



First Session - Thirty-Seventh Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 17, 2000

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Winnipeg Police Athletic Clubs

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, I beg to present the petition of Daniel Bean, Kelly Guillas, Chris Lovett and others praying that the Legislative Assembly of Manitoba request that the Minister of Justice encourage the Government of Manitoba to continue partnering with schools and law enforcement to ensure Winnipeg Police Athletic Clubs provide recreational and athletic activities for young people in a safe, supervised environment in 13 schools throughout Winnipeg for years to come.

TABLING OF REPORTS

Hon. Greg Selinger (Minister of Finance): Yes, Mr. Speaker, I would like to table the following reports. All have been previously distributed. The Quarterly Financial Reports, three months, six months and nine months; the Manitoba Hydro-Electric Board Quarterly Report for the six months ending September 30, 1999; the Preliminary Financial Report year ending March 31, 1999; the Provincial Auditor's Report on the Audit of the Public Accounts for the year ending March 31, 1997; and the Provincial Auditor's Report on the Operation of the Office of the Provincial Auditor for the year ending 1998.

Introduction of Guests

Mr. Speaker: Prior to Oral Question Period, I would like to draw the attention of all honourable members to the gallery where we have from Ralph Maybank School 20 Grade 5 students under the direction of Mrs. Vivian Fogarty and Mr. Ron Rivers. This school is located in the

constituency of the Honourable Member for Fort Garry (Mrs. Smith).

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

ORAL QUESTION PERIOD

Budget Income Tax

Mr. Eric Stefanson (Kirkfield Park): Yesterday in this House the Minister of Finance continued to avoid any direct comparisons when it comes to personal income taxes. We have run a number of examples which clearly show that Manitobans are paying more in personal income tax today than they were on May 10, budget day.

Obviously the Minister of Finance accelerated the separation of the tax systems between the federal and provincial systems to hold onto taxes, thereby denying Manitobans tax reductions that other Canadians are receiving today. Will the Minister of Finance confirm that Manitobans are paying higher personal income taxes this year after the introduction of his budget than they were before May 10 of this year?

Hon. Greg Selinger (Minister of Finance): I will once again reiterate that we have passed through to Manitobans the 10 percent base improvements announced in the federal budget. We have, in addition, introduced in Manitoba a property tax credit which leaves Manitobans \$7 million better off this year.

Mr. Stefanson: Mr. Speaker, all we are looking for from this minister is a yes or a no answer, just to acknowledge the truth as it relates to income taxes here in the province of Manitoba. He can surely run the numbers; his officials can run the numbers. Accountants across Manitoba are running the numbers today. I will ask him again, just answer a yes or a no. That is all we want to hear, the answer yes or no to the simple question: Are Manitobans paying higher per-

sonal income taxes today as a result of the Budget that he brought down on May 10 of this year than they were on budget day and for all of those days leading up to May 10 of this year?

* (13:35)

Mr. Selinger: No question, Manitobans are better off after our budget than they were before it. They will be receiving property tax reductions. The small business community will be receiving a small business tax reduction. In addition, we have delivered on our promise of a property tax credit. Many people have received that in the mail as recently as this week.

Mr. Stefanson: Well, the fact that the Minister will not answer the question I think clearly indicates that the answer to the question is, yes. Manitobans are paying higher taxes today than they were on May 10 of this year before he brought down his budget.

I ask him one more question on taxes. In terms of defining who is middle income, why has this Minister of Finance provided a much more narrow category of approximately \$30,000 to \$60,000 when our neighbour in Saskatchewan is using a middle-income definition of between \$35,000 and \$100,000? Why has he created such a narrow definition in Manitoba compared to other jurisdictions in Canada?

Mr. Selinger: The Member opposite seems to be caught in some time shifting. Our tax benefits for Manitobans this year are very favourable compared to Saskatchewan. I note yesterday in the House that he indicated a senior citizen would be paying fewer taxes. My information has it that a senior citizen in the year 2000 pays \$213 fewer taxes, a single senior at \$20,000. A single senior citizen in the year 2001 will be paying \$167 fewer taxes, and the same single senior citizen in the year 2002 will be paying \$136 less tax—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Point of Order

Mr. Stefanson: The Minister of Finance is obviously reading from a document that I am

sure has been prepared by Finance officials which I am sure all Manitobans would like to have the benefit of seeing, and I ask him simply to table that document here in the House today.

Mr. Speaker: The Honourable Deputy Government House Leader, on the same point of order.

Hon. Steve Ashton (Deputy Government House Leader): Mr. Speaker, the Minister was doing actually very similar to what the Member for Kirkfield Park was doing, which was reading items into the record. The Member for Kirkfield Park should know that there is absolutely no requirement for this minister any more than that member to table notes. In fact, I believe he is confusing their provisions here in terms of the information that has been provided with reading from letters. The Minister was not reading from letters. He was reading into the record material which, by the way, is in the Budget, which is already public information.

Mr. Speaker: On the point of order, it is a dispute over the facts.

* * *

Mr. Speaker: The Honourable Minister of Finance, to conclude his answer.

Mr. Selinger: I will just call to the attention of the Member opposite C10 in the taxation adjustments which show that, under our new scheme of taxation, a single senior will have a combined tax credit and tax reduction which is 25 percent more generous than this year. Thank you.

Budget Communication Costs

Mr. Jim Penner (Steinbach): Mr. Speaker, last week this government brought down a budget which has been resoundingly criticized by business, universities and Manitoba taxpayers. It appears this government and the Minister of Finance have been surprised by the backlash he has received from Manitobans now living in the highest-taxed province in Canada.

Will the Minister of Finance today confirm that his department spending on media and

mailing in trying to promote this fledgling budget is simply NDP damage control at the expense of Manitoba taxpayers?

* (13:40)

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, our budget has been extremely well received by Manitobans, and we will continue to make our best efforts to communicate to them accurate information about the positive effect of this budget.

Mr. Jim Penner: Mr. Speaker, will the Minister of Finance tell the House how much Manitoba taxpayers are on the hook for the NDP's attempt to sell this tax-and-spend budget, something they told us not to do?

Mr. Selinger: Mr. Speaker, I would be happy to table with the House the cost of the Budget preparation exercise, but I can assure the Member opposite it will be far less than what they did last year.

Mr. Jim Penner: A supplementary to the same minister, Mr. Speaker. Will the Minister tell us, given the principle of truth in advertising we have in our country, when the ads telling Manitobans they are the highest-taxed residents in all of Canada will be running?

Mr. Selinger: Mr. Speaker, the Member opposite, when he properly reads the Budget, will realize that the statement he made is highly inaccurate and that Manitobans remain among the most affordable with respect to taxes and provincial levies and that Manitoba remains one of the most affordable places to live. In addition, when he studies the Budget carefully, he will notice, through our new tax system, that the family tax reduction will reduce the shameful level of taxation on families with incomes of \$60,000 from the high levels that it was under the previous regime down to a much lower level in the next couple of years.

Education System Special Needs Funding

Mrs. Joy Smith (Fort Garry): Mr. Speaker, programs that provide specialized services to students who are visually or hearing impaired

are a valued component of our educational system. Ensuring these students have equal access to a quality education is critical to their long-term success.

Can the Minister of Education explain the 26% funding cut to these programs, as noted on page 58 in Estimates of Expenditure?

Hon. Drew Caldwell (Minister of Education and Training): Mr. Speaker, I am always pleased when the Member for Fort Garry gets up to read her prepared questions. On this matter, as in all matters in terms of education in the public school sector, the Province of Manitoba, the Government of Manitoba is committed to providing increased resources through time.

The Healthy Child Initiative addresses very directly the very real needs, as the Member indicates, of those Manitobans who have special circumstances in terms of their education. We are committed as a government to working with our partners in the public education system to provide the best quality education to the young people of Manitoba.

Mrs. Smith: Mr. Speaker, I am very pleased to hear that the Minister of Education is very concerned about the specialized programs that we have in Manitoba. Very specifically, I am wondering if he could explain the 26% funding cut to these programs, as noted on page 58 in Estimates of Expenditure. Could the Minister answer that question, please?

Mr. Caldwell: Mr. Speaker, I am very happy that the Member is advocating for increased expenditures in education. I value that sort of criticism or that sort of advocacy from the members opposite.

Our commitment is to deliver efficiently, with the soundest business principles, education to the children of Manitoba. That is the way we will proceed in the future.

Mrs. Smith: My question was not about my attitude about education and its need for funding. My question to the Minister of Education is: Could he please explain the 26% funding cut to the programs for visually or hearing impaired

students, as noted on page 58 in Estimates of Expenditure?

Mr. Caldwell: The Member's attitude toward education is well articulated through articles such as in the *Selkirk Journal* last month talking about apologies—

Mr. Speaker: Order, please.

Point of Order

Mr. Marcel Laurendeau (Opposition House Leader): On a point of order, Mr. Speaker. *Beauchesne's* 417: "Answers to questions should be as brief as possible"—he has hit that point right—"deal with the matter raised"—he is far off on that—"and should not provoke debate."

Mr. Speaker, all the question said was can he explain the 26% funding cut to education for the physically handicapped.

Mr. Speaker: Order, please. The Honourable Government House Leader, on the same point of order.

Hon. Gord Mackintosh (Government House Leader): On the same point of order, I know the Opposition loves the sound of their questions. Unfortunately, they also have to have answers. There was no answer that was even yet given. He just began to answer the question.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please. On the point of order, the Honourable Minister was just getting into his answer, and I would ask the Honourable Minister to please continue with the answer.

* * *

Mr. Caldwell: Thank you, Mr. Speaker. The Member opposite made reference to her attitude toward education. The Member opposite is the author of a book entitled *Lies My Kid's Teacher Told Me*, and there are other issues about the Member's attitude toward education she made reference to. I thought I would put that on the record, as it was put in her question.

* (13:45)

In regard to the budget figures that the Member is referring to, she is obviously misreading the budget figures in that the 26% cut is to the total School Programs budget and is not articulated, directed or anywhere connected to a cut of that magnitude to any program for deaf or handicapped students.

Concordia Hospital Oncology Department—Capital Funding

Mrs. Bonnie Mitchelson (River East): Mr. Speaker, I would like to congratulate the Premier for his announcement, the night before the Budget, at the Concordia Hospital Fundraising Dinner that the capital dollars for the move of the oncology program and department would be provided for when the Budget was announced. I just want to ask the Minister of Health to confirm whether the money was in the Budget that was tabled on May 10 for the new oncology department at Concordia Hospital.

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I am quite pleased to have the opportunity to answer a question on the Health budget in this Chamber. I would like to advise members that we worked long and hard with respect to the Budget in dealing with the serious deficit that was left over for us by the previous government in order to try to get in place a proper financial system and planning process for the next year so organizations can—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please.

* (13:50)

Mr. Chomiak: —provide the quality care that is required. The Member referenced the comments by the Premier. There is tremendous good news in a lot of areas with respect to this budget respecting Health. The announcements of the capital projects will be forthcoming.

Mrs. Mitchelson: Given the Premier did announce that there would be money in the capital budget, some \$600,000 in the capital budget, that Concordia would need to build a new oncology department, I just want to ask again, because I am not sure that the answer was

clear: Was the money, the \$600,000, for the oncology department at Concordia Hospital part of the Budget that was tabled on May 10?

Mr. Chomiak: Mr. Speaker, I am confused by a member who was a former minister, who understands there are operating dollars and there are capital dollars. We have announced the budget with respect to health care. The Premier did announce that there would be provision made for the oncology expansion at Concordia Hospital. There are operating dollars attached to that and there are capital dollars attached to that, and the capital announcements are forthcoming.

Health Care Facilities Capital Programs

Mrs. Bonnie Mitchelson (River East): Given that Concordia Hospital has already received the good news that the money is in the Budget for capital and operating for the oncology department at Concordia Hospital, will the Minister of Health now table the total capital budget so that other regional health authorities and other hospitals in Manitoba know, as well as Concordia, that they can go ahead with their much-needed capital projects?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, during the seven years that I was the critic for Health, I saw capital budgets that were tabled two days before the end of the session. I saw capital budgets that were tabled in the middle of the campaign, but every time there was an election, I saw capital budgets that came out right off the bat from members opposite. We are trying to go systematically through the Budget. We came in halfway through a budgetary year. We went through the operating budget; we tabled it. We are also systematically going through the capital budget, something that was not properly done by members opposite in last year's election year. The Budget will be tabled forthcoming with respect to capital.

Mr. Speaker: Order, please. The Honourable Member for River East, on a new question?

Point of Order

Mrs. Mitchelson: No, on a point of order, Mr. Speaker. I think that the Minister of Health

should be honest and up front with all—
[interjection]

Mr. Speaker: Order, please.

Mrs. Mitchelson: Thank you, Mr. Speaker. I am really pleased that Concordia Hospital, the community hospital for both the Premier (Mr. Doer) and I, has received the much-needed news about the capital construction. I would only hope that the Minister of Health would afford the same opportunity to every hospital throughout the province.

Mr. Speaker: Order, please. I would ask the co-operation of all honourable members, because a point of order is a very serious matter.

The Honourable Minister of Health, on the same point of order.

Mr. Chomiak: Mr. Speaker, I do not know what the Member's point of order was. I think it was an attempt to get a point in. But I would like to point out, with respect to that point of order, for the first time in a decade hospitals and all the institutions received their budget in advance, and for the first time we have put proper financial information out. It has been recognized in the community, and the same thing will happen with a properly looked at capital budget, something that was not done by members opposite for a decade.

Mr. Speaker: Order, please. I have listened to both points of order, and I would like to remind the House about the purpose of points of order. A point of order is used to draw to the Speaker's attention any departure from the rules or practices of the House or to raise concerns about unparliamentary language. A point of order should not be used to ask a question, dispute the accuracy of facts, to clarify remarks which have been misquoted or misunderstood, to move a motion, to raise a point of order on a point of order.

I would ask all honourable members for their full co-operation, please.

Mrs. Mitchelson: I just wanted to say sorry, Mr. Speaker.

Mr. Speaker: I thank the Honourable Member for that.

* (13:55)

Cancer Treatment Bed Availability

Mr. Harold Gilleshammer (Minnedosa): On May 10, I brought forward to the Minister of Health information concerning a constituent of mine who is currently receiving cancer treatment at the Health Sciences Centre. Frequently, beds are not available, and she is forced to go to a hotel during her recovery period. I provided the Minister of Health with that information. I gave him the name after Question Period. She also has on file letters to the Minister and the Premier (Mr. Doer).

The Minister at that time said that he would respond forthwith. I spoke with this constituent over the noon hour. She has yet to hear from anyone in the Minister's office. Why has the Minister of Health failed to address this situation forthwith as promised?

Hon. Dave Chomiak (Minister of Health): Obviously, every case is very important to members on this side of the House, and we try to follow up. There is a procedure that always takes place in this Chamber with respect to follow-up, and there was a follow-up on this and numerous other notices. I am happy to actually deal with all of them while I am on my feet.

With respect to the particular incident that the Member mentioned, and I will not mention the individual's name, we understand it is difficult to travel to and from Winnipeg. I understand she was advised to contact the director of nursing at CancerCare Manitoba. These concerns were discussed, apparently, with the physician on the oncology team. It was also suggested that there are chemotherapy treatments available in Neepawa now and was advised of the option to have treatment closer to home. Also, a referral has been made with respect to home care and a complete home care assessment with respect to her needs. So there was follow-up.

I might add, Mr. Speaker, since we came into office the number of treatments offered has

been expanded and the number of beds expanded. While I am on my feet, perhaps I should deal with—

Mr. Speaker: Order, please.

Mr. Gilleshammer: The Minister is indicating there has been considerable follow-up. There has been no contact with this individual. She is scheduled to come into Winnipeg next week. She is expecting that her treatment will be made, and she has to stay again in a hotel, a place where the IV is discontinued. This not only affects the level of treatment she is getting, it also affects the recovery period. No contact has been made with this individual since I raised this question in the House or since she has written a letter to the Minister.

I would ask the Minister to take this case seriously.

Mr. Chomiak: As I indicated, we do take all the cases seriously. I have been concerned because there have been inaccuracies in matters that have been referred to by members opposite, which means we must deal with them very carefully so that we deal with them properly. I will have another look at this case in regard to this. But I will again reiterate, the Department, the same officials, provided me the information that I indicated earlier, that there was contact with respect to the possibility of other options available. Reference has been made to home care

I might add, for the assurance of all members in the House, one of the reasons that we put in place our critical shortages fund with respect to cancer care was to allow the waiting lists to shorten in Manitoba. They were the longest—they were beyond, in fact, clinical guidelines. We put that in place. The waiting lists have gone down dramatically as a result. We have expanded the number of treatments available. As in all cases, there are situations where things do not work out perfectly, and I will endeavour to do additional follow-up with regard to this case.

Mr. Gilleshammer: I would urge the Minister not to blame his officials for this. She has written to him directly on this issue. There is a

sense of urgency here to the extent where she is considering not going for her last treatment. I would ask him to make that contact today.

Mr. Chomiak: Mr. Speaker, the Member knows that when he passed on the name we immediately took a response. I have indicated a response here. Members of this Chamber know that all matters of care are taken very seriously. All members, when we were in opposition and they were in government, to make the claim that the matter is not followed up, I think is something that—well, it is not something that I would say.

* (14:00)

Manitoba Lotteries Corporation Provincial Auditor's Report

Hon. Jon Gerrard (River Heights): My question is for the Premier. Given the scathing indictment of executive practices at the Manitoba Lotteries Corporation by the Provincial Auditor and given the Premier's suggestion yesterday that the publicly appointed board seemed to have some knowledge of the circumstances and clearly did not provide an example of best board practices, what is the Premier doing to ensure that the former board members of the Manitoba Lotteries Corporation are held accountable for their lack of oversight?

Hon. Gary Doer (Premier): Mr. Speaker, yesterday, in statements made by members of the Board, it was indicated that they had in fact communicated some of the cost changes. In fact, I think the statement was made that the original proposal was not \$50 million, as communicated in this House a couple of years ago, but it was rather well over \$65 million, which of course took away the alleged option on a downtown relocation as opposed to the two suburban relocations. So it appears that the situation of some of the cost overruns, what the public knew and what the Board knew and what was communicated in this Chamber were at variance. I think ultimately those of us in government must take responsibility when a project is communicated by a member of Cabinet to be a cost of \$50 million and ultimately comes in at \$112 million. The buck ultimately, with that kind of variance, rests here.

