undernourished ears of corn. Whether or not that ancient Biblical advice that was given to ministers of finance—in those days, they were called dream prophets. They explained and interpreted dreams of their leaders, of their premiers of the day. But they were the early ministers of finance.

* (1650)

We have not followed that good advice. We have not set aside in those years where revenues were double digit. We have not controlled our spending in those years to offset the coming lean years. That, quite frankly, is the same misapplication of the

Keynesian theory which essentially said the same thing.

So, Mr. Speaker, I urge honourable members opposite to rethink their position on this budget. I think honourable members opposite should listen to the wealth of information that has been provided to them, that is, indeed, a departure from the practice of some standing, the kind of information that the Minister of Finance (Mr. Manness) and this government has shared with the members not only of this Chamber, but with members of the broad community, about the overall nature of our financial condition.

That ought to be a sober reflection on all of us, because this is not a one-shot effort. There is not a playing of catchup next year that I see in this budget. This is a restructuring of overall government capacity to be involved in the affairs of all our people in this province, and we will have to adjust to it.

Thank you very much, Mr. Speaker.

Mr. Conrad Santos (Broadway): Mr. Speaker, I accepted the honourable member for Lakeside's (Mr. Enns) invitation, and I look again at the story generated in Genesis. There was no one who could interpret, even all the wise men, why these seven fine-looking and fat cows were eaten by the seven ugly and thin cows, except Joseph, and Joseph correctly interpreted that this means seven years of plenty and prosperity followed by seven years of famine and scarcity.

What does this story show to us? What does it prove? In my opinion, all it shows is that governments and people who rule in society are all subject to the vicissitudes of development in the external world over which sometimes they have no control. There are some good years, years of plenty, that happen in society as attested by the so-called business cycles. There are some bad years and some good years, and it is the function of those who are in temporary stewardship of society to adjust and adopt the policy that will best promote the welfare of those whom they are in charge.

Now let us ask a question. Is there anybody of the members of this Assembly who is without debts, anyone who can stand up and say he has no debt? Is there any nation in the world today that can say with veracity that it has incurred no debt? The truth and the fact of the external world is that the public debt is a phenomenon which is universal. It is true of all economic systems, of all governments, from the most advanced to the most industrialized, from

the richest nations of the world like the United States to the poorest countries in the Third World. All of them are in debt. So it is a fact of life that the public debt is a public debt.

The question really is this, the basic issue about which even many economists are at odds with one another. The real question they ask is, is the public debt truly an economic burden? If it is, then we must tighten our belts. We must get rid of the public debt. We must make sacrifices because it will be a burden. If it is not, if it is a necessary precondition to the maintenance of our national income, our national prosperity and our national standard of living, then we must manage the public debt as carefully as we can, as wisely as we can, using fiscal theory and fiscal rationality. That is the issue.

In this contribution, Mr. Speaker, in this debate on the budget, I will deal with that basic issue by recounting all the reasonings of those who are saying that the public debt is an economic burden, as opposed to those economists who are saying that the public debt is not really a public burden.

To those who say that public debt is an economic burden, what are their reasons? What are the reasons they say this? What is their rationalization? In the first place, they say that the public debt discourages the creation of income. How is that? They say that because of our progressive tax structure, the progressive tax structure impinges heavily upon income from property, upon income called capital gains, and because it militates against the income from property, it reduces the demand for investment funds. Therefore the public debt reduces the expansion of capital. If the public debt charges are then taxed away, entrepreneurs or owners of property, owners of business, would stop all investments. That is their first reason—it discourages the creation of income.

The second reason is, if the wealth of the country, the national income, if a major portion of that wealth is run through the tax mechanism and then distributed by government to the holders of government bonds, the holders of public debt, then there will be a weakening of the connection between the contribution to economic production and the ultimate income that is enjoyed by the people. For example, if the debt charges in the form of interest payments being made by the government to the holders of government bonds constitute 25 percent of the national income of this country, or any country, then it means that the economic producers

who produce the goods and services in society will have to surrender 25 percent of their income to the government, which the government then gives away to the bondholders, the creditors, who made no contribution whatsoever to economic production of goods and services. That is their second reasoning.

The third reasoning is, since the creation of large debt means that there will be created a class in society called the rentiers, there would be a large membership of that group in society consisting of individuals and institutions who then will exert political pressure on the government so that the government will favour retrenchment and deflation policies demanding that the government reduce drastically the needed social services and government services. This is exactly what we have been witnessing at the present time, so how true it is therefore the statement of the preacher in Ecclesiastes which says, that which is has already been and what is to be has already been, that what we have seen, the seven fat cows and the seven lean cows, that has been repeating itself throughout history and it has so happened that these are the seven lean years of this government.