Mr. Gerrard: Since this is more than just cost overruns—it is about good corporate practices of publicly appointed boards, I ask the Premier, yes or no, whether he has examined whether there has been a similar failure to follow good best practices by other publicly appointed boards in Manitoba.

Mr. Doer: Mr. Speaker, I think the first day, when the report was tabled on Monday, I indicated to the Member opposite that the extreme situations we found at the Lotteries Corporation that were articulated by the Auditor in our first six months in office are the exception rather than the rule with other Crown corporations.

What action did we take? We did replace the former board with a new board. On that board I believe there are three members of the accounting profession and there are various committees being established by the new board chair. Measures were announced yesterday by the Minister and the new Chair of the Board of the Lotteries Corporation. I also feel that Mr. Hodgins, a person who has worked with members opposite and ourselves, has a very strong reputation on both sides of this aisle, and I trust that he, along with the Board of Directors and the Minister, will provide the kind of certainty of numbers, certainty of predictions and integrity of public service so necessary in a Crown corporation.

Mr. Gerrard: My supplementary to the Premier. Given the extreme circumstances which you referred to and yet the fact that the former CEO of the Manitoba Lotteries Corporation has publicly called the whole Singleton report ludicrous, inaccurate and misleading, I ask the Premier: Does he not believe it is time now to call a full public inquiry to get to the bottom of this matter so the people can really know what happened?

Mr. Doer: I think I had this question yesterday or I raised the issue yesterday, and I commented on this issue in the hallway. I think Mr. Funk's statements about the Auditor are very unfortunate. The Auditor had been appointed by the previous government. It certainly was concurred, his appointment, and his recommendation to be appointed was, as is the tradition in this House, agreed upon by other parties at the time.

The process of selecting the Provincial Auditor is a non-partisan process. The Provincial Auditor sometimes produces reports that we like in this Chamber, and sometimes he presents news that we have to manage. For any senior public employee or former senior public employee to accuse the Auditor of having an agenda I think is very unfortunate. We may disagree with the Auditor from time to time, but the findings are completely independent of politics and completely independent of this Chamber. They have therefore the integrity of the Office of the Provincial Auditor.

On the matter of the inquiry, we feel that the audit report raises a number of the issues that we have to manage. We believe that the ultimate accountability rests with the Government, the Board and the executives as they have been articulated in the report. The police are now investigating a part of the report. At this point, we are not going to appoint a public inquiry.

Physician Resources Pediatric Neurologists

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, the Member for River East (Mrs. Mitchelson) had talked about a situation of a child regarding—I think the Member said pediatric—

Mr. Speaker: Order, please. Are you responding to a question that you took as notice?

Mr. Chomiak: Yes. The Member for River East had asked a question about pediatric neurologists. She meant urologists, and so I looked it up. I can confirm that the individual in question, the daughter in question, had seen the pediatric urologist on April 4 and a follow-up appointment is scheduled in that particular instance.

There was also a confusion with respect to the letter that I had drafted that I spoke privately with the Member about, and I can indicate there is also a recruitment going on in this area.

Pediatric Nephrologists

Hon. Dave Chomiak (Minister of Health): Can I do another—

An Honourable Member: As notice.

Mr. Chomiak:—as notice, Mr. Speaker, while I am up? Thank you.

The Member for Charleswood (Mrs. Driedger) suggested Manitoba requires four pediatric nephrologists. I am advised the department head of pediatrics stated that Manitoba currently requires a full complement of three. There is currently a recruitment for nephrologists going on. For many years in Manitoba we only had one, but there is recruitment in this regard.

Radiation Therapy Foreign-Trained Technicians

Hon. Dave Chomiak (Minister of Health): I have another—

Mr. Speaker: Very quickly.

Mr. Chomiak: Thank you, Mr. Speaker. The Member for River East (Mrs. Mitchelson) asked a question about foreign radiation technologists and therapists. With regard to radiation therapists, seven have been hired from South Africa and employed by CancerCare Manitoba. Under provincial legislation, neither MAMRT nor CAR met the certification required for radiation therapists to work in Manitoba. However, employers require their radiation therapists to be nationally certified. All seven of the South African radiation therapists hired by CancerCare Manitoba have elected to write the national certification examination within one year. In fact, several have been preparing to write the exam this September. At the time of contact, all South African radiation therapists hired by CancerCare graduated at a time when we had reciprocity with South African educational institutions, and we recognized their training programs as equivalent to Canadian standards. Thank you.

Selkirk Mental Health Centre Nursing Shortage

Mr. Edward Helwer (Gimli): Last weekend, due to a critical shortage of nurses, the Selkirk mental health facility was forced to close its mental health crisis unit, and it may be forced to close this unit again this week if it does not get more nurses.

Mr. Speaker, discharging patients because there are not enough nurses to staff the crisis unit is extremely dangerous for patients. Can the Minister of Health promise Selkirk residents that their award-winning health crisis unit will have the nurses that it needs to remain operating?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I thank the Member for that question. As the Member might know, we had a similar situation with respect to the Sara Riel in Winnipeg which closed very often over the past two years, and we were able to resolve that issue.

It is a difficult issue with respect to nurses. As you know, the previous government laid off a thousand nurses and had no plan whatsoever to deal with nurses. Coming into government, fortunate that we have a nursing situation—I can advise the Member that there are contingencies in place to deal with those residents. We are actively pursuing options in that regard. Let it be clear that we want to offer the services, and the services will be available. It is a difficult problem because of the lack of nurses, but we are doing everything we can to ensure that those residents have the type of service they require.

* (14:10)

Mr. Helwer: Mr. Speaker, will the Minister of Health please provide this House with some plan that he has to address the health care issue in Selkirk?

Mr. Chomiak: Mr. Speaker, that was one of the reasons why the first few months in office we announced a comprehensive five-point nursing plan, which unfortunately members opposite are not supporting. That is unfortunate.

With respect to the Selkirk situation, and it is similar in other community-based facilities, we do face a challenge with respect to the wages differential, as well as the working conditions that have been very difficult over the years, built up over 10 years of neglect by the previous administration. We are trying to deal with the Selkirk situation. We have a plan with respect to the Selkirk situation. It is an organized attempt to try to deal with the wage issue and try to maintain nurses there. I can assure the Member

that we have individuals who are addressing that situation to try to ensure a permanent solution to that particular situation.

Mr. Helwer: Mr. Speaker, because some patients have already been discharged due to the shortage of nurses, will the Minister tell us where these patients should go to get the treatment that they need?

Mr. Chomiak: Mr. Speaker, that is a good question. I can advise the Member that there are options in place with respect to those particular patients. The crisis stabilization units have been notified and are prepared, as well as making extra space available in other facilities for these patients. So provision has been made for patient care.

The overall issue is very difficult because the shortage of nurses is an acute problem, but I do want to assure members that we have improved the situation. Is it perfect? No. Are there difficulties? Yes, but we are trying to address them over our term in office.

Last year on today's date there were 17 people in the hallways of Manitoba's hospitals.

Brandon Mental Health Centre Future Development

Mr. Mervin Tweed (Turtle Mountain): Mr. Speaker, despite growing interest in the Brandon Mental Health Centre grounds and a number of plans for the facility and surrounding 320 hectares of land, the City of Brandon is once again less than satisfied with this government and their lack of interest.

Can the Minister of Government Services explain why this government will not listen to the Minister of Education's (Mr. Caldwell) wishes and transfer the whole package to the City of Brandon?

Hon. Steve Ashton (Minister of Government Services): Mr. Speaker, in fact, I assume the Member opposite is getting his in-depth research from the weekend articles in *The Brandon Sun*. I think, if the Member opposite had talked to a number of the people involved from Brandon, from the City, he would have found that, since

coming to office, we have not only responded to the City of Brandon, we have discussions ongoing right now, and I am actually cautiously optimistic that this government will be able to reach an agreement that is not only in the best interests of Brandon, because that is our concern, but also the taxpayers, the people of Manitoba. We are making progress.

Mr. Tweed: We are talking to the people of Brandon, and it is the reporters that are saying that you refuse to talk to them. If the Government is not willing to implement the Education Minister's plan, what are their intentions regarding the development of BMHC?

Mr. Ashton: If the Member had read the weekend *Brandon Sun*, he would have noticed that in fact I did talk to the reporter and indicated we are cautiously optimistic. We made progress in the discussions. But I do want to indicate, Mr. Speaker, unlike members opposite, we have no intention of negotiating in public. We will try and negotiate what is in the best interests of Brandon, Westman and also the people of Manitoba.

Mr. Tweed: With the construction season upon us, I plead to the Minister to make this issue a priority with this government so the City of Brandon can move forward with its plans.

Mr. Ashton: I think the Member opposite shows a misunderstanding of the situation. First of all, in terms of any development, that will be something between the City and developers which it has selected. But we have made proposals to the City. We have discussions ongoing currently. We are making progress. We are cautiously optimistic, and I look forward to hopefully being able to conclude an agreement with the City of Brandon because we do believe there is a real opportunity here for the City of Brandon and a deal. I want to assure the Member opposite it will be a deal that is also in the interests of the people of Manitoba.

Thompson Hospital Nursing Shortage

Mr. Leonard Derkach (Russell): My question is to the Minister of Health who during the election campaign made many outlandish

promises to Manitobans, and since that time he has found that the challenges of his promises are a little more than he can handle, and he continues to blame the former government for things.

The hospital in Thompson is presently in urgent need of nurses, as many other hospitals are, and it is in the process of closing down beds because it is in need of 17 nurses. The nursing shortage is clearly becoming a very chronic situation in our province, and this is not unlike it is in other jurisdictions.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Derkach: Mr. Speaker, this is a serious matter and certainly one that nurses and hospitals across this province want an answer to. I would like to ask the Minister of Health what he is going to do in terms of being able to recruit enough nurses into Thompson Hospital so that those six beds can be reopened immediately.

Hon. Dave Chomiak (Minister of Health): The Thompson Hospital is planning a temporary closure due to lack of nurses, similar to what they did last year and previous years. But on the larger issue of nurses, that is why we announced a five-point plan.

I am glad that the Member opposite has recognized the Tory nursing shortage. Three years ago, when I stood up on that side of the House and said we have a chronic nursing problem, members opposite would not take notice, would not do anything. Finally, we have a five-point plan, and, as part of that five-point plan, for the first time we are putting funding into the RHAs in the amount of \$3 million for retraining and retaining nurses, which is the crucial issue. We have an active recruitment campaign.

Mr. Derkach: These hollow promises of the Minister are of little comfort to the people in Manitoba. I would like to ask the Minister directly: When will the six hospital beds be reopened in Thompson?

Mr. Chomiak: Mr. Speaker, with respect to Thompson, there is a nursing shortage, and as a

result there is going to be a temporary closure of beds until the nursing situation is rectified, not unsimilar to what happened last year and previous years, except that this year we have an active plan in place, a comprehensive plan for the first time in this province to not just train and retain nurses but to attract nurses where we can.

* (14:20)

I am confident that, as we move through this Tory nursing crisis, we will be able to maintain and retain nurses here in Manitoba so that the patients can have the beds. I wish members opposite would support us in our initiatives to train nurses under the diploma program and not do everything they can to block that program, because it is in the interests of the bedside patients who require those nurses.

Mr. Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Killarney Grain-Growing Project

Mr. Mervin Tweed (Turtle Mountain): Mr. Speaker, I would like to acknowledge the good work done by the Killarney Community Grain-Growing Project which in the past four years has generated more than \$400,000 in food aid for the world's hungry. Since the project was formed in 1996, it has contributed an annual average of \$20,150 in grain and cash donations to the Canadian Foodgrains Bank. Under a government funding agreement, the Canadian International Development Agency matches donations to the Canadian Foodgrains Bank at a ratio of 4 to 1. Those matching funds have inflated the Killarney Community Grain-Growing Project's contributions to a total of \$402,800.

The Community Grain-Growing Project relies on donated inputs and field operations to grow crops that help feed the world's needy, and it is heartening to see how generous people have been in donating land, seed and time towards this valuable project. The Killarney Community Grain-Growing Project is one of 21 such community partnerships in Manitoba. All of these projects are making a significant difference in people's lives and have proven to be a practical

way for producers to share their harvests with the world's less fortunate. I would like to congratulate all those involved in these types of projects for sharing their bounty with others. Thank you.

Organized Crime Initiatives

Ms. Bonnie Korzeniowski (St. James): Mr. Speaker, today, I rise in recognition and support of our government's new five-point strategy to combat organized crime and improve neighbourhood safety. Yesterday we announced funding of \$1.4 million to target high-risk offenders and help eliminate gang activity. Community security will be improved with the creation of a Criminal Organization and High Risk Violent Offender Unit. The unit will work in co-operation with police agencies and security officers to more closely monitor criminal activity.

A new RCMP gang awareness unit will further monitor gang activities in our rural and northern communities. Along with increased funding for policing and prosecution, we have taken a proactive approach with the announcement of a community partnership plan. Community representatives will meet this fall to develop co-ordinated, culturally appropriate rehabilitation services for offenders. Additionally, a Take Action in Schools program will place officers in classrooms to educate students about the risk of gang activity and drug activity.

CHOICES Youth Program has successfully helped youth develop confidence and life skills in the past. We have added a Restorative Approaches Initiative to this program to teach conflict resolution, mediation and anger management skills. Parents and families also need the necessary tools to facilitate open dialogue on the lure of gang activity. A new website and gang awareness manual will help keep parents informed.

We acknowledge the need to assist parents by providing positive activities and increased recreational opportunities for our youth. Our Lighthouse Program will keep targeted schools open for community programming on evenings and weekends. With these initiatives, our government looks forward to taking further

action on an issue largely ignored by members opposite. While the former government talked about simply getting tough on crime, we have acknowledged the need to develop a co-ordinated approach to deal with these systemic—

Mr. Speaker: Order, please. The Honourable Member's time has expired.

An Honourable Member: Leave.

Mr. Speaker: Is there leave? Order, please. The Honourable Member has asked for leave. Is there leave? *[Agreed]*

Mr. Speaker: The Honourable Member for St. James, please continue.

Ms. Korzeniowski: May I continue?—the need to develop a co-ordinated approach to deal with these systemic problems. Government can no longer afford to overlook the severity of organized crime and youth gang membership in this province. Thank you, Mr. Speaker.

New Iceland Historic Designation

Mr. Edward Helwer (Gimli): I rise today to draw attention to a very important event in the Interlake. Late last year the Honourable Sheila Copps, the Minister of Canadian Heritage, announced 11 new designations of national historic significance. I am pleased to report that one of these designations has gone to an event that is particularly significant to the history of the Gimli constituency, and that is the establishment of New Iceland.

Terrible economic and climatic conditions in the mid-19th century drove numbers of Icelanders from their homes in search of a new Iceland. Many looked to North America, where the first Icelandic immigrants arrived in 1872. Early destinations in Nova Scotia, Ontario, Wisconsin and Nebraska proved unsuitable, so the migrants turned their attention west. In 1875, Icelanders established themselves in the Interlake area, and Manitoba is now home to a successful and vibrant Icelandic community.

The recommendation for the historic designation for New Iceland was made through the federal Heritage Minister by the Historic

Sites and Monuments Board of Canada. I would like to thank Leo Kristjansen, the New Iceland Heritage Museum, the Town of Gimli, the Betel Heritage Foundation, the Icelandic National League, and Iceland's president for their efforts in bringing this important event to the attention of the Historic Sites and Monuments Board.

Locally, we have always recognized the historic and cultural importance of the establishment of New Iceland, but to have this historic event recognized at the national level is quite an achievement. Thank you, Mr. Speaker.

Photos of Resistance Exhibit

Ms. Linda Asper (Riel): On May 1, 2000, the Minister of Culture, Heritage and Tourism (Ms. McGifford), representing the Premier (Mr. Doer), officially opened the Photos of Resistance Exhibit, Mayworks Celebration in the Pool of the Black Star here at the Legislative Building.

The Minister stated that our government is proud to support Manitoba's Mayworks Celebration designed to honour and promote the many positive contributions the labour movement makes to our social and economic lives. The Photos of Resistance Exhibit is a major event in the Mayworks Celebration. The interpretive photos capture the daily struggles of working-class life, while celebrating the accomplishments of Manitoba workers in all facets of their lives.

It is a pleasure to display this exhibit in the Legislature and offer Manitobans an opportunity to learn more about the history of workers in Manitoba. Many viewers will identify with the struggles depicted in the photos, struggles of postal workers, nurses, farmers, VIA Rail employees and others. When they do, they will also recognize the positive outcomes of labour's historic journey, a journey founded on the principles of democracy.

The Manitoba Federation of Labour is to be commended and thanked for sponsoring this exhibit and for continuing to uphold the rights of workers in Manitoba. Thank you, Mr. Speaker.

* (14:30)

Fetal Alcohol Syndrome

Hon. Jon Gerrard (River Heights): Mr. Speaker, I rise to say a few words about fetal alcohol syndrome. This is a condition which affects many children in Manitoba. It contributes inordinately to the anguish and heartache of parents, but it also contributes to problems in our school system because these children when they arrive in school need extra care, extra attention, and if not provided indeed can be quite disruptive in some circumstances in the classroom.

The concern about fetal alcohol syndrome does not stop in the classroom; it continues in a number of circumstances—we do not know in what proportion at this point—through life. Indeed, these children can be problems in the workplace, cause disruptions and problems.

So it clearly is a condition which needs a lot of attention, a lot of consideration to prevent this problem. The savings not only are in anguish and heartache and problems in many circumstances, but the savings indeed are significant in terms of dollars to our health and welfare systems. So I applaud the Government but urge even more because I think it is so important.

ORDERS OF THE DAY

BUDGET DEBATE (Sixth Day of Debate)

Mr. Speaker: Adjourned debate on the proposed motion of the Honourable Minister of Finance (Mr. Selinger) and the proposed motion of the Honourable Member for Kirkfield Park (Mr. Stefanson) in amendment thereto, standing in the name of the Honourable Member for Portage la Prairie (Mr. Faurichou), who has five minutes remaining.

Mr. David Faurichou (Portage la Prairie): It is a pleasure for me to rise once again and to place a few chosen words upon the official record of this Chamber regarding the Budget announced by the new New Democratic Party. I ended yesterday by saying we are looking to dark days ahead for Manitobans when this budget comes into being, and indeed that is in fact going to be the case as many constituents to

whom I speak wonder out loud whether or not the individuals in the New Democratic Party have packed their head in the sand so far that perhaps maybe only their buttocks are remaining above the ground.

They do not recognize that taxation is the major consideration when anyone is deciding as to a career and how they are going to fulfil their life's ambitions and where they do that. I mentioned yesterday that the only certainties in this world are taxation and death. I think they brought these two very close together because a lot of our young people are not looking to live here in Manitoba because of the taxation situation. Being the highest taxed province in all the land is not one that our young people are wanting to come and provide for not only themselves but, in the future, their families and their employees.

I took with great interest some of the dialogue that has been expelled by members opposite in regard to the debate on this budget, and I am very hard pressed to find members opposite that have talked about the Budget. An extreme amount of dialogue is dedicated to frivolous items of discussion, and I am really wondering whether or not the members, in support of their Finance Minister's (Mr. Selinger) budget, are so hard pressed to find some concrete evidence which they can grasp and discuss and extol.

An Honourable Member: They do not like tax hikes either.

Mr. Faurichou: Precisely. They are embarrassed by a lot of contents of the Budget insofar as they are not making any mention of the facts that high taxation is going to be a hindrance to them and their constituents. They do extol a number of different points that are what they feel highlights to this budget, but in fact all those points are being made in support of previous programs that the Progressive Conservative Party had put in place.

The reductions of the business tax and the continuance of that is extolled by the Member for Brandon. I do not believe that perhaps he would have even recognized that had it not been in a past practice of the previous government to

reduce business taxes and to recognize the importance that small business plays within this province. Some of the other rhetoric that goes on here, I have asked for concrete demonstration of where the province of Manitoba lacked 1000 nurses, out of employees, here in Manitoba. I am very much looking forward to documentation that backs up the Honourable Member for Brandon West's (Mr. Smith) statement that is detailed here in Hansard.

Mr. Harry Schellenberg, Acting Speaker, in the Chair

I am also curious to find from the Member for Interlake (Mr. Nevakshonoff) how he feels that his area is so downtrodden and poor and insinuates that members have not travelled the Interlake and are unaware of that part of our province. I would like to place upon the record. I am very familiar with the residents of Pine Dock and spent a summer there and recognize the situation to which they are accustomed. I am certain that they would be very indignant to learn that, in fact, their member is stating that they are poor. Sometimes, it goes beyond me as to how to fully comprehend individual's assessments of others, whether they be poor or rich and to make commentary to the effect that one is poor or rich as to the length of their bank account.

The Acting Speaker (Mr. Schellenberg): Excuse me. The Honourable Member, your time has expired. Thank you.

Hon. Jon Gerrard (River Heights): Mr. Acting Speaker, I rise to talk about the Budget, and I want to begin by putting on record that I believe that the NDP made a mistake in not following tradition by delivering their budget by March 31. There is a reason for that tradition, and part of that reason is for good planning and good budgeting not only within the Legislature but throughout Manitoba. The impact in the delays, for example, in the university and community college community and their ability to plan is substantial. The ability to plan in a whole variety of other areas is delayed. So the first point that I would make would be that the NDP should have provided this budget by the end of March, instead of waiting an extra month and a half before delivering it.

The second point that I would like to make about this budget, you know, budgets should have integrity in the way the speech is delivered. The budget speech failed to mention one of the important items, and that is that the NDP have eliminated up to \$2,500 PST rebate for first-time buyers. The Budget should have been a full accounting in the speech, rather than a selective presentation trying to present just the best face for the NDP Government.

Let me move now to comment a little bit about the NDP claim that they have made some progress with their five major commitments. The first commitment which the Minister of Finance (Mr. Selinger) made and the Premier (Mr. Doer) and the Minister of Health (Mr. Chomiak) was that they would end hallway medicine and rescue health care. Let us give the NDP some credit, because there has been some improvement in the number of patients in the hallways from the documentation which we have now available and from what I hear from health care workers. But let us, at the same time, acknowledge that there is a lot of progress that still has to be made.

I was talking with a health care worker at the Health Sciences Centre who indicated quite clearly that the—

The Acting Speaker (Mr. Schellenberg): Order, please. A point of order, the Honourable Member for Carman.

Point of Order

Mr. Denis Rocan (Carman): Mr. Acting Speaker, I am having great difficulty in hearing the remarks of the Honourable Member for River Heights. I am sitting this close to the individual, and I would like to hear about all these cuts that they are talking about that they are making to CBC. So I am trying to pay special attention.

The Acting Speaker (Mr. Schellenberg): Thank you. It is difficult to hear the Member for River Heights, who has the floor. I ask all members to allow the Member to be heard. I thank you.

* * *

* (14:40)

Mr. Gerrard: I suggest to the members of the Government that there is a lot more work to be done, that the conditions as I hear them, for example, in the Health Sciences Centre emergency room are perhaps, if anything, worse in the way beds are managed than they were some months ago. We still have next year's flu season to go through. There is a lot of planning that needs to be done to make sure that the era of hallway medicine under the former government has truly come to an end.

There is at the same time, I suggest, a long way to go before health care in this province is functioning well. We have a circumstance where the Government has thrown money at the situation without providing a lot of care, accountability, without giving us good measures of outcomes, without putting in place the research and the development to ensure that things are being done well. We have, in fact, the most expensive per capita health care system in Canada of any province. It is time that we learned how to manage the system better so that we increase the quality and we are able, in fact, to have costs which are affordable and which are not rising to the extent that they have been in recent years.

The second promise of the Government was to renew hope for Manitoba's young people. Well, there are some benefits in terms of lower tuition, and the Government should get some credit for that, but at the same time there is a lot more that is needed. Clearly, the infrastructure and the funding situation of universities and community colleges has a lot to be desired if indeed in Manitoba we are going to go and try to achieve the participation in post-secondary education that is now present in provinces like Québec, elsewhere in Canada, where something like 40 percent of our young people are in post-secondary education compared to Manitoba where it is only just a little above 20 percent.

There is a lot more that has to be done in providing an optimistic view of young people in Manitoba in terms of new economic opportunities, in terms of improved taxes, in terms of an environment which is going to be supported, guaranteed equality for the future. The NDP

have promised to keep Manitoba Hydro, fine. They have made it for eight months without selling it off. That gives them some credit, and let us hope they can keep going for the rest of their mandate.

The NDP have promised to build a new partnership between business and labour for new and better jobs. Well, there was an economic summit, but there is very little of that economic summit that actually made its way into the Budget. There were a whole host of ideas at that economic summit, particularly in the area of the new economy, and virtually none of that has actually moved into action and practice in spite of the words of the Finance Minister (Mr. Selinger) into the Budget and into the future.

The Government has made commitments and promises to keep our communities safer and yet, in fact, we are not given what benchmarks they will use, what outcomes they will guarantee. We need a clearer plan, rather than just putting in place one new program after another. Programs themselves are not enough if we do not measure results. Programs are not enough if we are not sure that they are working properly. We need to make sure that even as they are implemented that there is the outcome measurement, the benchmark, the quality control, the research, to make sure that we move this province forward in terms of social policy and not backwards by adding one poorly thought out program after another.

The NDP have promised to keep the balanced budget legislation. We have made it through a number of months. Let us hope you continue it. I think it is important to point out that that balanced budget legislation has some notable flaws. One of those flaws, let us be fair, is that this would not have been a balanced budget if the Government did not borrow from the rainy day fund. The Provincial Auditor last year was critical, and rightly so, that last year's budget was not really a balanced budget if one followed proper accounting procedures. I think that one can make exactly the same case this year, that this was not really a balanced budget if one followed proper accounting procedures. I think, though it is no fault perhaps of the way the balanced budget legislation was written, it does indicate that there is a difference between the

intent and the practice. That is something that might be addressed in the future.

The NDP have promised to lower property taxes. Let us congratulate them for adding another \$75 tax credit. But at the same time, most people in Manitoba realize that there is more to go, that you need to take the approach that we advocated. That is to eliminate the provincial levy on residential property tax for education. This would simplify the system. It would take us in the direction that we really need to go, which is a much more comprehensive movement in reduction of property taxes, a significant change that would be well appreciated by people throughout Manitoba.

Let me say a word or two about agriculture. The Government and the Opposition have both spoken about the situation of people in southwestern Manitoba. Clearly, in my view, with some better work the Government could have been able to negotiate a JERI program to help people in southwestern Manitoba. This is a sad failure on the part of the new NDP Government and shows that they have some way to go yet in dealing effectively and well with the federal government to get the best possible for people throughout Manitoba.

I would suggest to you as well that in this time of change in agriculture that we need more of a vision than was provided by the Government in this budget. There is a real transformation in agriculture at the moment, and the Government should be in the lead in facilitating that. The Government should not be cutting back agricultural research spending by a third. The Government should be in the lead with a vision of how people in Manitoba, farmers in Manitoba, are going to make that transition and are going to be given assistance facilitated to make that transition at a particularly difficult time when commodity prices are low. The Government can do better. It should have done better when dealing with agricultural issues.

Let me talk for a moment about the so-called end of the clawback of the child tax credit. Let us give the NDP some credit for some movement in this direction, but let us at the same time acknowledge that that movement is not far enough, that it does not really fulfil the full

intent of the promise that was made in last year's election. So we say that this promise is not fully completed, not fully finished.

There is very little in the Budget that gives us some ability to believe that this government has a focus on improving the situation with our environment. The Budget is very similar to that which was provided before. If one looks at the new Department of Conservation, very little real change from the previous government except, of course, for some \$20-million decrease in the flood protection expenditures. We do not know whether the new government is going slow on building new dikes. We hope not. It may be that this is just decreasing, but we do want to make sure that those 13 community dikes, which were never built under the former government, are in fact proceeded with. There is a limited time to do this under the current federal provincial agreement, and this time should not be wasted.

* (14:50)

I wanted to talk for a moment about pensions and acknowledge that the NDP have taken a step forward in looking at and providing some attention to the unfunded pension liabilities. I and others have some questions as to whether the amounts which are allocated, which is \$21 million directed each year, is sufficient to really meaningfully address, and to address fully, the unfunded pension liabilities which are in the billions of dollars. This clearly must be a subject of assessment in the Estimates which are coming up and in the further debate which will occur and must occur in this House.

I want to return now to renewing hope for Manitoba's young people and suggest that the NDP have not done enough. I am in substantial agreement with the Member for Kirkfield (Mr. Stefanson) with many of the limitations of the Budget, the deficiencies of the Budget which were presented. I believe that the Honourable Member for Kirkfield Park has not gone far enough. Now it is time for Manitoba's NDP Government to join the modern world. NDP politicians, like the Tories before, have become mired in the old ways of thinking, of driving into the future by looking at the past.

The Budget delivered last week by the Finance Minister drives us determinedly back-

wards. Now, would you not agree with that, Harry? The Honourable Mr. Doer and Selinger should realize that driving us toward where we have been is not what we need. "Forward to the future" should be our battle cry. *[interjection]*

Point of Order

Mr. Daryl Reid (Transcona): I think perhaps the Member for River Heights is unaware that while we are in the Chamber, we do not mention the individual names of members in the House, but we mention them by their constituencies. I would ask you to call the Member for River Heights to order and ask him to use the appropriate rules of this House.

The Acting Speaker (Mr. Schellenberg): The Member does have a point of order. You should address them by their constituency. Thank you.

* * *

Mr. Gerrard: I was referring, of course, to the Honourable Minister of Finance and the Premier. I believe that there is much more to do, and, clearly, we should be going forward and not backwards.

Any large organization, government or corporation or university, has to create a sound budget and a strategic plan. Based on sound accounting principles and clear business goals, there should be, for example, a rationale plan for infrastructure, for information technology, for research and development. Sadly, all of these are missing from this government's \$6.4-billion budget.

And nowhere is this lack of planning clearer than in the area of education funding. Speaking in the Legislature last week, the Honourable Minister of Education (Mr. Caldwell) admitted that post-secondary facilities need about \$250 million immediately for building repair and facilities, the infrastructure deficit. Yet the Minister of Education's department is allocating only \$10.9 million to capital funding for universities and, to community colleges, a mere \$2.2 million. These numbers bear no relation to the actual needs. They are simply numbers quietly inherited from the previous Tory administration without much thought. At this rate of spending,

it would take twenty years just to address the present shortfall, and yet the Government has said that it would double community college spaces. Are you going to double the spaces, double the capacity of our community colleges on \$2.2 million?

The money for capital programs in this budget is not even enough to look after Wesley Hall at the University of Winnipeg whose façade has been crumbling and the Department of Engineering buildings at the University of Manitoba whose insides leak rainwater. I was talking to the Dean of Engineering, and he talked about the waterfall coming down into his building. Yet the Government has failed to provide a coherent and logical plan to deal with the infrastructure deficit. The lack of attention to infrastructure, of course, is a symptom of a decade of neglect by the previous government, a decade that, thanks to the new NDP budget, will now last into the millennium without satisfactory attention. It is time the capital budget for universities and colleges be based on a rational foundation, a rational foundation in which expenditures are linked to real outcomes in terms of maintaining, developing or even, if necessary, sometimes tearing down old buildings.

The NDP Government should also heed the examples of efficient and well-run corporations. Businesses set priorities, and these are visible in their budgets. They are called budget lines. For example, on average, large corporations today will now spend 5 percent to 10 percent of their budget on information technology. By comparison, what can be readily identified in the recent Education budget of \$1.4 billion is only 0.17 percent of the total budget set out as various information services and systems. The sheer absence of a single line allocation to information technology speaks volumes about the Government's inability to grasp the urgency of adapting to the reality of the new economy.

Education and work have never been more closely linked. Business is calling on universities and colleges to adapt, to be more flexible and more responsive to the needs of the marketplace. In order to do that, our post-secondary education facilities must be equipped with the latest information technology as part of a system-wide network and database. How else can they

provide the lifelong learning, including the skills needed in the high-tech industries for Manitoba to remain competitive in the 21st century? In today's global economy, innovation is critical to success. Large corporations recognize the need to allocate resources for research and development, and this may range from 1 percent to 16 percent of their budget, depending on the nature of the industry. Usually in high-tech and information technological industries they spend more, closer to the high level rather than less. and when it comes to research in education and health, a reasonable allocation of taxpayers' money is probably in the range of 2 percent to 5 percent and yet the provincial Education budget earmarked only \$0.48 million or 0.03 percent, while the Health budget earmarked only \$3.6 million or 0.15 percent of the total budget toward research and development.

Now what does R&D have to do with the real world of overcrowded ERs? A lot. In the past decade there has been a devastating underfunding of research in Manitoba. There has been a very real impact on our ability to improve the quality of health, to control costs, to spend effectively and efficiently and so our budgets have gone out of control and our quality has gone to pot. That is not good enough.

The Manitoba Health Research Council is a primary funding vehicle for health research in this province and in the past decade, while provincial revenues have gone up by 35 percent, the Manitoba Health Research Council's funding has come down by 10 percent. When you look at the big picture, when you stand back and look at the impact that this has had in Manitoba, the loss is staggering. The shortfall in provincial research and development investment has probably cost over the last five years somewhere between \$300 million and \$600 million to Manitoba, money that would have been levered primarily from outside to invest here, to help us improve our health care, to help us improve our education, and we have lost that because we have failed to put in place the base support, education and health and indeed in other areas of research and development.

* (15:00)

The previous Conservative administration should be given some credit in the area of agriculture. With agriculture, as the Honourable Member for Lakeside (Mr. Enns) knows, the allocation for research last year was between 4 percent and 5 percent of the budget, and indeed if this had been done in other ministries then we would have had a dramatically different circumstance. The Minister of Agriculture should be given some credit.

Alberta, Saskatchewan, Ontario and Québec all spend substantially more than Manitoba on research and development. Québec, as an example, has three research councils with a direct provincial allocation this year of about \$150 million and another \$120 million provided through Valorisation-Recherche Québec, which basically is how you get the practical benefits of your research done in universities out into the community, out into the marketplace for the benefit of the whole province, in this case Québec.

That total of \$270 million for Québec allocated by the Province of Québec is to be sure that there was an underpinning of university-based research and innovation to support their social, their scientific, their engineering and their health programs. In addition to those dollars, the province of Québec has funding to promote research and innovation in industry. By comparison to that \$270 million, Manitoba has only one research council and only allocates \$1.75 million to its sole council, the Manitoba Health Research Council. It is little wonder that we have a research and a technology gap in this province.

Will this gap continue to widen? If the Budget of last week is an example, the answer sadly is yes. Not only was the Manitoba Health Research Council budget not increased, the Economic Innovation and Technology fund was cut by two-thirds. The agriculture research budget was cut by one-third. While the NDP and the Tories are arguing about tax points, the real story of this budget is the lack of a businesslike approach, the failure to invest appropriately in infrastructure and information technology and in research. This is the real miscalculation of the NDP Budget 2000.

The Budget was a budget from 20 years ago. It was not a budget for this century and this millennium. It will have consequences for years and years to come. There is a huge amount that has to be done. Research and development, the infrastructure, the information technology, are all critical to spending more wisely to be able to operate a government which in fact uses resources well so that our costs, like in health care, do not run madly out of control, so that we can lower taxes, so that we can have more opportunities for young Manitobans.

That is the story in this budget, the old direction instead of the new. What we need is a government which starts to think about the new directions, the new economy, the new ways that we need to position Manitoba in this new world, in this new millennium. Thank you.

Mr. Gerard Jennissen (Flin Flon): Mr. Acting Speaker, it is indeed an honour for me to rise today to put a few words on record regarding the first provincial budget of the new millennium, Budget 2000. It is indeed a balanced, finely tuned budget that resonates well with all fair-minded Manitobans. It is a budget for all Manitobans, not for one elite sector of the province. This is a budget for Manitoba families, yes, and it is also a budget for Manitoba's middle class, in spite of the Member for Springfield's (Mr. Schuler) Cold War rhetoric to the contrary.

Yes, I have listened with interest to a number of good speeches, both pro and con, regarding this budget. The Member for Elmwood (Mr. Maloway), for example, made a good point. He said that we voted—that is, the Government here—we voted last year. We voted on your budget. We voted for your budget because of its emphasis on supporting health care and education. Now, why do you not return the favour? But I guess you are not good sports this time around.