* (1700)

(Mr. Bob Rose, Acting Speaker, in the Chair)

If those are the arguments of those who say that public debt is an economic burden, let us look at the other side of the coin. What are the other economists saying, those who are saying and arguing that the public debt is not really an economic burden for the economy? What are the reasonings? They say we have to first of all make the assumption that we have to limit the public debt into what they call domestic or internally held debt. That is the major assumption that I have to be starting with because the external debt is no doubt destructive of any economy.

What about if all the debts of government are owed to its own citizens? What will be the dispassionate objective analysis of these economists? What will they be saying? They say if the debt is owed by the government to its own citizens, it is an internally imposed public debt, it is not an economic burden. Why? Because it simply means that one segment of the population owes another segment of the same population and from the perspective of the entire population, the entire nation, it simply means that assets and liabilities will cancel out. That is therefore really no economic

burden from the point of view of the entire economy because what is owed by the debtors to that creditor is wealth on the side of the creditor although liabilities on the side of the debtor, and since assets always equal liability they cancel out each other if the debt is owed internally within the same country or the same territorial unit.

The second reasoning they say is this, that public debt, if it is in the form of government bonds, and usually it is—you have to buy government bonds. You know how we buy government bonds. If you can afford it, you buy it outright. You pay the cost of the bond and then you get your premium as interest income. If you cannot, then you subscribe to some employment kind of system where you pay it by installments as you get your salary—

An Honourable Member: Payroll deduction.

Mr. Santos: Yes, deduction in order to get the bonds. Whether it is by installment or outright purchase, the bondholders will be buying this government bond. What will the holders of the bond do with this public security? Well, these are securities backed by the government. They have credibility themselves, and the owners of these bonds consider themselves wealthier than before. Therefore, the holders of these bonds, the banks, the individuals, the insurance companies find maximum security in this bond, and whatever else is left with their trust fund they will invest the remainder of their funds to the productive industries and they will promote new industries.

This has been documented by the history of English debts in the 19th Century, because these are secured securities by the merchants. They invested it in some of their trust funds. They invested it, and they promoted the development of new industries. Hence the promotion of national income, the prosperity in England.

A third reasoning is this. Now, if public debts are in the form of domestic, internally held government bonds, and if they are held by the same proportion of those who pay the taxes—in other words, the taxpayers are also the holders of the bond—those who pay taxes on their interest income from the bond which they receive in one pocket as interest income and then they pay it out in the form of taxes are simply transferring the same money from one pocket to the other pocket. So that is not really an economic burden for the economy.

If I were a holder of bonds and I receive interest income and because my interest income is at the

top of my salary income, they will have to tax the interest income. Then the money I received as interest income I have to pay to the government in the form of taxes. So it is simply one pocket giving to the other pocket the same amount of money, passing through the same individual. Therefore, it is not really an economic burden on the part of the economy.

Now all these reasonings are fine and good. The question is, which one is correct?

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

The honourable member for Lakeside (Mr. Enns) said and the Minister of Finance (Mr. Manness) concurred, there is really no alternative. We have to cut services, cut public spending.

Let me remind the honourable member from the opposite side that our economic system is basically, and they will agree with me, a system of private property which Adam Smith had described as a free enterprise system in which the people depend on the profit motive in order to provide the driving power for economic activity.

This is provided primarily in the sphere of private investment in order to produce goods and services needed by the members of society. That is the nature of our economic system.

Now the question is: Is there really no alternative? There is considerable literature on a new approach to this inescapable fact of modern life which is the existence of public debt.

An Honourable Member: This vexing problem.

Mr. Santos: This vexing problem, according to the member for Lakeside (Mr. Enns), which we must deal with and we must manage with. Let me try to enunciate what this new approach is. A new approach is needed because of this basic wisdom, Mr. Acting Speaker. No one can put new wine into an old wine-skin or else the new wines burst the wine-skin. The wine will be spilled and the wine-skin will be ruined. New wines must be put into new wine-skins and both will be preserved.

Now, similarly, these new facts of social and economic life, if we want to map it out in the old traditional fiscal theory of the balanced budget, it is like putting new wines into old wine-skins. What we need is a new approach, a new theory, a new fiscal policy, a new way of looking at the public debts. Otherwise, both of them will be destroyed.