Of course the Opposition is angry. It is not hard to tell. They are angry not because this is an excellent budget for Manitoba but because it is not their budget. The Opposition just cannot believe they lost the last election. They do not want to give the last word to the people, but the people spoke last September. They made it clear

they want a different direction, and it is not a Tory direction.

So they have decided, our Tory friends over there, that since it is not their budget, Budget 2000 is not their budget, this budget cannot be any good, even though this budget incorporates many of the elements that they have advocated or are advocating; tax relief, modest, yes, but still it is tax relief; a balanced budget, a small surplus, something they certainly did not accomplish for years in the first half of their 11-year reign; the gradual reduction of the small business tax rate. So even the Tory-friendly elements of the Budget apparently go unnoticed by our critical colleagues opposite. This is a shame.

Now, the gentlemanly thing to do, the ladylike thing to do would be to say nothing, nothing at all if they cannot say anything nice. That is what my mother always told me. But somewhere our right-wing Tory friends have become totally fixated on cutting taxes. I suppose they have borrowed this notion from right-wing Republicans. I never know where they get their ideas from, but they do not seem to want to stick with their own ideas. I suppose they have borrowed this notion, as I said before, from right-wing Republicans.

It has always amazed me, Mr. Acting Speaker, that Canadian super-blue Tories can never come up with creative ideas of their own. They always have to borrow from a Margaret Thatcher or a Ronald Reagan or a Newt Gingrich or a Bush or a McCain. Right now we even have the Member for Springfield (Mr. Schuler) borrowing ideas from Albania. This is really frightening. No wonder they are having an identity crisis. They do not know if they are red Tories or blue Tories or Alliance Party or Conservative Party or Social Credit or real Canadians or fake Americans. They are having problems. They are having an identity crisis.

I know the members over there do not need or want my pity, but I am going to extend it to them anyway. I do feel sorry for them. Some of that extreme rhetoric they used to condemn Budget 2000 only indicates, in my mind, the confusion in their acts. Their attacks on this, the first really sensible budget to come out of

Manitoba in a number of years, only show that there is division, disillusionment and panic in their ranks. Who can blame them when in their frustration they lash out in most intemperate language? Therefore, Mr. Acting Speaker, we take most of their criticism of the Budget with a grain of salt, actually, with a carload or two of salt. We take it for what it is. We recognize the source it is coming from.

This is a sensible, practical and achievable budget. If members opposite do not have the good sense to recognize that, let us be charitable to them and blame it on their post-election blues, their ongoing identity crisis, their current provincial leadership hassles, the fact that two of their big guns are deserting them, the fact that there is a nasty behind-the-scenes leadership struggle going on, pitting the grassroots against the party establishment, which the grassroots on that side never seems to win.

* (15:10)

Mr. Acting Speaker, as a former teacher for many years, I have come to recognize, as all good teachers do—and I will put myself in with the Member for Dauphin (Mr. Struthers) in the category of good teacher—that when a child acts up in class—and also of course our Honourable Education Minister (Mr. Caldwell), I will include him—behaves in a disturbing or irrational manner consistently, there is something wrong at home. The unusual and bizarre behaviour is symptomatic of a larger problem. It is usually a home problem.

Similarly, when the Tory Opposition acts most irrationally and starts quoting Albania a lot, it is not hard to infer there is something wrong in the Tory home. Like the Member for Wolseley (Ms. Friesen), I take no special comfort in the fact that the Tories are having troubles at home. I want to be clear about that. At a federal level, there is something disconcerting, almost vaguely shameful about seeing Joe Clark being deserted by people who ought to be his allies, I think. What happened to loyalty, Mr. Klein? What happened to loyalty? What is happening to the party of Sir John A. Macdonald, a party instrumental in linking east and west and creating this country named Canada?

So am I surprised at the Tory attack on this budget, Mr. Acting Speaker? No, I am not surprised. It would be more intellectually honest to first look carefully at the Budget before launching into diatribes against it as members opposite are doing. Personally, I am very tired of the Republican mantra chanted daily by members opposite: Cut taxes, and paradise will arrive. I do not know where this logic comes from, because if you take it to its logical consequence, cut all taxes, have no taxes, see where we will be. What happens to our hospitals and to our schools and to our roads? They seem to assume cut taxes and paradise will indeed arrive.

I suggest that we should judge the Budget on its true merits. Let us not use only one criterion and our one yardstick as members opposite are fond of doing to measure this budget. When you see what this budget does for families, for ordinary Manitobans, for northerners, for Aboriginal people, for poor people, then you must say that this is an excellent budget. The Tories have labelled the modest tax cut in this budget as insufficient. Well, this government had to make some tough decisions because of earlier Tory overspending. I hope they are aware of this.

When provincial Tories chant the mantra, more tax cuts, where were they when they racked up the largest deficit in the province's history, a \$766-million deficit in 1992 and 1993? That was followed by a \$461-million deficit the following year. So, in two years, our tax-cut friends over there racked up a deficit of well over a billion dollars. Now they whine about the fact that we have balanced the books. They demand bigger tax cuts. We did not have to sell Crown corporations, like you sold MTS in order to balance the books. Yes, and it was a real Tory government under Rodmond Roblin in 1908, which created MTS for the benefit of all Manitobans, and it was an alleged Tory Party which sold it off later on, and I say it is to their everlasting shame. So, when these alleged Tories, suffering from an identity crisis, vilify the Budget, we on this side of the House have no option but to sigh and wonder out loud about their problems. I guess we could be smug about it, but we are not. We could coin slogans maybe which might mitigate their suffering through a

little bit of humour because of their identity crisis. I have coined the one: Stockwell by day, Tory at night. Maybe they want to use that. I give it to them freely, no copyright attached.

Mr. Acting Speaker, the fact is that if the only horse you are riding is a tax-cut horse, then you are going to have a very small parade. We are all interested in tax cuts. We would all like to have tax cuts, but I think we have to have a reasonable and responsible budget. We cannot have across-the-board tax cuts and still maintain our social safety net or still maintain our spending that we need for health care, on which we campaigned, and education and so on. As the Member for Wolseley (Ms. Friesen) so eloquently said and pointed out in her speech on the Budget, you cannot overemphasize wealth creation at the cost of social cohesion, which is what the Tories are fond of doing.

This budget does not fall into that trap. This Budget 2000 is carefully balanced, carefully crafted. We recognize the need for wealth creation, but we also recognize the need for social cohesion. It is true that traditionally right-wing governments have focussed more on wealth creation and so-called left-wing governments more on social cohesions, but global economic forces have driven all governments, governments of all stripes to the centre or slightly right of centre. Had the Tories—and this is my firm belief—before the last election actually been less extreme, as the Member for Elmwood (Mr. Maloway) also pointed out earlier, they might well have won the last election. But, no, they were seduced by the Republican siren song of massive cuts, and Manitoba, over the Tory years, lost 700 teachers, over a thousand nurses, lost the publicly owned telephone system. Because they questioned their own identity, the Tories fell victim to the public's wrath in September 1999. They were not clear on their direction. They forgot they were Tory.

So the strident voices on the Opposition benches, I interpret, Mr. Acting Speaker, as not so much a condemnation of this budget but an anger and a frustration at themselves for having lost the trust of Manitobans, for having lost the last election. In fact, the members opposite are saying this publicly themselves. The Member for Lac du Bonnet (Mr. Praznik) is quoted in the

Free Press of last Monday, May 15, as saying—and these are his very own words: "Are we really surprised we lost the last election?" said Praznik. 'We did some things over the last five years that we have to come to grips with.'"

Further on, the *Free Press* states: "Praznik"—that is the Member for Lac du Bonnet—"argued that in its final years, the Filmon administration turned its back on the party rank and file while falling to scandals that eroded the party's credibility.

"In particular, Praznik"—that is the Member for Lac du Bonnet—"said, the Tories did themselves in with broken promises on health care spending and involvement in the 1995 election vote-splitting scandal that consumed most of Filmon's top advisers.

"On the heels of these mistakes, the party establishment unleashed an ambitious campaign in last year's election which promised \$1 billion in new spending and tax cuts that were totally out of character for a government known for its cautious progress."

It is not only the Member for Lac du Bonnet who has identified the real malaise, the real problems which have plagued the Tories who are now in the Opposition benches. In the same *Free Press* article the member for Lakeside (Mr. Enns) is also quoted, this honourable member, whose speeches I really enjoy listening to, who has long served this Legislature in a most distinguished fashion and who yesterday said in the House that he was proud to have been a Mulroney Tory. I was gladdened by the fact because now I know at least there is one real Tory left, at least one Tory that admits to being a Tory. But even this honourable member is quoted in the *Free Press*.

I am quoting the *Free Press* a lot, but, you know, I miss Frances Russell, I guess. "We did a number of things badly wrong,' Enns said. 'Billion-dollar promises that weren't characteristic with the Filmon government. We were arrogant and we paid for it. We have to get out of that inner-circle crowd that has been running the Conservative Party of Manitoba. We have already paid a price for that. We lost an election we ought to have won.'"

Now, Mr. Acting Speaker, those are honest words, and I commend the member for Lakeside for putting those words in the public domain, because he is pointing something out that can happen to any political party. Arrogance will inevitably breed a fatal price. I think the party over there was arrogant, did follow paths that were not Tory paths and they fell.

The Tories did themselves in, Mr. Acting Speaker, and therefore, this dog-in-the-manger attitude to Budget 2000 is really only in many ways the whining of a disgruntled opposition. I do not understand why the Opposition is chiding us for being responsible New Democrats who are actually implementing the policies on which we campaigned, something novel to the Opposition, I guess. We are keeping our word.

None of our members are playing Jekyll and Hyde. We do not, as members opposite do, lurk around phone booths to come out. He will go in as a Blue Tory and come out as a what? Alliance, Stockwell by day? Tory by night? Red Tory? Blue Tory? We never know. You scratch a Tory, you never know what colour they come out, and that is kind of scary. You peel a layer off a Tory, and you find a Reformer or an Alliance member or a Social Credit or a Republican or a born-again tax cutter, I do not know. Stay away from phone booths.

* (15:20)

Now nobody loves taxes, but, surely to goodness, members know that taxes fund our health care, our roads, our education, our social safety net. Do we need to get into a bidding war on which jurisdiction has the lowest taxes? If that is what we get into, I will guarantee you that Manitoba will not stock up very well—that is an unfortunate combination of words, "stock up very well." But, anyway, we will not stack up very well against Ontario or Alberta because we cannot really, really seriously compete with massive oil revenues and economies of scale. It would be most difficult.

Mr. Acting Speaker, I represent a northern riding and northerners are quite happy, by and large, with this budget. When I say by and large, I think it is overwhelming, but there are always a few disgruntled Tories, even up north. They are

hard to find. They have their meetings in telephone booths.

For example, we have always felt in the North that the \$50 user fee levied on northerners via the Northern Patient Transportation Program was an unjust user fee. We felt it was targeted at northerners, and it was vindictive, it was nasty, it was bitter and it is gone, thank God. We felt that it was a fee targeted only at us, and I commend the Minister of Finance (Mr. Selinger) for dropping this fee. It is difficult enough, especially for our senior citizens, to travel to Winnipeg hospitals without the added indignity of being saddled with a \$50 user fee. That trip is very long. That trip is very difficult. They have to pay to stay at hotels and motels after one night and so on. It is extremely expensive. To be hammered with another \$50 was simply not acceptable. We have tried hard to get rid of it. I am very happy this Minister of Finance was wise enough to get rid of it.

Northerners know, as do members opposite, how important roads are as well to the economic development. For many northern communities there is only one road. Visit Leaf Rapids or Lynn Lake or Sherridon, Gohl Lake, or even Flin Flon, for that matter, and there is only basically one road. Some of our northern communities do not even have a road; therefore, that one road becomes a lifeline.

Now for years the Tories ignored northern roads despite their saying to the contrary. They would give us 4 percent or 6 percent of the total budget, sometimes 10 percent. I think one of their high points was 11.8 percent. We used to put in 18 percent or more when we were in power.

An Honourable Member: Jim Downey said they did not vote right.

Mr. Jennissen: Yes, and Mr. Downey, the deputy premier, did, in the past, say the reason for that was that up north we did not know how to vote right. Well, we know how to vote right; we vote left.

Now that system was totally unfair, and yet what do members opposite say today? Well, let me quote the Member for Steinbach (Mr. Jim

Penner), on Monday, who stated in reference to economic development on roads. He is an honourable member, and I am sure he believes this. He gave a very good speech and I agreed with most of it, but here is what he said. The Honourable Member said, making a comment about the Honourable Member for La Verendrye: The Honourable Member for La Verendrye was "to be the voice of the south in cabinet; it appears he has failed, despite his best efforts, to convince his colleagues of the important contribution our southern roads system makes to the economy. He needs to talk to his colleagues about the importance of maintaining a part of our economy that is actually working instead of just throwing money at parts of the economy where we will get no return." There you have it, Mr. Acting Speaker. The Tory philosophy of why they could not put money in northern Manitoba into the road system. Basically, they are saying: You guys do not contribute. This is patently false.

I hastened to assure the Member that this government will govern for all of Manitoba, and the northern economy is working, despite Tory sabotage and underfunding in years past. The Member suggested that, by putting money into northern roads and infrastructure, it was like throwing money away and he is dead wrong. I would like him to think, the next time he turns on that electric light switch, of where that electricity was produced. It was not produced in southern Manitoba, I will guarantee you.

Northerners have more than paid their way. I suggest that we take a good look at the taxes, the mineral wealth and the forest products coming out of northern Manitoba.

As our current Health Minister has done more in six months to fix the health care system than the Tory did in 11 years, so our Highways Minister did more for roads in northern Manitoba in a few short months than the Tory government did in 11 years. This is not unbalanced. He is simply trying to address an unbalance that existed before. The North was totally neglected and ignored. This Minister of Highways did not neglect southern Manitoba. Witness the work that will be done on Highway 59, for example. Furthermore, the Highways Minister did not fight Ottawa like the Tories

used to do. He worked together with Ottawa, and he managed to get a decent winter road built from Brochet to Lac Brochet and Tadoule Lake. That is something that the Tories could not do in 11 years.

Mr. Acting Speaker, this budget is fair to northerners. We are heartened by the fact that my honourable colleague from Rupertsland, the Aboriginal and Northern Affairs Minister (Mr. Robinson), announced in The Pas on Monday \$700,000 in core funding, funding that was cut by the Tories. This restoration of core funding was long overdue. There is \$5 million in additional money for ambulance services and medical emergency transport for rural, northern and the rest of Manitoba, as well, which will help northerners.

This budget provides funding for an aboriginal economic and resource development fund, for improved diabetes and dialysis programs in aboriginal communities, for self-reliance initiatives that will involve 12 more communities, for Access programs, for northern airports and ferry services, for initiatives addressing chronic housing shortages in northern Manitoba, for FAS programs, for aboriginal child welfare initiatives, for increased staffing and funding of the geological survey branch because we realize the tremendous importance of mining in this province, for increased improvements to northern airports and ferry services. The list goes on and on and on. This government is doing something. This Minister of Finance did table a budget that is a responsible budget.

This budget, this government will put northern Manitoba back on the map again. Talking about maps, by the way, I am not happy that the former highway maps that the Tories produced went from the 49th parallel to slightly above the 57th. Our province goes to the 60th parallel. Ignoring a quarter of the province, the northern chunk, on the map, may be a bit—I could be accused of being a bit nitpicking, but it bothers us northerners. It seems it is a symbolic gesture saying that the top northern quarter does not count. I am sure that this minister will try very hard to address that and that the next highway map, hopefully, will have all of Manitoba on it, not just up to the 57th parallel. You cannot just ignore a quarter of the province,

because northerners have always felt left out. We are going to feel a lot less left out now.

In concluding, I commend the Minister of Finance for a fine budget that is fair to all Manitobans, that addresses the concerns of all Manitobans, not just the elite which provide the funds for the Tory election campaigns.

No Manitoban is treated unfairly in this budget. To my honourable colleagues on the other side, I can only say the sky is not falling. That dark shadow you see is the fortunes of your own party, and it is in total disarray.

Our Manitoba economy is healthy. Unemployment is down. Outmigration has ceased. Manitoba and, yes, Winnipeg, are still the places where you can raise a family more cheaply than virtually anywhere else in Canada. If you do not believe me, try to buy a house in Vancouver or Toronto. It is at least double, if not triple, the price you pay here.

Those are the facts, ladies and gentlemen. Unlike previous Tory budgets, which featured massive cuts at the beginning of the mandate and binge spending just before an election, this Minister of Finance, to his credit, has delivered an up-front, honest and nicely balanced budget.

I would remind members opposite that in the by-election in Newfoundland two days ago the Tories barely edged out the NDP, but Mr. Hearn, the Tory who eventually won, ran an NDP-style campaign. To quote the *Free Press*, May 16, page B1, one more time: "Hearn's campaign, which focused on health-care and education, was positioned to the left of where the party is now headed because a socially progressive message is easier to sell in Newfoundland."

I would add that it is also the ethically correct message, the ethically correct direction to go, socially progressive.

So I urge members opposite, the next time they step into that telephone booth only to emerge as super-Reformer or super-Alliance or super-Social Credit or super-Republican, that they should rather stay true to their own blue colours and come out blue, well, perhaps allow a little red Tory, because that is what the electorate

would recognize. Then the electorate would know what they really would stand for. Then we know what we are dealing with.

I would suggest to them, quite honestly, quit jumping on American-style, tax-cut band-wagons. This is Canada. This is not the United States. We still believe in helping those less fortunate than ourselves. We still believe that. We believe in responsible government. We believe in responsible and fair taxation. This budget reflects that fairness. This budget is a breath of fresh air for Manitobans after a decade and more of facing a negative Tory wind that alternated between savage cuts and pre-election squandering. This is a sensible budget, and I commend the Minister of Finance (Mr. Selinger). Thank you, Mr. Acting Speaker.

* (15:30)

Mr. Harold Gilleshammer (Minnedosa): Mr. Acting Speaker, I am pleased to have the opportunity to make my contribution to the Budget Debate. I would like to begin by acknowledging what a tremendous workload, a monumental task it is to craft a budget and the many, many hours that go into the discussions and the debate around designing a budget. I would like to acknowledge those people in the Department of Finance who work on the tax side to estimate the revenues and look at all of the indicators and usually are very, very close in their analysis of what revenue will be.

I would like to also acknowledge those people in Treasury Board who sit through those countless hours of Treasury Board meetings with departments and with staff and with doughnuts and coffee, the tremendous work that goes in there in doing an analysis of what is brought forward. I think we in Manitoba can be proud of the work that members of the Department of Finance and members of Treasury Board have done over the years in serving governments and bringing forward information that assists a government in finalizing a budget.

Mr. Conrad Santos, Deputy Speaker, in the Chair

I would like to commend the Minister of Finance (Mr. Selinger) for bringing in a

balanced budget. I know his party has subscribed to the balanced budget legislation. I think, as I have said before and other members said the other day, acknowledging that balancing budgets and accepting that legislation, imitation is the sincerest form of flattery. I think we had our times over the last few years where we quoted most members who were in the Chamber during that balanced budget debate. But there is recognition that all provinces in Canada have moved this direction and recognize that unbridled expenditures could no longer go on and that all provinces were facing taxpayers who were on the verge of revolt in terms of the taxes that they were paying. Most governments have now started to move the taxes the other direction, some more dramatically.

Certainly we had made some movements here in Manitoba. I am disappointed that the Government did not follow through with a more earnest effort in that direction, but I think it is important that they subscribe to the balanced budget legislation.

I note that we did not have the alternative budget from Choices this year, but I am sure they had their opportunity around the Treasury Board table and the cabinet table and the caucus table to have their input. We can see vestiges of their ideas and concerns embraced within this budget.

Even though the Government has adopted the balanced budget legislation, there are still a couple of troubling issues. I noted the Minister of Finance (Mr. Selinger) speaking in Brandon the other day, when asked whether they were still prepared to raid the Crowns in future years, he said, never say never.

I would caution him that Manitobans would not support raiding rate-based Crown corporations, whether it be MPIC or Manitoba Hydro or others, that those rates are set by the Public Utilities Board. They are set by their boards of directors and endorsed by the Public Utilities Board. They should reflect the cost of that service. Whether it is hydro or whether it is auto insurance, it was never intended. Even though Saskatchewan, to some extent, raids their Crowns, I would caution the Minister of Finance to think very long and very hard about that.

I am also concerned about the new rates and the new brackets that they have set in going to the new taxation system. I think Manitobans are going to be going to their accountants and asking to have their taxes analyzed. It is a very difficult decision to set not only those brackets but also the rates to ensure that you have the income that you had this year and last year and hope that you will set those rates appropriately for coming years. I know they have set them higher than Saskatchewan. They have made the brackets different than Saskatchewan. I do believe that the Minister of Finance has erred on the side of caution here and that he is going to see probably a fairly substantial increase in revenues because of where he set those brackets.

I would say also that this budget was a missed opportunity, that the Government is, I think, receiving revenue far beyond what the last budget indicated would be coming in. I know that the Minister of Family Services (Mr. Sale) had often criticized Finance ministers for low-balling revenue. Those same people I praised a few minutes ago make their very best effort to try and gauge what federal transfers will be, what provincial income tax will be, what provincial sales tax will be. It is, in many respects, an educated decision that is made by them. To the good fortune of government, these revenues have been low-balled in the last few years, not by design, but certainly I think we are the benefactors of the fact that revenue has come in higher.

For instance, in the 1999 budget, by the third quarter report, revenues were shown to be up some \$434 million. That is an astounding amount of revenue that has come from federal transfers, from provincial income tax, from provincial sales tax and other sources. Again, I know that staff in Finance did their very best to try and estimate what that revenue would be, but it is a testament to the economy in Manitoba, which has been booming over the last few years, that revenues have come in considerably over what the Budget had indicated it would be.

So I think, given the fact that revenues continue to be buoyant and the fact that there was \$434 million in excess revenue over last year's projections, there was a wonderful opportunity to be able to cut income tax in this

budget. The Minister of Finance (Mr. Selinger), in many of his responses in this House in his first days, indicated their budget would have balance, balance between priority spending, balance that would recognize debt repayment and balance that would indicate some reduction in taxes. I would suggest to you, Mr. Deputy Speaker, and the members of this House that balance was missing, that the tax reductions in this budget were minuscule and, with the buoyant revenues not only for this year but for future years, there was an opportunity to be a little more aggressive on the tax reduction side. That will be borne out, I think, when you see revenues coming in when you close off 1999 and as you get into your first, second and third quarter reports of this particular year.

So I do believe that they have failed to read the mood of the public correctly here. They have failed to recognize that that balance should not only be on the expenditure side but should have also been on the tax side.

I think there is good reason for the fact that revenues have been more than buoyant in Manitoba. I know that the Department of Industry, Trade and tourism and others who were working on trade initiatives in government often talked about the Manitoba advantages. Certainly one of the strong advantages was the people we had here in Manitoba, highly skilled, highly trained. We know that when there were companies that moved staff here, one of the reasons they did it was that they had individuals in Manitoba that they could hire with an excellent work ethic, a bilingual capacity. Certainly, that has not changed, and it is something that Manitobans and businesses coming to Manitoba will continue to take advantage of.

Manitoba has also offered an environment in which the costs of doing business are exceptionally attractive. Office space and industrial land are inexpensive and readily available, and electricity and long-distance rates are the lowest in Canada. So there was good reason for companies to relocate here. I think those advantages are still here. Along with the central time zone and the work ethic of our people, we have a very strategic location, and we can build on that. I think that the perception, because the cost of living is low here, that we can afford to

pay higher taxes, is wrong, because that cost of living can change and ultimately taxation is something that becomes very, very important. We can determine, to a large extent, our own cost of living—the amount we invest in a home, the amount we invest in a business or a car. We have some discretion there, and we can control that cost of living. We cannot control our taxes, and we should not feel, and the Minister of Finance (Mr. Selinger), should not feel, that he can punish Manitobans—because the cost of living is low, taxes can be inordinately high. There have to be taxes that compare well with other jurisdictions.

* (15:40)

I would also say that the reason for this buoyant economy of the late 1990s had a lot to do with infrastructure, whether it is telecommunications or roadways and airports and railroads. These are things that cannot be neglected, and I would offer a criticism of the Highways budget. When you meet with AMM and municipalities, with KAP, you will hear this message time and time again. It was interesting to me to note that somebody on the other side had said that at this point you are able to do one project in seventeen. I can remember that, when we came to government, I think it was one in ten, and that gap is widening. I know our hope is that the federal government will use gasoline tax, that they will come to the table with infrastructure. I am sure somewhere buried in the Budget there is some discretionary funding to match a federal infrastructure program.

I think all Manitobans would hope to see that, but at the same time to reduce that budget by \$10 million, for whatever reason, probably was not a priority that I would have supported. I think it is a valid criticism, and you will hear from the road builders' association, from the AMM, from KAP because that infrastructure out there is so important. With the demise of the Crow rate and the abandonment of railroads—things that we are not going to change—roads are going to continue to be more and more important, and I think the federal Finance Minister has indicated that there needs to be a national strategy on this, and the Prime Minister has indicated that. I would hope that sometime in this current budget year or soon, they will reveal

that. Unfortunately, it may have a lot to do with the timing of their next election, but it is such a critical issue. I am sure that Liberal members of Parliament from all over this country are telling the Finance Minister and the Prime Minister that with the revenues the federal government has—and I know they are trying to balance almost equally tax reductions with priority spending—but that infrastructure spending is an absolute necessity, and I think that there is going to be a chorus of people across this country who are going to say that more and more often.

I think that the emphasis on education is well placed. We will see how that shakes out with the universities. There is a bit of smoke and mirrors with the tuition reduction and money going to universities, but at the end of the day those boards and those institutions will identify where the shortfalls are. I know other members have talked about the infrastructure at universities. More important than bricks and mortar, I think, are the people that you are able to attract there, and, if the universities are not able to offer the courses, if they do not have those outstanding individuals that they can hire—whether it is at Manitoba, Winnipeg, Brandon or the community colleges—there will be an impact on where people go to receive their education, so I think it is important that that be monitored as time goes on.

For many other reasons as well, in the late 1990s the Manitoba government has done well in terms of revenue, and there is no reason why that cannot continue. Again, I would think in this budget, a major criticism that I would have is that there was not that balance between tax reductions and expenditure priorities.

I would like to indicate some of the other areas that I think the Government perhaps has made an error. The fact that you have delinked from the federal system a year early is simply a tax grab. There was an opportunity for Manitobans to enjoy what most other Canadians are going to have, and that is an income tax reduction based on the system that was in place. The Minister of Finance (Mr. Selinger) will know that our commitment was to delink next year, not this year. As a result, some \$40 million that would have flowed through to taxpayers is not going to. A portion of that possibly will, but

going from a tax-on-tax to a tax-on-income is something that all jurisdictions are going to do. Again, I think that the Minister of Finance, Treasury Board officials and, ultimately, Cabinet have been a little more aggressive than they should be. In fact, they may be in line to have far more revenue than they thought they were going to have because of where they have set those rates and set those brackets.

I think that it is not unexpected that the Government should mention the tax reduction that came in place on January 1. Manitobans know that was part of the last budget. Members opposite will talk about that. I do not have any objection with that because I think that is pretty transparent what they are doing. Similarly, the commitment to reduce the small business tax from 9 percent to 5 percent, you are just maintaining the schedule that was announced last year, and I commend you for that.

Manitoba is not going to dramatically reduce taxes. We went from 54 percent to 47 percent over a decade. Certainly we were prepared to go a little further, and I think you must go further. You have not in this budget but you must do that in future budgets to be sure that Manitoba is competitive. Later on, I will just indicate some of the specific cases where that is going to have an impact.

Much has been said about the new rates and the new brackets and your medium-term fiscal framework. I have a concern, and it was stated by my colleague from Kirkfield Park (Mr. Stefanson) the other day. It does show revenue increasing year over year in your medium-term fiscal framework. My concern is that pretty well all of that is going to expenditures. Again, there is no indication here that in future years—as other jurisdictions have signalled where they are going to lower their taxes—there is no indication here that this government in this province is going to be on that particular path.

In fact, I will just read into the record some of the tax reductions that other jurisdictions have already announced. Saskatchewan announced the biggest tax cut package in the province's history while at the same time increasing funding to priority spending that when fully implemented, 70 percent of Saskatchewan's

taxpayers will pay the same income taxes as Ontario and Alberta, those two provinces that we always use as the guideline in terms of tax reductions; B.C. has provided \$120 million in tax relief; Alberta has announced the 11% flat tax. In fact, they are talking about the possibility of going to a situation where there will be no provincial tax in the future.

One of the reasons that Saskatchewan is being more aggressive than we are on tax reductions is the fact they border Alberta, and it has a tremendous impact on their western flank. Saskatchewan is cutting taxes by \$44 million this year and by \$260 million over the next three years. New Brunswick provided its citizens with a \$33-million tax cut, and of course last week Ontario announced a 5% tax cut for those earning at least \$30,000, and announced that they will be rebating to all of their citizens \$200.

I think the stage has been set across this country to reduce taxes. Again, I see this as a serious missed opportunity, given the buoyant revenues that this province is enjoying. The opportunity was there, and we have missed it, and we are going to fall behind other jurisdictions. In fact, right in their own budget document—and this has been mentioned before—the family of four who earn \$60,000, where there is one income earner, our provincial income tax of \$6,394 is clearly the highest in the country. The fact that our cost of living is lower is not a reason to punish people. We have a cost of living here that we have some choice in, what cost of living we have. We do not have a choice on taxes, and the fact that we pay the highest taxes in the country is not going to be lost on people who are increasingly more mobile.

People who have cottage property in western Ontario are going to consider making that their permanent residence, because the taxes are so much lower there. In fact, even people in the western part of Manitoba may view Saskatchewan as a place to relocate where they own land on both sides of the border because taxes are marginally lower there. They have signalled that they are going to be increasing those tax reductions in coming years, so we have missed that opportunity. I would say that Treasury Board and members of Cabinet should look very

closely at that and try and remedy that in future budgets.

I am also concerned with the process, although I think it will deserve a closer look, where part of the debt repayment is now going to be reallocated. There is no question that there is an unfunded liability with pensions. An issue that had to be dealt with by government either now or in the coming years, but to siphon off the payment that was set aside for the provincial debt and put part of it towards the unfunded liability may be a violation of the legislation. I do not know.

* (15:50)

Everybody acknowledges, whether it is a TRAF unfunded liability or the government employees' association liability, it has to be dealt with and it will be dealt with. It would be dealt with by any government. Everybody recognized that, even though there are people who believe that when the Provincial Auditor commented on it, it was as if people did not recognize it was there. It was recognized because every year in the Budget, the actual amount had to be contributed to those who were drawing that pension.

I would like to move next to talking about the people who advise Finance ministers on budgets. I know the Minister of Finance did have a consultation process across the province, and I would hope that he would release that documentation for Manitobans to see what advice he was getting from groups across the province, whether it was organized groups like CAP and AMM or councils in various jurisdictions or whether it was simply individuals who came forward and indicated what they saw as a desirable way for the Minister of Finance to go both on the expenditure side and on the tax side.

Now, much was made of the Manitoba Century Summit that the Premier and the Minister of Finance lauded in their speeches and in their press releases, and certainly this is a good process. It is one that our government followed from time to time to bring together people from all segments of society to look at the economy of Manitoba, to look at the tax

regime in Manitoba, to look at what the education system is in Manitoba, and how we can work together to make this a better place to live.

My concern is that there were major recommendations in here on taxation, on pages 24, 26, 29, 30 and 32. There was a reference to the Government making taxes either lower or more competitive. In any of the press releases I saw coming out of the Century Summit, that was downplayed and certainly they took the advice in other areas. They highlighted the advice on the education side. They highlighted it on the aboriginal side and on the business side, but they seemed to miss the point of the groups that were there.

I commend them for bringing forward prominent Manitobans, friends of mine whom I worked with in the Department of Labour, like Paul Moist—I have a tremendous amount of respect for him—Rob Hilliard, Irene Merie, Chuck Loewen, David Friesen and others. There was, I think, an attempt to balance the panels, balance the participants. They got good advice here, but the one thing they missed was the tax reductions and the tax competitiveness which was indicated in at least six places in this document. Again, I would urge the Minister of Finance and Treasury Board ministers to go back and take a look at that.

I think it is important to listen to groups like that, not just special interest groups who gain the ear of government to have you make some legislative change, some budget change, some regulation change, but to listen to mainstream Manitobans. Their advice was pretty clear here, and that part of that report was largely ignored by the Minister of Finance.

Again, I would reference the fact that the Minister of Finance often talked in our first session about balance. I think he did attempt to balance spending, although I am going to get into some of the areas I think he missed, certainly treated some departments very well. We will see how that shakes out over time, but the thing he said he was going to do on the taxation side, I think, he missed that considerably. He will have another opportunity next year. I think he missed a good opportunity

this year with the buoyant revenues. I think those revenues will continue for another year, and I think they will be enhanced by the fact that they set the brackets different than Saskatchewan, brackets to the advantage of government. I think they have set the rates to the advantage of government, and there will be considerably more revenue. Again, possibly a violation of the balanced budget legislation, because taxation like that should not rise without a referendum to the people.

I have mentioned the Highways budget. I would also mention Agriculture. I think much of the spending that the Minister of Agriculture (Ms. Wowchuk) talks about was actually made in last year's budget, that here was an opportunity because of the buoyant revenue to throw as many expenditures as you could into the '99-2000 year. I think that budget was balanced in spite of yourself, that expenditures in Agriculture, expenditures in Health, and believe me there will be pressures on this budget in the Department of Health. I wish you well in that area.

Agriculture, I think, is down in spending. This is a time when agriculture in this province is going through very, very difficult times. I would speak here particularly of southwestern Manitoba, that nothing has been targeted to those producers after the money they received, the \$50 an acre. I know that you are in discussions with the federal government, but we do not know and we do not think you have a plan to address that. Southwestern Manitoba has been severely impacted by low commodity prices, by the flood, and by the fact that producers out there are suffering a great deal. Add on top of that the anxiety of the Minister of Health's (Mr. Chomiak) direction and the report he has on closing rural hospitals, add on top of that the uncertainty of Shilo, and there is a lot of unhappiness in southwestern Manitoba, a lot of anxiety in southwestern Manitoba that this government is not addressing.

I would also mention what a backward step, I think, it was in doing away with the Child and Youth Secretariat. I can tell you for years and years, we looked at the walls that were put up, the barricades that were put up between departments, where departments often work

against each other because it is their turf and they want to protect it. The Child and Youth Secretariat was established in the early to mid-90s. We went through problems getting them to be recognized, getting departments to accept them, getting departments to listen to them. Finally, in the last few years, great strides were made where departments did not work against each other. They worked with each for the benefit of children, the benefit of society.

I think it is a terrible backward step you have taken by doing away with that secretariat and putting this back in the hands of the department. Those other departments are going to retreat back into their silos. They are going to do their own thing. They are not going to share information. There is going to be duplication and overlap, and the people of Manitoba, the children of Manitoba, will be the losers in that. I would hope that you would revisit that. It is not only the personalities that you have dismissed from office; it is the fact that you are going very much backwards with that initiative. I am sure that you will live to regret that.

I think there were other areas of the Budget that I would like to comment on, as well. The previous speaker, the Member for Flin Flon (Mr. Jennissen), talked about the \$50 user fee that has been eliminated. Let me tell you about some of the people I have been working with lately. I have a family who live in very, very modest circumstances and their health has not been well. This particular individual had to be taken by ambulance to the Minnedosa Hospital, taken by ambulance from the Minnedosa Hospital to a hospital in Winnipeg, relocated by ambulance to another hospital in Winnipeg and then taken back by ambulance from Winnipeg to Minnedosa. That ambulance bill was \$1,600. Would we not like that bill to be \$50? We would love if it was nothing, but there are Manitobans who are paying a tremendous price for transportation when they are in ill health. This family does not have the \$1,600 and, quietly, people in the Health Department are just saying ignore that bill. Well, they are proud people, and I believe somehow they are going to pay that \$1,600 ambulance bill.