Now what is this new approach that the economists have been talking about? What is this new theory?—[interjection] No, it has nothing to do with Karl Marx. This is what they call, the term they use is—[interjection] I have to get it correctly, yes, the proper term. They will use a different terminology that is not value laden, because the old term "deficit spending" has accumulated some negative values and therefore they have used what they call functional financing. It is governmental functional financing. In other words, you have to look at the role of government in relation to the public debt and in relation to the charts of the prosperity and welfare of the people which they govern.

An Honourable Member: Make sure the Minister of Finance is getting this, eh?

Mr. Santos: Yes, it is intended for everyone who has ears to hear.

What is the central idea here? The central idea is that the first financial responsibility of all government is to keep the total rate of spending in the economy on goods and services closely in line with the level of current prices for those goods and services that are being produced in the economy.

*(1710)

An Honourable Member: What does it mean?

Mr. Santos: Well, what will it mean when the total spending exceeded the amount of goods and the level of prices that are current in the economy. What will be the result?

An Honourable Member: Inflation.

Mr. Santos: Inflation. On the other hand, if it is less than the current level of prices, what will be the result? Unemployment. So either way, you have to watch this difficult task of government in managing that total public spending.

If there is a threat of inflation, that is to say, the total spending in the society exceeds the current level of prices, what is the responsibility of government?

An Honourable Member: Taxes.

Mr. Santos: Yes, the government should correspondingly tax away some of those spending powers so that the level of spending will coincide with the current level of prices.

What happens the other way around, if there is underspending by the public sector, by the citizens in the economy, what is the responsible role of government? The responsible role of government,

is to itself provide the needed spending in order that there be equality between the total spending and the total level of prices in order to prevent unemployment, which this government refused to do and which this government, therefore, is negligent of its own responsibility as government. They would rather see people line up and being unemployed rather than balance the budget through deficit spending.

This government, therefore, clearly showed by its action, despite its word, that it is not prepared to deal with the unemployment problem in this province or with this country. On that score, this government has failed as good managers of the economy. They care not about the people themselves. They care not about whether they were employed or unemployed, in order that they can just stick to their old wine-skin of trying to balance the budget.

The second role of government, according to this new approach, is that the government should borrow only when it is desirable that the taxpayers should have less money and should have more government bonds. Alternatively, the government should repay the debts in the form of the bonds and have the taxpayers have more money and less government bonds. In other words, the government steers in both directions, resulting, in either case, in the most desirable level of public spending and the most desirable level of investment that keep the total spending coincident or coincide with the current level of prices in order to control either inflation or unemployment, both of which are able of destroying the economy of a nation. That is the role of government.

This government refused to deal with the problem of unemployment and in that sense had neglected and failed in their capacity as the stewards of the welfare of this nation.

In other words, what this new functional financing is doing is that the government either expends or restricts the money as needed in order to control both the evils of inflation and the evil of unemployment; and secondly, either to reduce or to increase the money or the government bonds, as the case may be, through government borrowing or through government taxing operations. That is the function of government.

This functional approach to public debt rejects as unworkable the traditional orthodox belief about balancing the budget over a fiscal year, or even over a number of several fiscal years, through any

arbitrary period. It rejects that idea of balancing the budget. It is simply not workable.

What did it replace instead? This new approach has substituted a new mechanism in place of the old wine-skin of balancing the budget. What is this new mechanism? This is the new mechanism of adjusting the total spending by using the governmental power—either the power to tax or the power to borrow. In either case, the government is trying to avoid the evils of inflation as well as the evil of unemployment. If the government steers too far on one side or the other, the government will be negligent in its responsibility to take care of the prosperity and the wealth of this country. That is the role of government.

Now, if that is the argument on the materialistic economic side, I have another argument for the nonmaterialistic spiritual role of government. This government is entrusted not only with the welfare of the physical body of human beings, it is also in charge of providing every man, every woman in this country and this province with dignity and self-respect. Because only when the weakest, the most humblest element of society is given that dignity and self-respect, being the link in the chain of humanity, only then can we have the prosperity that we are looking for in our country.

If this government begins cutting essential public services like the services to educate our children, the education services, if this government begins cutting on essential services like public health, and it begins charging even patients and senior citizens, who the best years of their lives they have contributed in building up this country, what kind of responsibility is that? It is untenable. It is not defensible because this government will be oppressing the children; this government will be oppressing the senior citizens; this government will be oppressing the patients who are already in their deplorable situation.

* (1720)

This government must strive to do whatever is true, whatever is honest, whatever is pure, whatever is lovely. Is it not lovely to defend the sick and the poor? Is it not lovely and honest to defend the children with dental care? Is it not honest and dignified to uphold education of our youth in order to prevent the more terrible social ills that will beset a country with an illiterate and uneducated citizenry?

This government has the obligation not only to provide essential goods and services by sustaining economic activity through a balancing of inflation and unemployment, but it also has a responsibility in upholding the dignity of every human being, of every Manitoban, in order that society may be worthy of being a civilized society. How can this government do that? By encouraging self-development of the human personality intellectually, physically and materially.

The secret of self-development is, of course, the development of self-confidence, but if even our network system of social assistance is degrading the very poor and the very dependent in our society, totally ignoring their rights, that is not conducive at all to the development of human dignity. It is, again I say, oppression of the oppressed, especially so if they are using public power in order to oppress the weakest members of society.

Again, in Ecclesiastes is said: Again I saw under the sun, those who are in power, they oppress those who are without power.

What can these people do, they ask. They cannot do anything because they are powerless, because the powerful are using power for oppression. Because of that, internal justice will demand that they be removed from their positions of temporary governance of this province and this community.

Well, the word "oppression" is a terrible thing, but it is being done day by day. Look around you, how those people with resources oppress those without resources, how those people in power oppress those without power, how they use their position in order to take advantage of other people. This is a terrible thing to happen, but it is happening.

What is the solution to all this? The solution is simple if we only learn how to follow it. The solution is the golden rule. What does the golden rule say? In fact, it has been stated a long time ago: And he opened his mouth and said, teaching them, saying—it has been said of all time by them, thou shalt love thy neighbour and hate thine enemy. That was the old Mosaic Law. That is the old law of an eye for an eye, a tooth for a tooth. That is the old law.

What is the new law? Again I say unto you, love your enemy, bless those who curse you, do good to those who hate you, and pray for those who that spitefully use you and persecute you that you may be children of your Father which is in heaven. For

he maketh his sun to rise on both the evil and the good, and he sendeth his rain on both the just and the unjust. For if you love only those who love you, what reward have you? Even the publicans do the same. If you salute only your brethren, what more do you do than others? Even the publicans saw. Therefore I say unto you, if you are to become children of your Father you should try to follow him. Be perfect even as your Father is perfect in heaven.

That is a difficult thing to do, but if we only have followed this law of love and use the power of love in order to uplift those who are in desperate situations in life, it would have been a better society. But if we are always adhering to the love for power in order that we may be able to exert our ego and our superiority over others, there will be terrible things that will happen as a consequence of that love for power. The power is given to those who are able to use it as a steward of the public welfare, even of the poorest among the people. They should be able to have that compassionate attitude to help those who need help and to share it and empower those who are powerless in order that our democracy may truly be called democracy, otherwise it will be the rule of the few, the rule of the elite, who only are concerned about themselves and are no longer responsible for the welfare of others who are less fortunate. [interjection]

Everybody is concerned about everybody else, but we are not asking that they only give what is the crumb that is falling from the table in the form of charity. What we are asking is the even, equal, equitable distribution of all resources of society in order that everybody may share the blessings. After all, it is commonality of all humanity that we need all these blessings.

They say, maybe it is equality of pain, but I have stated before that we are all subject to the vicissitudes of the economic reality of social and economic and political reality. If it happens to be the seven years of famine, then everybody should share equally in carrying the burden. But how can it be said that this government has undertaken what they said they will do when they have granted \$1.5 million to the businesses and taken away the support from the senior citizens? How can we say that this government is sharing equally the burden of taxations when they have continued the support for the businesses and yet they have taken away even the very medicine and drugs that are needed by the poor and the sick senior citizens? It is not so,

because our actions speak louder than our words, and the actions of government, by their deeds, they shall be judged and by the measure they mete out, they shall themselves be measured again. That day is coming, and it will come, that we have to account, whether as an individual or as a group or as a government, for everything that we do and especially so, the accounting would have been stricter if we had the responsibility and the power that we did not exercise for the benefit of those who are in under our charge and under our obligation. That should be the prevailing philosophy of anybody who is given the temporary position of power and responsibility in our society.

All those who share in the benefit must also share in the burden, a general principle of equity and justice. If some of our segments of our society are sharing in the benefit and they are sharing in a larger sense, the principle of equity requires that they should also share in a larger sense in the obligation to sustain that economic prosperity and that national income.

What we are saying is that the corporations, those who have possession and stewardship of the wealth, should also share in the burden by contributing a greater proportion as they prosper in the taxation and in the carrying of the burden of civilization. Failure to do that is irresponsibility. Failure to do that is violation of equity. Failure to do that is violation of justice.