You know, when you listen to special interest groups and you think you are doing a

favour for some part of society by making conditions different for them, you are not recognizing an issue of fairness here. I can tell you that patient transportation in rural Manitoba is a big issue that you are going to have to address, and you do not do it by showing some favouritism to a certain part of the province.

*(16:00)

I would also mention the much touted hiring freeze that members were talking about when they got the first report on Deloitte and Touche and were trying to show some way of saving money. They did away with the Millennium Fund, or at least part of that. They made a few other tinkering with the system to try and show that they were being responsible. Well, I can tell you that the hiring freeze, I do not think, ever existed, that within a few months 350 people had been hired.

As you got to Deloitte 2 of this so-called audit, which was really a review, and you found that there was not wild spending and that the Budget would be balanced, you started not only trying to throw all of your expenditures into old year but you also continued that hiring spree that you were on. This is indicative of a government that has no intention of lowering taxes. You are going to be the beneficiaries of exceedingly high revenue, and I think your commitment is to spend every nickel of it, even though the Budget will be balanced.

I would also make mention of your relationship with other levels of government. I know that, with this budget, the Mayor of Winnipeg has very clearly said that Winnipeg has not been well served. In fact, he said he was better off with the old government. I know that there are areas of the Budget that are difficult to understand, but you will find that you cannot please everybody, and you certainly have not lived up to commitments in the city of Winnipeg. Whether it is repairing roads or whether it is with the Winnipeg police force or other areas, this budget is lacking. And you certainly have not pleased the Mayor of Brandon in some of the activities that your government has been involved in. Whether it is a very lukewarm defence of Shilo or whether it is the southwest corner of Manitoba, which has been

ignored as far as targeted support goes, you are going to find that that level of government is not happy with this. I think as soon as you meet with KAP and AMM and they find out that you ripped \$10 million out of the Highways budget, that the agricultural budget is flat, you are going to find those relationships are not as wonderful as you thought they might be.

I noted in the *Winnipeg Free Press* some time ago that the Member of Parliament for Winnipeg South—I think that is the riding—talked about this wonderful relationship that the federal Liberal Government has with the Government, and that this was going to be a new era of co-operative government relationships between the federal and provincial governments. While they are praising you and holding your hand and telling you good things, what have they done for you on the agricultural area? What have they done for you in terms of infrastructure, and what have they done for you in terms of addressing the southwest corner of Manitoba? I would suggest nothing. I would urge the Premier (Mr. Doer) and members of Cabinet to take a very strong stand with the federal government on these issues because so far you are not getting a lot from them.

The other thing on taxation that I would mention, and in every response to specific questions—and I realize they are hard to deal with in the House—the Minister of Finance (Mr. Selinger) has simply read some global numbers to say that Manitobans are better off. But I would urge him and his officials to take a look at some of the information that has been brought forward in Question Period about a single senior earning \$20,000, that his taxes will be 20 percent more than in Saskatchewan and Ontario. Also, the individual earning \$35,000 will be paying 5 percent more taxes than Saskatchewan and 40 percent more than Ontario. This taxation becomes a very personal thing.

I would urge you to run the numbers. I appreciate you cannot do it on the fly in the House. When you make policy and answers on the fly, you tend to get yourself into trouble, but these are real numbers that accountants have done. I think the fact that people are coming forward and saying that taxes are higher for them than they were last year is a very real thing

and something that the Government should be aware of.

I would also mention the housebuilders association, which, I think, enjoyed, along with many other groups, the ability to come and talk to government. You know, there were many groups that came to visit various ministers, the Minister of Finance, the Premier or Cabinet committees where you had to listen politely and say, no, I do not think we are going to go that direction. But to take a major group like this and refuse to meet with them, refuse to have them in to have discussions over an issue that is very important to them, very important to Manitobans, and then in your budget deny individuals that tax reduction that they have enjoyed for the last few years of the provincial sales tax, this being cancelled in the Budget, no reference being made to it, no opportunity for them to meet with a minister, in fact being rejected on a number of occasions. Then without fanfare simply ripping it out of the Budget. This is not the way to deal with groups across this province. Even if you were not going to do it, I think you owed them the opportunity to have them be heard, and you could look at them face to face and say, no, we are not going to do that. This is not the way to start a relationship with an important group within our society.

For that reason and many others that I have stated, I will be joining my colleagues in voting against the Budget. There were a number of things that were in the amendment to the Budget motion that certainly I can support and that I think Manitobans can support. Again, in closing, I want to emphasize to the Minister of Finance, because I know he is listening, this failure to provide those income tax changes in a positive way are going to resonate across this province. Companies, individuals are looking very carefully at what rates are in other provinces. I can tell you that all of us have friends, children, relatives, acquaintances in other provinces who, more and more, talk about taxes. I think we are all becoming much more aware of our own financial situation, much more aware of the impact that government taxation has on us as individuals. I can tell you that young graduates are going to be especially mobile as they graduate from our colleges and universities, as they start their businesses. If they have the

opportunity to relocate and practise their trade or practise their profession in another jurisdiction, they are going to do that. You may think you are getting by with one budget, but with the revenues that you have enjoyed you had a tremendous opportunity to not only include your priority spending but also significant tax reduction in this budget, and you have failed to do so. I think it is certainly being noted by us in the House and more and more by Manitobans.

Budgets are interesting documents. They take a while to interpret. They take a while to spread through the province. It takes a while to understand these budgets. As Manitobans get more and more of an understanding of this budget, I think they are going to see things in there that they do not like. They are going to see that missed opportunity to be sure that our taxes were competitive with Saskatchewan. I do not think anybody is saying that you should try and keep up with Alberta or Ontario, but you have to be aware of the dramatic changes that they are making. Surely we can keep up with Saskatchewan.

I know last year they went from 7 percent to 6 percent on their sales tax, and they had come down from 9 percent, because they were feeling extreme pressure from Alberta where there is no sales tax. I think we have to be aware of what they are doing, and you can compensate for it in a number of ways in terms of tax policy. But to stay stagnant like we have this year is a mistake, and I think one that members opposite are going to regret. So I thank you, Mr. Deputy Speaker, for the opportunity to make my contribution. I look forward to hearing others and knowing that we have an opportunity to vote on this on Friday. Thank you very much.

House Business

Hon. Gord Mackintosh (Government House Leader): Mr. Deputy Speaker, on a matter of House business, I just want to table the order of Estimates for the session.

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*(16:10)

Hon. Tim Sale (Minister of Family Services and Housing): I am pleased to rise in support of

what I consider to be a balanced and prudent budget. I want to commend my colleague the Minister of Finance (Mr. Selinger), whom I have known for many years, over many different movies I guess you would say, for his tireless work and his very firm leadership and guidance in producing this very balanced and compassionate, thoughtful budget which I think all Manitobans have received with great pleasure, with the exception of a very small number who perhaps do not understand entirely what has been achieved in this budget.

So I want to start first with a bit of the broad picture of what we inherited. Mr. Deputy Speaker, when we were sworn in on October 5, we quickly set about getting a clear picture of the financial situation facing the province, because we were told on very good authority that the previous government had simply turned on the taps when they were facing an election in a situation where they had been roundly condemned by Manitobans for their activities as evidenced in the Monnin inquiry, where they had disappointed and misled Manitobans in regard to the sale of MTS, where there was significant and well-founded fear that the next target of sale would be Manitoba Hydro.

We knew that they had simply decided that having had a couple of terms in government they were not likely to get a third unless they could spend their way back, and so they opened the taps. They let health spending run absolutely wild. If it moved and squeaked, they threw money at it. They did not just spend money on things which would have been done through the very significant increase in health spending which this party in opposition voted for when we supported the Budget. They did not just do that. They more than doubled that amount of new spending. If it moved and squeaked, it got money spent on it during the run-up to the election.

In that election, Mr. Deputy Speaker, in desperation, their advisers from Mike Harris's Ontario said: Why do not you make a dramatic promise, a billion-dollar promise? Well, of course, in Ontario they are used to billion-dollar promises. Their economy is about 11 or 12 times the size of Manitoba's. Their budget is about 10 times the size of Manitoba's. So in Ontario, as C.

D. Howe once said: What's a billion? He said, "What's a million?" but in Ontario they say: What's a billion? So these advisers who probably had not been to Manitoba ever in their lives came out and wanted to advise the Filmon team during the election, and they said: Make a big promise; a billion sounds good. And so they did: half a billion in tax cuts, half a billion in new spending.

You know what Manitobans said? They said: We do not believe you. I was canvassing during that time in the area south of the Assiniboine here when that promise came over the airwaves, and it was not half an hour after the first blush of the press conference was out of the mouths of the Filmon Team and people at the door, quite ordinary people at the door were saying: This is not believable. This is incredible. How can they tell us for 10 years that there is not the money and suddenly in an election year there is \$1 billion.

It was not a credible promise, and in my view the Monnin inquiry scandal, the sale of MTS against the promise of the previous government, against their commitment, earned them the distrust of Manitobans and then finally lost all credibility through the \$1-billion promise. So we had to take stock when we came into government, so we hired the same firm and in fact many of the same individuals that the previous government used to do the same thing in 1988-89. You know, they told us that we were looking at as much as a \$400-million deficit. That was the best information that they had, that was the best information that our government had, that was the best information that our officials had and so what we are left with is, at the end of the day, the \$500-million promise was made in spite of information that the Treasury officials of this province had. Had they been asked they would have said that is mythical money. It does not exist.

So we first had to come to grips with a situation not of our own making and certainly not of Manitobans wish, and this Finance Minister (Mr. Selinger) and this government buckled down and said: What can we do? And I will now suggest that we were aided by our hard work and we were aided by good fortune, because with no advance knowledge the actual

revenue for this year will be \$336 million greater than was budgeted for in the previous government's budget. They did not know about it; their officials did not know about it; Finance did not know about it. We got lucky. We got lucky and we should be grateful that we got lucky because had we not, we would have had a much more difficult time on our hands in order to achieve what this budget has achieved.

Now some of that revenue comes simply as a matter of adjusting past errors and it is one-time revenue and some of it can be built into the Budget. Our Finance Minister has prudently built a reasonable amount into the Budget, reflecting the new base of equalization payments, which thankfully move us up in our revenues.

But, you know, at the end of the day, what our Finance officials, our Cabinet and our Treasury Board realize is that in spite of the windfall which we received in '99-2000, in actual fact our transfers from the federal government next year, 2000-2001, actually fall. We are actually getting less revenue in this new fiscal year from the federal government, in total, than we did in the last. Because of the one-time payments, our total revenues actually go down, so we had a very difficult situation on our hands.

Now what did we achieve in that situation? I want to remind members opposite that the taxation adjustments table on C16 in the Budget makes it plain that not only are we competitive this year in terms of our top marginal tax rate, we are the third lowest. You would never know that to listen to members opposite, but I urge them to take the Budget, same kind of format that their government used, look at the 2000 interprovincial comparison of tax rates on pages C16 and C17 and read the numbers. The previous speaker, the Honourable Member for Minnedosa (Mr. Gilleshammer), the previous Finance Minister, said: Nobody expects you to keep up with Alberta. Well, fair enough. What this table, of course, does not show is that there are health care premiums in Alberta that are very substantial and add very substantially to everybody's costs in Alberta, and if you include them in the top marginal and the average tax rates, then Alberta's rates do not look nearly as

desirable as the rates would suggest when you just look at income tax.

Let us look at Ontario, this so-called low-tax province. Let us look at Ontario. What is their top marginal rate when you factor in their surtaxes, surtaxes of over 20 percent, surtaxes, tax on tax, of over 20 percent. The top marginal rate in Ontario 17.42 percent. This is a jurisdiction they are holding up as a low-tax regime. It is 0.2 percent lower this year than Manitoba, 0.2 percent. I would ask them to read their own figures. They do not talk about the surtaxes, because they are embarrassed by the fact that their comparisons based on Ontario are bogus for the top marginal tax rate. We can see by the Member for Fort Whyte (Mr. Loewen) that he knows we are talking the truth, and he knows the truth in this regard.

So not only did we achieve competitive rates for 2000, not only did we achieve competitive rates, we achieved the third lowest top marginal tax rate for the year 2000. I am very proud to be part of a government that was able to bring in that result, in spite of the other side of our budget, which I think is a very, very balanced budget.

* (16:20)

The other side of our budget is what I want to spend a few minutes time on now, Mr. Deputy Speaker.

This budget makes available to education \$30 million for our public school system, more in one year than the previous government invested in the previous six or seven years, more in one year. Why did the taxes, of which they complained so loudly, go up so sharply during their time in office? Because they cut funding to our schools. They cut funding to education. In real purchasing power terms, they cut funding to education by \$150 million, real dollars, purchasing power.

So of course property taxes skyrocketed during their time in office. In fact, the special levy during their time in office doubled. It doubled. The burden on poor taxpayers in Manitoba, whose homes are worth \$20,000, \$30,000 and \$40,000 in the inner city of this city of Winnipeg, doubled because of their failure to

fund public education adequately during their time in office. They do not talk about that, as my friend from Flin Flon points out.

The special levy is now \$440 million. When they took office, it was just over \$200 million. And they talk about lower taxes? Their policies doubled the special levy during their time in office so that poor homeowners in my area, poor renters throughout this city are paying twice in the special levy what they were paying 10 years ago. It is a shame that they cannot acknowledge that this budget put hope back into our public school system for all of our children and their teachers, 30 million new dollars going into that system, \$30 million of hope for our children into that system.

We did not stop there. We took a look at our post-secondary education system. We looked at students who could not afford to go to university, who said: It does not matter, Mr. Doer, it does not matter, Mr. Caldwell, it does not matter, Mr. Chomiak, how hard I work, they told us during the election campaign. I can have the top marks. I can get the scholarship marks out of my school. I cannot afford to go to university because during the previous government's time in office they also doubled tuition. They did not just double the special levy on poor Manitoban taxpayers. They doubled tuition for post-secondary education students. So we made a commitment that we would lower tuition by 10 percent, real tuition, real reduction, 10 percent, September 2000, a promise made and a promise kept in this budget.

We then backfilled that promise by making sure that our universities had a full, new 2.6 percent in operating budget, the same increase we gave to our public school system, so that they would be able to meet the needs of their students and would not be affected negatively by our commitment to reduce tuition.

Now, Mr. Deputy Speaker, we did not just do that. We went beyond what we promised in the election. Under the previous government we became the only province in Canada without a bursary system. Why do students have crushing debt loads? They have crushing debt loads in this province because the previous government cut Manitoba's bursary system.

Following our consultation with students, following our consultation with industry, they told us: You have to strengthen your post-secondary education system, and students said: Yes, we have to strengthen it, but we cannot afford it. So we took advantage of the opportunity of the Millennium Scholarship fund so that this year in Manitoba's post-secondary education system there will be \$5.6 million in new bursary programs, money that will help low-income Manitoba students, particularly rural students who face far higher costs for post-secondary education than most students. Those students will be able to attend our universities. They will get the skills through university and community college programs so they can stay in Manitoba. They can be employed in our high-tech industries. They can make the commitment to the province that bore them, supported them and educated them because they will be able to afford to do so.

I am proud to be a member of a government that is going to put \$15.6 million between the Millennium Scholarship fund and our bursary fund into the hands of Manitoba students in September of the year 2000. I am proud to be part of that government. So we did not just keep our promise to students; we built on our promise to students. We are going to keep doing that year after year.

Mr. Deputy Speaker, it is a novel idea. A promise made is not just a promise kept; it is a promise built on—a novel idea for members opposite.

When it comes to our community college system, I am proud to be a member of a government for the first time since the mid-1960s, making the kind of commitment to rebuild our community college system, to expand it. Our commitment to double enrolment in our community colleges over the next four years has been started with this year's budget with an additional amount of, I believe, \$5 million of new money into the community college system. New money. Not money recycled from someplace else. New commitment so community colleges can provide the courses and the education for young Manitobans that we all want them to have.

You know, Mr. Deputy Speaker, it is a sad reality, but Manitoba under the previous government fell to having the lowest percentage of its post-secondary education system in community colleges in this country, to the lowest. We look down east, and we think that the Maritime provinces are hard done by. We were the lowest in the country in making community college programs available to our students. The worst in Canada. Eleven years of neglect. This government has made a commitment to reverse that and to build hope for young people.

What did we do in the health care system? We committed to ending hallway medicine. Go to any of our hospitals and look and see. Yes, occasionally there are one or two people in the hallways. There are not 17 or 20 or 40 anymore. We made a commitment to end hallway medicine. That commitment is being kept. Far more than that, we inherited a system where health expenditures, according to their own appointed person, Gordon Webster, were totally out of control.

When we sat down and said to some of the people in our health care system in October: Can you answer this question, and they say no; we do not know. When Deloitte and Touche were trying to do the estimates of what the expenditures at the end of the year, '99-2000, would be, Deloitte and Touche told us that in one week the final estimate of expenditures would bounce up and down by \$40 million or \$50 million because nobody had any idea what was being spent. It was out of control.

What did we do? We sat down with the WHA and with all the RHAs, and we said: Let us work this through. Let us put a plan in place that recognizes the real expenditures and the real priorities. Let us make sure you have the resources to meet those real expenditures and real priorities, but then you must be accountable. You cannot simply come back to us as they did to the previous government, and say: Well, you did not give us enough in the first place. We have overspent. Give us some more. Because the answer will be no. You had an adequate budget; you agreed to that budget; you must live within that budget.

For the first time in years there are some controls in health expenditures. Instead of coming into this House in January of every year

and looking at a warrant for tens and twenties and sixties and ninety million dollars of new expenditures in health care during the year, this year the health expenditures will be under control for the first time since this government created an uncontrolled expenditure pattern with the RHAs and the WHA that had no accountability links.

I was absolutely proud to be a member of a government which also said: Look at what has happened to our children. Look at what has happened to our day care system. When I got my first briefings in my new ministry, I was told that 34 percent of my day care centres were operating on provisional certificates because we could not get staff, trained staff, to meet the ratio requirements.

That is an unacceptable situation. Why did it arise? Well, it arose because from 1990 onwards the day care system was cut or it was held, it was shrunk. At the end of their time in office they panicked and said: Oh, my goodness, we better do something about day care. They threw some bones at day care, bones coming out of the National Child Benefit clawback. So they clawed back money from the poorest of the poor and gave it to our poor day care system.

That is not our approach. I was and am proud to be part of a government that said that day care is a high, high priority and that \$9.1 million on an annualized basis will go into our day care system this year to stabilize the existing system, to make sure it is possible to pay people at least \$8 an hour. We were paying people under \$7 an hour to look after children, no pension, no benefits, and under \$7 an hour.

That is not fair to the children. It is not fair to the workers. We had workers in day care who had to get day care for their own kids, and, because their incomes were so terrible they qualified for full subsidies. That is absurd.

* (16:30)

So I was proud to be part of a government that said that children are a priority and that we will, within a balanced budget and a balanced framework, support our day care system. I was proud of a government that said that the poorest

of the poor cannot raise children, feed them properly, clothe them properly, provide them with any sort of decent opportunities to develop as little children on the kind of support that the previous government allowed, where they cut \$20 a month off the infant food budget when they took over the City of Winnipeg social assistance.

Now, they had Fraser Mustard out when they were in government. They read the material about early childhood nutrition. They know that children raised in poverty have a high risk of experiencing poverty themselves in their life. They know all of that, and yet they did nothing.

They took back even the new amount of money that Canada was prepared to make available to poor children, and they used it for other purposes, perhaps worthy purposes, but they took it from people who were far poorer than those on whom it was spent.

So we stop that clawback on July 1. We will not take that back from the poorest of the poor. We will not take back the increase next year from the poorest of the poor because we know that little children need food, they need clothing, they need shelter, they need nurture, and if you do not support them when they are little, you will wind up paying for them when they are big. That does not make any sense.

I want to turn now briefly to the question of the balanced budget. I spent some years on Public Accounts in opposition. It was always a trick to find out which pod the pea was under. They moved it around so fast, upside, downside, take it from here, put it over there, we could not figure out many years just what exactly was happening with the Fiscal Stabilization Fund. Then about 1995-96 the Auditor simply insisted that the presentation get a little bit clearer.

They still basically misled Manitobans about the nature of their draws on the Fiscal Stabilization Fund, but at least if you read the pages in the Budget, you could find them now. Do you know what we found? We found the biggest deficit in Manitoba's history, 1992-93, \$762 million. We found that the government managed to get about \$440 million out of the sale of MTS, and they flushed it through the

system during their last three years in office, gone. Money that should have been applied entirely against debt paid out in program revenue, gone.

We found a situation where if you had 20/20 vision and a magnifying glass, you could find the footnote that said money had been taken out of the Fiscal Stabilization Fund and credited as revenue. Well, there are a couple of businesspeople over there. I think perhaps even the Member for Fort Whyte (Mr. Loewen) would understand that revenue that comes in in one year cannot be claimed as revenue in the next. That is called "double counting." You can show it as a transfer, but you cannot show it as revenue. The Member for Fort Whyte, I hope, will have the integrity as a businessperson to agree that the previous presentation, as said by the Provincial Auditor and Deloitte and Touche and any number of other people, was simply misleading. It was wrong from an accounting point of view, and it was misleading.

So this Finance Minister, the Honourable Member for St. Boniface (Mr. Selinger), made a commitment to make this budget clear, and that is a new concept for members opposite. No longer are transfers moved into revenue for a second time and then the bottom line shows a surplus. Now we show the real bottom line and we move money, if we are in fact moving money from the Fiscal Stabilization Fund, to deal with the balanced budget requirement, and we are honest and forthright about that. We do not hide that transfer. It is transparent. We have made a commitment in this budget to transparency. I am proud of that because I worked in Public Accounts for years to try and get our presentation more transparent. This Finance Minister, in one budget, has achieved what the previous government refused to do for all the previous years that I had the opportunity to sit in this House.

We not only have achieved a balanced budget, we reduced our draw on the Fiscal Stabilization Fund from their projected \$114 million to \$90 million, a \$24 million improvement before we even start. I am proud that we are finally moving to the point where that stabilization fund, which is a good idea, not a bad idea, will be used only for its true purpose,

and that is for buffering the province's revenues in times when those revenues decline cyclically. That is what it should have been for. That is what it was supposed to be for. That is what we will make it do in our time in office, Mr. Deputy Speaker.

I want to turn now to the question of the pension issue. Those members opposite who are new may not remember the history here. It has been rehearsed a couple of times, but some of them may not have heard it. It was during the time of former Premier Roblin whose great vision gave us the floodway and rescued this city from certain disaster in 1997, but the compromise he reached with his Cabinet then was that he would stop funding the pension system of the Civil Service of Manitoba. He would stop funding the liability. So, from that date onward in the mid-60s, we no longer had a funded pension system.

While this government is committed to fiscal prudence, I think we have to recognize that if we did not do something about that liability for pensions, it was going to grow not just to a couple of billion as it already is—during the previous government's term in office, it doubled from \$1.4 billion to \$2.8 billion—but in fact it was going to grow to over \$8 billion if it was not addressed.

So this Finance Minister said we have to be prudent, we have to strike a balance here. We will continue to pay down our accumulated deficit according to the balanced budget act at \$75 million a year, but we will use the increase between the initial payment of \$75 million and our statutory requirement of \$96 million to address part of the unfunded liability.

So the civil servants of Manitoba and the teachers of Manitoba who start work from this date forward can be assured that their pensions will be fully funded. For the first time since the early 1960s, their pensions will be fully funded by their government. We will begin, in a very slow and measured way, to pay down the accumulated pension liability so that the future generations of Manitoba will not be burdened with a liability that started to grow during Premier Roblin's time in office and doubled during the previous government's time in office.

An Honourable Member: How big is it?

* (16:40)

Mr. Sale: It is \$2.8 billion. The Member for Carman (Mr. Rocan) wonders how big the accumulated deficit is in our pension fund, the unfunded liability: approximately \$2.8 billion. The Teachers Retirement Allowance Fund and the Civil Service Superannuation Fund being about 2.75 of that. So it is the vast majority of it.

So, Mr. Deputy Speaker, I am very pleased to have been able to speak on this budget, to support it unequivocally, because it speaks to the needs of all Manitobans. It moves all Manitobans' taxes downward, but it moves middle-income Manitobans and lower-income Manitobans taxes down more. It addresses the needs of poor families. It keeps our commitment on the property tax credit. It keeps our commitment on health care. It increases and builds on our commitment to post-secondary education. It keeps our commitment to Manitoba's public school system. It addresses our commitment to begin the ending of the clawback of the national child tax benefit supplement program. It commits money to day care to allow our families to have quality care and our workers to be able to make a valued career out of their commitment to young children.

This is a balanced, a prudent, a compassionate and an effective budget for all Manitobans. It is a wonderful start and we are just going to go forward from there. Thank you.

Ms. Bonnie Korzeniowski, Acting Speaker, in the Chair

Mr. Denis Rocan (Carman): I am extremely pleased this afternoon to be able to stand and provide a few remarks in response to the amendment that was brought forward by the Opposition parties.

Through the course of the Budget Debate thus far, it has become increasingly clear how far out of touch this NDP Government is with the realities of the present day—

An Honourable Member: Denis, this does not sound like you.

Mr. Rocan: I am going to change it in a second. I am going to change strokes here, Steve.

There seems to have been a real miscalculation on their part on how to fairly and sensibly allocate the public monies. I would suggest that this House, indeed the people of Manitoba, have yet to see any real leadership and initiative from this government. What we have seen thus far is what can only be characterized as confused meandering.

Non seulement ce manque de direction est nuisible à la province. il n'est en aucune façon nécessaire non plus, car le gouvernement précédent avait laissé en place un plan solide qui assurait l'avenir du Manitoba. Avant tout autre facteur, c'est un manque de planification pour l'avenir qui représente l'omission la plus grave de la part du gouvernement dans la conception de son budget.

[Translation]

Not only is this lack of direction harmful to the province, it is also quite unnecessary as the previous government left behind it a solid plan to ensure Manitoba had a strong future. Failure to plan for the future was, above all else, the government's gravest oversight in designing its budget.

[English]

The lack of a vision for the province is really quite evident. We are living in an era where competitiveness and innovation are the orders of the day. To succeed in these areas is to build a prosperous province. The government seems to have failed to take this into account in any serious way. They have ignored the intelligent and exciting changes that other provinces have been making to enhance themselves, instead, heading off in their own direction.

The most obvious deficiency in their budget as compared to what has taken place in the rest of Canada is of course the complete absence of meaningful tax relief. The real indicator of this is the disparity between the plan that had been put forward by the New Democratic government in Saskatchewan and the lack of one put on the table here in Manitoba. However, before I get too far into the tax relief side of the Budget, I want to address another problem area.

The second area of neglect in this budget, one that is less obvious on the surface than the taxation issue, is the outright neglect of rural Manitoba and agriculture. When we delve into the numbers a little, it does not take long to discover that rural Manitobans are not high on the New Democrats' priority list. This is particularly disappointing in light of the tremendous asset rural Manitoba is to this province's economy and the real potential it has to generate even more growth.

Instead of taking an active role in helping to maintain and develop this potential, we have a government that has turned its back on rural Manitoba, and that is really unfortunate. This blundering approach is epitomized by the government's repeated refusal to lend a hand to struggling farmers. With no money from the federal government forthcoming and producers that are hardly able to put a crop in the ground, the province simply refuses to take action. We have addressed over and over again in this House the urgency of the situation, but still no assistance package has been made available.

Peut-être que, lorsqu'on examine ce que le budget indique pour le Manitoba rural et particulièrement le sud du Manitoba, ce manque d'égard obstiné envers les agriculteurs en crise ne devrait plus nous étonner. En examinant les faits, nous voyons que certaines régions de notre province ont subi un certain nombre d'attaques. Étant un représentant d'une circonscription du sud du Manitoba, je dois dire que cela est un vrai affront aux gens travailleurs du sud rural. J'espère sincèrement que les députés en face vont se mettre à gouverner comme s'ils étaient le gouvernement de la province et non pas seulement celui des régions d'où ils ont des représentants.

[Translation]

Perhaps on review of what the budget indicates for rural Manitoba and especially southern Manitoba, this obstinate disregard of farmers in crisis should no longer surprise us. Upon examination, we see that a number of attacks have been made on this area of our province. Being a representative of a southern Manitoba riding, I must say that this is a real affront to the hardworking people of the rural

south. I really hope the members opposite will start governing as though they were the government of the whole province, not just the parts of it from which they have representatives.

[English]

Of the actions they took against rural Manitoba, the one that is most astounding is that the Government has chosen to slash funding to the transportation infrastructure of the south. The budget for construction and upgrading of provincial trunk highways has been cut by almost a tenth. When we consider this cut, in addition to the Government's promise to increase funding to northern highways by 25 percent, it is clear what is intended.

When the Member for The Pas (Mr. Lathlin) said that the southern highways should not see a nickel, I gave him the benefit of the doubt, assuming he meant nothing of the sort. But it would appear as though that is a course that this government is on. This removal of funding from the road system of southern Manitoba is as backwards a step as can be taken. Not only are the large majority of Manitoba's people and roads in the southern portion of the province, but now more than ever, the economic well-being of Manitoba depends on having a modern, safe and well-maintained road system.

Our future competitiveness is put in jeopardy if we do not make real commitment to maintaining a reliable transportation infrastructure. The theme of the Doer government's lack of vision for the future does not end there. As far as agriculture in this province is concerned, if the Government's failure to address the needs of flooded producers was not indicator enough, there would appear to have been a complete disinterest in future development.

The agriculture research and development budget was cut from nearly \$5 million to \$3.5 million. Of the affected programs, the Agri-food Research and Development Initiative, also known as ARDI, a very important program to this province, has been hit the hardest. Its funding is going to be slashed from \$2.6 million to \$1 million. In this age of diversification, value-added processing and global competition, research and development are key areas to

strengthening and ultimately maintaining our agricultural sector. Clearly, this administration is not overly concerned about Manitoba's farming community. If it was, surely it would realize that the sustainability of our producers, and in many ways our economy as a whole, depend on the continuing competitiveness of resourcefulness of the agricultural sector.

Je suis très malheureux quant au message que je dois transmettre à la population de ma circonscription. Aucune personne ne veut se faire dire qu'elle n'est pas une priorité. Malheureusement, pour tous les gens du sud du Manitoba, cela est exactement le cas, car il semble que le gouvernement n'est pas préoccupé par la situation là-bas.

[Translation]

I am very unhappy with the message that I have to pass on to the people of my constituency. No one wishes to be told that they are not a priority. Unfortunately, for all the people of southern Manitoba, this is exactly the case, as the government is evidently unconcerned with the state of affairs there.

[English]

In a year of decent economic growth for the province, their highway funding has been cut. The agricultural research budget has been cut. Programs put in place by the previous administration that helped to diversify and expand the rural economy have been cut. Economic and community development services have been cut, and there is still no up-front assistance for farmers. This is really cause for concern.

In this Budget Address, and thereafter in Question Period, the Minister of Finance (Mr. Selinger) has talked about his government's budget as having a balanced approach. Well, the way rural Manitoba is being deprioritized from their "very balanced," to me, in addition to having a "balanced approach" in this budget, the Minister of Finance also contends that he has provided responsible tax relief. Quite frankly, this is a half truth, at best. In light of his refusal to let Manitobans fully benefit from the federal tax cuts, it is arguable whether he has really

provided any tax relief at all. Even if he has, it is clearly not responsible. When you consider the substantial and effective personal income tax reductions that our neighbouring provinces have undertaken, it is utterly ridiculous to claim that this government's approach to tax relief has been responsible. In fact, it is quite the opposite. Neglecting future growth, refusing to stay competitive and ignoring national trends are certainly not what I would describe as responsible actions.

In Alberta, personal income taxes were cut dramatically with the province's move to 11% flat tax. In Ontario, years of provincial tax reductions have left Ontarians with the lightest average tax load in the country. In Saskatchewan, where an NDP Government is into its third mandate, dramatic restructuring of the tax system will result in huge savings to many. However, this government in Manitoba refuses to follow the leads of our neighbours, even that of their big brother in Saskatchewan. They have decided instead to make many modest changes to the tax system that failed to even return the savings that the federal tax cut would have brought to Manitobans. Unfortunately, the Government's inaction on this matter will come at quite a cost to Manitobans over the next few years.

By the year 2002, middle-class Manitobans, the tax-paying backbone of this province who are earning anywhere between \$35,000 and \$75,000, will be paying thousands of dollars more in taxes here than in any other province. If that is this government's idea of responsible tax relief, then they have lost touch with reality. Not only will their tax rates be higher in this province, but hardworking Manitobans will continue to be punished by bracket creep. Once again, this is a situation that every other province in western Canada, Ontario and the federal government have positively addressed, but our very wise ministers have not.

* (16:50)

By indexing their tax structures to inflation, these other governments will save taxpayers hundreds of dollars a year. Here in Manitoba, the average taxpayer surrenders an extra \$250 annually because of the inflationary push on

their income. Elimination of the problem would result in a savings that is several times a New Democrat's much wanted property tax credit. Many people were anticipating that the uncoupling of the provincial and federal systems would allow the provinces to address the bracket creep issue. Ironically, for Manitobans, the federal government has decided to go to full indexation this year, while the province has decoupled and done nothing of the sort.

I suppose the \$110 million in bracket creep revenue he is poised to collect this year is just too tempting for the Premier (Mr. Doer). The consequences of the Manitoba tax item will not be limited to immediate financial hardship for taxpayers. It will also result in the loss of many bright and skilled young people and professionals. These groups are highly mobile, and if they are able to save thousands of dollars annually by living elsewhere, there is certainly no reason why they would not do so. Their absence will create even greater technical and professional shortages than we are already experiencing in Manitoba and, of course, reduce the tax base further. This is a possibility that we really cannot afford, but the New Democratic Government has not brought forward any plan to stop it from occurring. Without the presence of new innovators and entrepreneurs and without a real lessening of the provincial tax burden, the economy will never be able to maintain growth. As we all know, the New Democrats are fond of touting themselves as the friends of social programs. However, if this government fails to retain and attract young people, people who will build this province's future, the social programs all Manitobans want will not be able to meet the demands being put on them. This fact seems to be eluding the Government.

Before I conclude, there is a particular bone of contention that I have. I have heard several speeches over the years about budget requirements. Government members always say to the Opposition: What would you have done? I would like to offer our Minister of Finance (Mr. Selinger) and indeed this government a suggestion that would be a real initiative. It too involves tax cuts, but I think that they are tax cuts that the New Democrats can be a little bit more appreciative of.

We as Legislators are seen to be like a private boys' club. This is far from the truth, but it is often perceived to be so nonetheless.

We have in our Chamber several elected officials who are of the opposite gender than what I am. We have the Member for Riel (Ms. Asper), the Member for Radisson (Ms. Cerilli), the Member for Minto (Ms. Mihychuk), the Member for Swan River (Ms. Wowchuk), the Member for Inkster (Ms. Barrett), the Member for Wolseley (Ms. Friesen), the Member for St. Vital (Ms. Allan), the Member for Lord Roberts (Ms. McGifford), the Member for St. James (Ms. Korzeniowski), the Member for River East (Mrs. Mitchelson), the Member for Seine River (Mrs. Daquay), the Member for Fort Garry (Mrs. Smith), the Member for Charleswood (Mrs. Driedger).

Of the entire number of individuals that I have just listed off, five of these individuals, I suggest to you, are in cabinet. These cabinet ministers, I believe, have a grave responsibility to people of the same gender. Women in this province are subject to gender-based taxation. Only females have to purchase feminine hygiene products, and they have to purchase them with regularity for much of their lives. Despite this they are required to pay the regular rate of provincial sales tax regardless of the fact that feminine protection products are an absolute hygienic necessity for only the women of this province. There is certainly no luxury aspect to them.

As far as the rest of Canada goes, this is an area where Manitoba can be one of the leaders. Outside of Alberta and the Territories, who do not have provincial sales tax, only B.C. does not collect tax on these particular products. The women of this province need to be treated fairly in this issue. They can rest assured that it is one that I will fight aggressively for. I must say it does surprise me a little bit that this government, with all this talk about having such a large complement of women, has not yet taken action on this front. Of all the equality initiatives that could be taken, this one seems a very reasonable place to begin.

What we see in this budget is not fairness or equality at all, but real evidence of how

misguided the members opposite are. I certainly hope that at some point during its mandate, this government can get its act together. At this point they have yet to demonstrate that they have any real plan for the future.