* (1730)

In this country, it has been shown historically, if you look at the records, the corresponding proportionate contribution of the corporation has been diminishing gradually, whereas the proportionate contribution of the individual taxpayer has been heavier and heavier each day. That is not equity; that is not justice. When they are, by the nature of things, in the possession of the wealth, they should by the same rule be able to bear a greater burden of the tax burden. That is justice.

In this regard, Mr. Acting Speaker, I rest my case.

Hon. Harold Gillieshammer (Minister of Family Services): It is a pleasure to join the debate on the budget for 1993.

I sense from all sides of the House there is tremendous support for this budget. I am interested in listening to the comments that people are making, not only in Manitoba, but across this country, about the realities of the 1990s.

I would like to use the first part of my remarks to talk about some of the comments that have been made and some of the realities that are out there and perhaps talk about my department in the latter part of my speaking time.

The Leader of the Opposition (Mr. Doer), in Question Period and in his remarks on the budget, indicated that there are difficult choices to make, and I think it is a great breakthrough that we have reached that point where the opposition realized that there are difficult choices, choices that are being made across this country. I will maybe make some comments about the throne speech in Ontario a little later, that was delivered in the House there today.

But there are difficult choices to make. All of us have had an opportunity to visit in our constituencies over the past weekend and, I am sure, have received comments similar to the fact that there is recognition that governments in the 1990s are in the most difficult position that governments have ever been in. The revenue that was increasing year over year in the 1970s and 1980s is no longer there, and as a result governments across this country are making those decisions to try and live within their budgets. People are asking, is there fairness in this budget? The answer is coming back very clearly, yes, that the vital services that people in Manitoba depend on from government have been preserved. They appreciate that fact and recognize that the government has made the correct and proper decision on preserving those vital services in health care, in Education and in Family Services.

I would refer the member for Kildonan (Mr. Chomiak) to the throne speech in Ontario today where the same forms and same types of health care reform are being mentioned in the throne speech there. Across this country all governments know that they have to preserve those vital services in health, education and Family Services and that governments are making those tough decisions. It certainly is apparent that there is a difference with NDP governments when they are in power and NDP governments when they are in opposition.

I would perhaps take this opportunity to refer to some clippings that have come my way over the last few months. In January, members of the NDP held a press conference to criticize the government on the economy, and reporters were anxious to pin down the member for Flin Flon (Mr. Storie) and the member for Brandon East (Mr. Leonard Evans) and

say, okay, you are being critical of the government, what solutions do you have? Very clearly, they had no solutions other than to call a conference on the economy, which had already been done. Of course, the age-old solution of the NDP governments is the make-work projects. When the Leader of the NDP (Mr. Doer) was not an elected member of the House, he criticized that government but now is putting forth that idea as the way to stimulate—that was his way to stimulate the economy, the make-work projects.

When the Leader of the New Democrats was asked the day before the budget what he would criticize, what he would do if he was on the government side, he refused to say. He had no solutions. He had no answers, and from the luxury of opposition he is there to criticize but offers no concrete solutions.

Now the second opposition party, of course, is also critical, and I have noted with interest that a number of their members talked about revenue generation. Revenue generation in the Liberal Party means taxes, except they do not want to use that word. The member for Osborne (Mr. Alcock) in his comments the day before the budget says, yes, tax lightly. Increase the income taxes, increase the sales tax, increase the corporate taxes, but do it lightly. The member for St. Boniface (Mr. Gaudry) from his seat agrees with that, that a Liberal government, their solution would be to increase all those taxes to pay for services and not have to make the difficult decisions on the expenditure side.

In another article that a journalist from one of the local dailies wrote not too long ago, the headline reads: The NDP needs to come to grips with the real world. I can tell you that in opposition they are in that place where they do not feel they have to come to grips with the real world. I can tell you that governments in Saskatchewan, in B.C. and Ontario do not have that luxury of simply criticizing and not putting forth solutions to the economy and to the other problems facing government as far as revenue and expenditures go.

The author of this article says they are trapped in another era. They are trapped in that era of the '70s and the '80s when it was spend, spend, spend and tax, tax, tax. I recall somebody saying not that long ago there was not a tax that the NDP did not like, and there was not a tax they did not hike. That would be their solution from opposition, but I can tell

you when they achieve government elsewhere, they of course speak differently.

In the throne speech that was read in Toronto today, Premier Bob says that social assistance system, the current system is not working. No amount of tinkering will fix it. This government believes it is time for fundamental reform. I can tell you that the problems facing governments all across this country on the social allowances side, the social assistance side, is massive. Of course, Premier Bob is making those comments, but he is confusing them. There were headlines in the paper last year which screamed out in Ontario, tiny welfare raise vicious NDP told, and this is after they froze the rate for three months and then made a small increase in that rate in the new year. So Premier Bob is not only confusing and dumbfounding the people of Ontario but also his own supporters, and many, many political leaders across North America are joining Premier Bob in talking about welfare reform.

He said recently that governments can no longer afford to pay people to sit at home. President Clinton has said the same thing in the United States. His solution on social allowances was to allow access to it in a more limited way and put a time frame on it, that after so many months they would automatically be turfed off that system. The Family Services minister in B.C. has also called for reform saying that B.C. can no longer cope with the number of social allowance recipients that are finding their way to British Columbia. The new minister in Alberta is saying the same as Premier Bob Rae and President Clinton, that we can no longer afford to pay people to stay at home.

* (1740)

Well, we have problems with the federal government and the Canada Assistance Plan in trying to implement that in any province in Canada. I think the governments and leaders and ministers across this country, in the United States and also in Europe, are saying we have to find solutions where we are not paying out those large sums of money and that we do not have so many people on social allowances that governments have to cope with.

I can tell you that the reality is when NDP governments are elected in those provinces, they have to make those same difficult choices that governments in other provinces have had to make. As the member for Lakeside (Mr. Enns) said earlier, opposition members do not have those solutions either. The solution of the Liberal Party was to tax,

and they can call it revenue generation if they like, but it is simply to hike taxes. The member for St. Boniface (Mr. Gaudry) confirmed that they would look at all of those major taxes, the income tax, the corporate tax and the sales tax to find that revenue generation. That is not the solution that we have selected. That is not the solution that we believe in. We have to control our expenditure side and here is where in opposition members opposite have that luxury to criticize decisions that are made—very, very difficult decisions.

The member for Concordia (Mr. Doer) has acknowledged that many times, that governments have to make those very difficult decisions and offers his criticism of almost each and every decision without offering any alternatives. I have challenged the member for Concordia. I have challenged the member for Wellington (Ms. Barrett). I have challenged the new critic of the NDP party to find alternatives within the Family Services budget where they would spend less.

They have offered none, Mr. Acting Speaker. They have come forward with no new initiatives, no new ideas, no new thoughts on how they could do any reform within the Department of Family Services without spending more money.

I can tell you that this department, this government does not have that luxury, and that reality is well known out there. We have watched as the City of Winnipeg very publicly goes through their budget deliberations. Whether it is the federal government or whether it is all of the provincial governments which are bringing in budgets at this time, those luxuries of accessing more money, accessing more revenue are not there. You have to find solutions by modifying the expenditures that you have historically made. We have made some of those tough decisions and I can tell you in my constituency and to Manitobans whom I have spoken to, the decisions are well accepted.

They are well supported by people in rural Manitoba and people in urban Manitoba who recognize as we do that we have to make those difficult decisions, that we no longer can simply, as the Liberals would have it, access more revenue or, as the NDP would have it, simply criticize those decisions without having any fundamental solution that they can put forward.

Members of the New Democratic Party in this House are often talking about the lack of funding for daycare, in fact, have referred to some structural

changes that we have made as an offloading on the public and on parents.

I challenged the member for Wellington (Ms. Barrett) last week. We have doubled our expenditure for daycare, our Day Care line over the last five budgets, and I would like her to explain in some detail how she would see that as an offloading, or any other members opposite who are here today. There simply is no offloading. This government has put tremendous new resources into that.

I can tell you that other provinces are struggling with the same issues. I apologize for perhaps misleading the House the last time I spoke on this when I said that we spend three times more money than Saskatchewan in the daycare area. In fact, it is four times more, that their daycare budget is around \$12 million or \$13 million. Ours is, last year on our actual expenditures, over \$50 million.

The Acting Speaker (Mr. Laurendeau): Order, please. Could I please have those members wanting to carry on a conversation back and forth in the loge, and I would like to hear the honourable Minister of Family Services.

Mr. Gilleshammer: Mr. Acting Speaker, I know that members opposite do not like to hear some of those criticisms. They have found no way of saving money within Family Services. They have offered no alternatives other than to spend more money year over year, throw more money at the problem without making any structural changes, without making any reductions, without making any modifications, simply spend more money at it.

And when they look at the broader picture and you say, well, where would you make those changes, the Leader of the Opposition (Mr. Doer) always comes back to the private schools issue and does not recognize that there are dozens of private schools out there. The member for Assiniboia (Mrs. McIntosh) and others speaking earlier pointed out to members opposite that they want to talk about elite, private schools and never mention the many, many private schools across this province which are doing a tremendous job and are an alternative that parents have the right to access.

So they seem to think there are some big savings there, and of course they come back to the corporate tax, that there are corporate tax breaks. Yet what did the government of Ontario do last year? They lowered the corporate tax rate because they realized that having a high corporate tax is a penalty

on jobs, that the jobs are not there, that the profits are not there.

The Health critic of the NDP acknowledges that they did the right thing, yet he does not stand up in this House and say that we cannot increase corporate taxes in Manitoba, we cannot drive more corporations out of business, we cannot drive corporations out of Manitoba. He does not want to address that, he wants to make a personal attack on federal politicians. Yet I have heard him say many times, oh yes, you can access more money by increasing the corporate tax. Now he says it again. But what did they do in Ontario? They lowered the corporate tax, and that is the reality of being in government as opposed to the reality of opposition.

Mr. Acting Speaker, there are many areas that the Health critic of the NDP likes to bring forward, but if he would read the throne speech from Ontario today on health reform, the Minister of Health in Ontario is saying exactly the same thing as our minister is saying, to reform, to make changes, and I urge him to wait for that budget to come down to see what changes are taking place there.

I urge him to look at the budget in British Columbia where a hospital in downtown Vancouver was closed. Again, NDP parties when they govern in provinces like B.C. are faced with the realities of the budget and have to make those fundamental changes and are not afraid to do it. They did not downsize one wing or close some beds, they closed an entire hospital, and that is the reality.

The member, who is new of course to the critic's role in Health and I think is getting a good education since the House opened, has not come forward with any ideas on reform, does not recognize what is happening nationally and internationally in health. He simply wants to spend, spend and spend more money. Of course, that comes with the tax hikes that go along with that.

Mr. Acting Speaker, social allowances, income security is often the area that members opposite want to criticize, particularly on the rate. I have told them that Manitoba has the third lowest incidence of individuals who are accessing social allowances, and our rates are increased from year to year to year to the point where our rates are sixth or seventh highest in the country. The cost of living is, similarly, about the eighth highest in the country, but very little recognition, very little air time across the way is

given to some of the other significant changes that we have made in the area of income security.

* (1750)

Last year for the first time ever, this government recognized that additional assistance, additional income for the disabled was a priority. Members opposite when they were in government chose to ignore that.

Last year for the first time we created a monthly benefit of \$60 for disabled clients of income security, and this year we have increased it an additional 10 years, again, a tremendous change in income security that goes unrecognized across the way.

This was not a new issue. It was an issue that the member for Brandon East (Mr. Leonard Evans) ignored when he was minister. In those times of tremendous new revenues for government, he chose not to move in that area, did not see it as a priority.

This government last year for the first time created that income assistance, and it has certainly been well received in the community, an additional expenditure to government last year I think of about \$8 million, the addition this year of another million-dollar-plus benefit for disabled social allowance recipients, a tremendous reform that again members opposite when they were in government chose to ignore. It was not a priority. They did not think it was important. They chose to make their expenditures elsewhere.

We also added another reform last year which is the exemption of children's trust assets. Previously, children who were part of a family unit on social assistance could have their trust assets considered as income, and we made some changes so that an exemption of \$25,000 was established for children's trust assets held on behalf of a child 18 years of age resulting from funds that had been accumulated.

We also added some assistance for school supplies in our budget last year. Effective in August of 1991, dependent high school students in social allowance households were provided an allowance of up to \$80 for the purchase of school supplies, again, a reform of the system that members opposite do not want to talk about, they do not want to mention. Yet, these are ongoing reforms that have taken place.

Last year, we had to make a decision on the goods and services tax. The credit that came to

low-income families, Manitoba, like most other provinces, passed that through to recipients, and it was an addition to their income that was not regarded as income for qualifications for income security.

We made a major change last year in the exemption for liquid assets. Manitoba historically had one of the lowest figures for liquid assets or assets that recipients could hold as their own and where it was not considered expendable money and taken into consideration when they were given the test to see whether they qualified or what rates that they would be able to achieve. We increased that liquid asset exemption from \$400 per person to a maximum of \$2,000 per family.

Again, the member for Brandon East (Mr. Leonard Evans), who was the minister for a number of years, chose to do nothing on the issue of liquid assets and did not think it was necessary for individuals and families to be able to accumulate some dollars for making major purchases. Again, that was a reform that came in a little less than a year ago, in April of 1992.

The municipal assistance regulation was something that we debated in this House last year. It was known as Bill 70. We were faced with rates across this province where some municipal corporations paid out rates that were far less than the provincial rate, and a couple of municipal corporations had a rate higher than the provincial rate. Last year, in this House, we passed that legislation to standardize those rates, so that all Manitobans would have equal access to social allowances and also would have equal access to the rates that they could access.

We also made a change in November of 1992 on wheelchair transportation for social reasons. In meeting with advocacy groups from the social allowances field, they put forward a case that the regulations were too restrictive. As a result of those thoughts brought forward by the advocacy groups, we made the change to allow more discretion in how social allowance recipients who required wheelchair transportation accessed that funding that was available, gave them more freedom to use that transportation when they saw fit, not restrict them to particular times of the year, particular months, but they now have the ability to make those decisions. [interjection]

The member opposite said they still do not like it. I point out to him, all of these reforms that I am going

through for his benefit were changes that the member for Brandon East (Mr. Leonard Evans) chose not to make when he was minister. These were not priorities that the government of the day saw when they were in government, yet in opposition they have all kinds of ideas on rates. These are reforms that they ignored for many, many years.

The last reform I would mention is the extension of health benefits, again another item brought forward by advocacy groups from time to time. These advocacy groups had indicated that health benefits should be extended to people as they transition into the world of work, something that made a lot of sense if they were deliberately making the decision not to accept jobs simply because they were going to lose their health benefits, the benefits that they could have for optical needs, for pharmaceuticals, for dental work, and they chose not to go to work when a job was offered or a job was available because of the fear of losing that health card.

Certain recipients, sole-support parents and disabled clients were allowed to keep their health card for up to a year. Again, members across the way, of course, are silent on what is regarded as a major reform. Again, the member for Brandon East was minister of this department, and when he had an opportunity to make those reforms, chose not to. He preferred to put those green signs up and provide make-work projects across this province.

The member for Concordia (Mr. Doer) talks about them counting flowers and doing work that had no lasting benefit, doing work that this government is now paying for, spending money in those days that

they did not have any income for, yet we are paying for that debt today.

So I urge members opposite to recognize the tremendous reforms that have taken place in the social allowance area over the last three years and to recognize that those reforms are very positive.

Again, the Premier of Ontario today is finally saying that Ontario is going to have to get into social allowance reform. Of course, he has not given any details of that, but I know the member for Brandon East (Mr. Leonard Evans) spoke about workfare before and maybe is supporting Premier Bob Rae in his thoughts in that direction.

This is the area within the Family Services budget where we make the largest expenditures. We have had to make some minor changes this year simply because the volume and the expenditure that we are facing here in Manitoba, while it is just the third largest—pardon me, while the access to this is third across the country, it is still a tremendous drain on the resources of government. We have to make those fundamental changes because of the numbers of people. Yet our numbers in Manitoba accessing social allowance is about 6 or 7 percent.

In British Columbia and Ontario, they are talking about 12 to 15 percent, and they have the problem many times over that we in Manitoba are facing, and even in these difficult times, we have put forward these reforms, and there is a recognition out there that the—

The Acting Speaker (Mr. Laurendeau): Order, please. When this matter is again before the House, the honourable member will have 12 minutes remaining.

The hour now being six o'clock, I am now leaving the Chair and will return at eight o'clock.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 13, 1993

CONTENTS

ROUTINE PROCEEDINGS

Reading and Receiving Petitions

Restoration of Friendship Centre Funding
Wowchuk 1580

Student Social Allowances Program
Martindale 1580
Santos 1580

Oral Questions

Provincial Deficit
Doer; Manness 1581

Population Statistics
Doer; Manness 1582

Provincial Deficit
Doer; Manness 1582

Motor Coach Industries
Storie; Stefanson 1583

Budget
Edwards; Manness 1584

Red River Community College
Friesen; Vodrey 1585

Youth Employment Programs
Friesen; Vodrey 1585

Budget
Friesen; Vodrey 1585

St. Boniface Hospital
Chomiak; Orchard 1586

Education System
Carstairs; Vodrey; Plohman 1586

Canadian Wheat Board
Wowchuk; Findlay 1588

Residential Tenancies Branch
Martindale; McIntosh 1589

Public Housing
Martindale; McIntosh 1589

Residential Tenancies Act
Martindale; McIntosh 1589

Nonpolitical Statements

Festival of Vaisakh
Cheema 1590
Reimer 1590
Wasylycia-Leis 1590

ORDERS OF THE DAY

Budget Debate

(Fourth Day of Debate)
Reimer 1591
Maloway 1598
Edwards 1604
Enns 1610
Santos 1615
Gilleshammer 1620