Avant que quoi que ce soit change, je soupçonne qu'il faudra quelques réalisations fondamentales de la part de cette administration. D'abord, ils devront se rendre compte de l'importance économique de l'agriculture et du sud rural, et du fait que le gouvernement y a un rôle réel à jouer.

[Translation]

Before anything changes, I suspect that there will have to be a few fundamental realizations made on the part of this administration. First, they will have to realize the economic importance of agriculture and the rural south and of the fact that government has a real role to play there.

[English]

Second, they will have to realize there is no way around it, that to attract and maintain young people, professionals, entrepreneurs and technologists, we must follow the suit of the rest of Canada and reduce our taxes. Real tax relief is needed, not half measures, not illusions of tax relief, but real cuts to personal income tax.

Surely members opposite will agree that Manitobans deserve to keep more of their hard-earned money. Surely, Madam Acting Speaker, members opposite would agree that Manitobans should be able to expect a strong and vibrant future for this province.

Au nom des électeurs de la grande circonscription de Carman, je tiens à vous remercier tous et toutes d'avoir pris le temps d'écouter nos préoccupations. Je vous remercie.

[Translation]

On behalf of the constituents of the great constituency of Carman, I would like to thank you all for taking the time to listen to our concerns. Thank you.

[English]

Thank you.

Mr. Jim Rondeau (Assiniboia): Madam Acting Speaker, I am very, very pleased to rise today in support of the Budget. I think it is an excellent budget. I think it has a balanced approach. I think it will make a positive change to the lives of Manitobans. We are, after all, trying to make positive changes to the lifestyle, living style, and standard of living in this province.

I think we have made some wonderful strides ahead in this budget. I look at it, and I see \$135 million more to health care. That is a huge increase. More importantly, it provides an end to hallway medicine. It provides a shorter waiting list for cancer treatment. It provides adequate staffing. It provides hope for people who are looking for home care and could not achieve it. It also provides long-term stability. What it means is you are investing in home care opportunities, so that seniors can stay in their homes. You are building seniors homes, so that they have a supported environment and they do not have to leave to go into the hospital, which is a very expensive alternative. What we are trying to do is provide good quality health care at a good price, a fair price.

An Honourable Member: Affordable.

Mr. Rondeau: Affordable for the province, as my honourable friend says.

Some things that I am really proud of that we have done in this budget: One of the things is we made things rather transparent. Previously, governments would increase water tax on certain Crown corporations like Hydro. So what would happen is that they would not take money out in the open, out in the Budget. It would be buried somewhere in the Hydro budget and not up front. I think it is very, very important to have transparency.

* (17:00)

The previous government has said that they did not take money or that they did not obtain dividends. I do not know the difference between taking money on a tax or a dividend. It is still

revenue for the Government. How you call it is immaterial. What is important is that Hydro can be a benefit to all Manitobans in a number of ways—one, to have low, affordable Hydro rates, and the other, providing some assistance or dividend to the people who own it, who are the taxpayers and the people of Manitoba whom we represent.

The other thing is, let us talk about tax brackets. I am really pleased to see that we have a very, very fair tax system. I believe that we have a system where most Manitobans are getting a tax break. What we are saying is that the people who are getting the tax break are the following: We are talking about people who are seniors; we are talking low-income people; we are talking about the average family who is getting a tax break. Now let me discuss how that happens.

The members opposite say we have the highest taxes, tax rate, but what they often do not take into account is the tax credits. To explain to the members opposite—which may need some assistance—what happens is that you charge a tax rate and then you have deductions or you have credits. Now, you are saying that we have the highest tax rate. You charge a tax rate and then you give credits or deductions, and then you come up with the final product. Most Manitobans do not know or do not care, frankly, what the different methods of calculations include. What they care about is the bottom line.

The bottom line is after you take the tax rate, the tax credits, the family tax credits and all the rest, they will be paying less tax. That is the bottom line, and that is the important part of our budget. *[interjection]* The Member for Fort Whyte (Mr. Loewen) wants to discuss it. I would be happy to discuss it with him, and we can go pull out a tax program and compare our rates with many other jurisdictions. I am pleased to note that the Alberta tax rate is 11 percent. That is their base tax rate. Ours is 10.9 percent. That is less than vaunted Alberta's.

The other thing that is very important to note is that Alberta charges a health care premium. My brother, who lives in Alberta, says that they charge a premium. So they pay their income tax, and then they pay a premium. Again, the

taxpayer does not care whether it comes out of the right-hand pocket or the left-hand pocket. There is one taxpayer, and they pay the bill. Whether you call it a health care premium or income tax or a licensing fee does not make a difference. It comes from the same taxpayer.

So, when you talk strictly tax rates, it is sort of a misnomer. What you care about is the bottom line. We have a very, very good bottom line to seniors, to people on fixed incomes, to young people and the people on lower income, and that I am pleased to support.

There are some other initiatives that I am very, very pleased with. In Education and Training, I note that there is a decrease in financial and administration costs. Where did that money go? There is an increase to special needs, and this is something that was presented in the special education report. They said that we needed money in all levels, 1, 2, and 3, in special ed, and that our government provided, and I am proud of that. It also said we should be giving money to school divisions, and we are giving money to school divisions. How are we giving money to school divisions? In general operating grants, so that local school boards have autonomy to set education priorities and help the average school. That is what they wanted; that is what the average Manitoban wanted. We delivered.

Other things that we did. We worked with school divisions to implement technology, and I am very pleased to say that we talked to some suppliers of educational technology and we got special group-purchase prices, which dropped the cost of providing technology to schools. When people bought from large educational computer suppliers, they paid a certain premium because each school division acted separately. I am really proud of the Minister of Education (Mr. Caldwell) and the Ministry of Education, because they then set up bulk purchases so that all purchases went together and decreased the cost. That is showing economies of scale. That is bringing school divisions together to save money administratively, and that is what we want to do.

We also improved adult literacy grants to actual delivery agencies so the actual grants to adult literary organizations increased, and I am

really proud of that. As a former board member for literacy workers of Manitoba, I am really proud that we are increasing grants to adult literacy programs. Why? Because then the people can become productive members of society. We are offering them the support, the hand up to become productive members of society. Literacy is a major factor in health care, employment, in all sorts of things, and so, by increasing the literacy level of our province and by providing the opportunities, our government is giving people an opportunity to improve and the support to help themselves.

The other things that we are doing. We have increased money to the Youth Community Partnerships and youth programs. Again, youth is our future, and by putting money into youth programs, into the community partnership initiatives, we are investing in the future, and I am really proud to see that.

Other things that are really exciting. I noticed that there was a large increase percentage-wise in apprenticeship programs. This is a specific project that, I think, is very, very crucial. A lot of people who are presently involved in apprenticeship abilities like the electricians, the plumbers, et cetera, are getting older. The average age of an electrician, I think, is 45 or 46 years old, and these people will be leaving the field. I think it is essential to have a good apprenticeship system. I think it is essential to start the process now, because it takes a person a long time to become a journeyman—or a journeyperson. We have to start the process now. If it takes five years to become a journeyman electrician or a cook or whatever, we have to start the process now so that we can see strong economic results in the future. The apprenticeship program is the people who build the province. They are the ones that build the concrete part of the province, so I am really excited that we are improving the apprenticeship and supporting it with more money.

The other thing that we have increased is the post-secondary strategic initiatives fund. What this is doing is money for specific projects in specific areas that will do high demand, high employment areas, and that is crucial for our economy. I am very pleased that we are doing that.

Again, I have said in the House before, and I reiterate, it is essential to have a high-skilled, high-educated workforce. What we do not want is a race to the bottom that was happening with the previous government. We want to race to the top. We want skilled employees earning high value-added jobs, and what we will do is race to the top economically. We will have a good base on which to build economically. We do not want to be the low-end jobs, the low-end employment area of the province. We want to be the high end, and I think this budget helps that.

Some other areas that are really important in education are the increased college expansion. Again, our history in college is dismal. Our participation in college programs is one of the worst in the country. I think the initiative to get decent college spaces and increase the college spaces is essential for our economic well-being and our future. I think the Minister of Finance (Mr. Selinger) has recognized this by putting money into investing for the skills and education for our future.

The other important parts in education are the increase to Access. One of the programs that was decimated by the previous government is Access. The Access program took people who did not have good accessibility to post-secondary institutions and gave them the economic and social and academic supports so that they could become part of the economic system. It was a very cost-effective program. It was a very efficient program, and it produced some wonderful people that I am proud to say that I have worked with. I am really proud that this government has increased the funding to Access and expanding it so that we can have more people who have been previously disenfranchised become participants in our society.

* (17:10)

Other programs that I am very pleased to see is we finally brought back bursaries. I cannot remember the last time there were bursaries available. What it means is that people can finally afford to go to school. It is wrong to have students leave university and college with \$30,000 to \$50,000 worth of debts. It is wrong. We are mortgaging their future. What we are

going to do is bring back bursaries so that young people have hope in this province, and I am proud to be part of a government that is bringing back the bursaries.

The other thing that we have done is increase by \$10.8 million the base operating grants for colleges and universities, a huge increase that I am happy to support, and \$5.1 million to colleges. This will allow that there will be tuition decreases, not increases, but decreases for students who are entering post-secondary institutions. We have to make it affordable.

One of the trends I was really afraid of was the fact that there were more students who were going to schools part time. We were having people attend post-secondary institutions part time and fewer people would be attending full time. One of the reasons, I believe, for this trend was the fact people could not afford to go to school full time. They had to hold jobs. They flipped burgers, they did part-time jobs so that they could in fact afford to go to university or college. What we are trying to do is by decreasing tuition, by providing some bursaries, by providing some assistance, is make post-secondary school and education affordable. By that, we will have that trained, talented workforce that will make the economy strong. It will be the engine for our future. So what we are doing is we are doing what governments should do, and that is provide the infrastructure, provide the education that will make our province strong in the long term.

Some other things I would like to talk about, family services and housing. Here are some of the things I am proud to support again, the Healthy Child Initiative. Every study, and I repeat, every study I have seen shows that if you put good prenatal care, if you could do good child care, if you have good inputs for young children, what will happen is it will pay huge dividends in the future. Most studies say 10 to 1 benefit so that every dollar you put in is worth at least \$10 in trying to clean up the mess if you do not do it right in the first place.

What we are doing in Family Services is investing in child care. I am really pleased that we have a huge percentage increase in child

care. Why? Because these people who are working in the child care front had not received a decent raise for over a decade. These are the people who care for our children, who care for our future, and they deserve to have a decent living. These are the people who dedicate their lives to educating the future. So I am really pleased about the child care. I am pleased about the Healthy Child Initiative, the Prenatal Nutrition Program, the Parent-Child Centres.

Research again has shown across the world that if you work with the parent and the child in a full community of learners, of educators, creating a nurturing environment, what will happen is that you will have huge, huge benefits from that sort of system. What I am pleased with is our government has looked at the research, has looked at the reality from the across the world and has said that what we are going to do is invest in the future, invest in our children and invest properly in Manitoba.

Some of the things that we are doing in child care are increasing the spaces, allowing for increased wages, allowing for increased training opportunities, and actually supporting the entire system. We are doing it in co-operation with the child care groups, and that is very, very important.

We are also allowing for increased access to child care for people with disabilities. That is all very positive.

A few years ago the National Child Benefit program from the federal government was trying to create some support for families. What they did was they provided money to low-income people so they could improve their standard of living. The previous government clawed back that benefit. What we are doing is giving them a \$20 increase for children under 6 so that they can have a few more dollars. That is very, very critical when you have a very small income. I am pleased with that.

Neighbourhoods Alive!, restoring neighbourhoods, will support all of Manitobans. Some people may ask: Why should we support the interior part of our communities in Thompson, in Brandon, in Winnipeg? What it is is that if we do not, then what we are doing is we are destroying

the tax base for the whole province. What we have to do is bring the whole tax base up, and we can do this by improving the quality of housing, by improving the standards of the housing so that the inner city does not go and have a 50% evaluation decrease. What we want to do is keep the valuations of the inner city up there to make the inner city a desirable location so that people go there and so the buildings are not empty, so they are not burned down.

What we do is by increasing the value of the centre part of the city, we make sure that the outskirts, the suburbs, the communities, have a decent tax base. If we allow the centre part of the city to burn or to be ignored, the tax rates will go down and the suburbs will pay more taxes. If we want to keep fair taxes, as the members opposite often say, what we have to do is invest in all areas of the province, in all areas.

Neighbourhoods Alive! will invest in the core, will invest in areas so that we bring the tax base up so that it is equitably distributed, and that is critical.

I also love the idea of children and youth in the Lighthouse systems. In my former life, when I was working for Frontier School Division, a lot of what we did was we did community access programs where people in the community use the schools after hours.

I have a philosophy. A busy kid is a good kid. So when you have activities like school plays, when you have gym nights, when you open the facilities for kids, what you do is you then create an environment where kids are busy. They are not getting into trouble. Then, instead of having huge costs in justice, instead of having huge costs in cleaning up the mess, what you do is you provide positive experiences for kids. It is proactive, it is intelligent activities.

The other thing that I really like, the fellows opposite often talk about economics, and I am pleased to talk a little bit about economics. Firstly, we are talking about promoting new leading industries in the economy, and they talk about being proactive. The first thing on proactive is we have continued to decrease the business tax. We have also continued things like the Crocus Fund, ENSIS Fund, et cetera. We are

also expanding the Manitoba bonds. We are also expanding areas of targeted initiatives for specific high-value industry, and that is critical. Rather than spread the money around to many different industries, some with not very high value-added, but by targeting to value-added you are increasing our tax base. I would like to talk about what has happened in the last little while.

You have New Flyer that has 3300 buses on order. You have Motor Coach with \$726 million worth of orders. You have Hydro that is doing a very good job and is a very good corporation that we are all proud of. You have Standard Aero that has just finished a contract. You have Boeing which is doing very, very well, is in Assiniboia constituency, does employ many thousands of people, and is a well-run company. You have Bristol Aerospace, again, a world leader in aerospace technology. Vansco Electronics, which has expanded from a very small operation to a huge operation has just completed a \$12.4-million plant expansion. You have Inco that is expanding, HBM&S that has just invested \$359 million. You have Western Glove expansion. You have—some of my favourite—Fort Garry Brewery, Agassiz, et cetera, that again are expanding and showing great growth and good stock prices. Mind Computer, again, is expanding. You have all these companies that are doing well, and they are doing well because we have a good skilled workforce, a good tax structure, good incentives for business, and we will continue those.

I have to admit, it is interesting to note that over the last decade most of those years had a net decrease of population. Since the NDP Government was elected, we have had an increase in population every month. I am proud to say that.

Let us talk about immigration. At the Century Summit, which was a very, very good co-operative effort, again, it is important to do things co-operatively so it had business, labour, all sorts of groups there that worked co-operatively and gave a report. Most of the items of the report were addressed positively. One of the things that they did say was the trained workforce, the infrastructure were critical and we are working to address those. They also talked a little bit about immigration, and we are

addressing that, which I am pleased to say. But in order to have the economic well-being, every jurisdiction, including the Conference Board of Canada, including the Business Council, say that the No. 1 thing is a good quality workforce and that is what we are going to do as a government.

* (17:20)

Other things that we have done tax-wise is we have done a property tax rebate to renters and homeowners. This is income tax relief. Again, as I explained, what is important about it is that you can target it to the people who need it the most. So the seniors who are on fixed incomes, the ones who have the \$20,000-\$25,000 income and previously have had their taxes go up every year \$50, \$75, \$80 every year, I am pleased to say that, because of our tax rebate, I got a phone call and the guy said, oh, my taxes went up \$3. He said I cannot believe it. He says it is less than McDonald's. I was pleased about that, because what they are saying is that one person phoned and said they had a tax increase of \$3. That is probably the smallest tax increase they have seen in a decade, and I am pleased because what that means is that seniors can then stay in their homes. They can afford to stay in their homes, people on fixed incomes can, people who are on low incomes stay in a decent house.

The other thing that is neat is that our \$75 tax rebate did not go to the owners. It also goes to renters besides owners. So what happens is that the average person who is renting a house, the people who are starting off—and the members opposite often say, oh, what are you doing to the young people. Well, by giving young people who actually statistically are in rental properties more than anyone else, we are giving them a targeted \$75 increase and another \$75 the following year. So we are targeting tax decreases to the people who are in the lowest income levels, not the highest income levels, but the lowest, and the fixed-income people.

The other thing that I am really proud to see is that we have addressed the pension liabilities in deficit. I wanted to go into that a little bit. Previous governments, for the last 20 years, have ignored the pension liability. This is something that will continue to grow until it reaches about \$8 billion. That is more than we owe now. So

what we have to do is address this pension liability, and I am pleased to say that we started something again that the members opposite would be probably too embarrassed to ever change in 12, 16 years, if they form government. What we are doing is we are setting up a program where we are putting some money into pension liability.

Now, for those of you who are not financial planners, I thought I would give you some information, free information. When the province borrows, they borrow at about 6 percent. Then what happens is that if you take the investment of the pension money in the TRAF or the superannuation board, they earn between 8 percent and 10 percent. Well, if I could take a billion dollars and pay 6 percent interest on it and earn 8 percent or 9 percent or 10 percent investment income on it, it means that I am making a spread of between 2 percent and 4 percent. On a billion dollars, that is considerable. If you take that money over 20 years, you are talking hundreds of million dollars ahead. That is a crucial economic decision.

So, rather than just paying off your debts, you are talking about liabilities, and I will give you an example of that. If you stood there and you had a house and a person who has a house, and they never paid a cent down in their pension, they never invested in RSP and they never paid into their pension fund, all they did was pay down their mortgage. So, at the end of 30 years, yes, they would be living free, but at the end of 30 years they would have no income. This budget allows for us to plan for our income, which allows us to plan for RSP and our long-term investment and our future, while paying down debts. And it makes lots of sense to the average Manitoban.

Now the Member for Lac du Bonnet (Mr. Praznik) stated in the Legislature yesterday that half the reserve would be used for tax cuts. I think it is important to review what this quarter billion dollars actually means. The Health Sciences Centre budget for 1998-99 was \$258,549,000, give or take a few thousand dollars. What that would mean is we would close Health Sciences Centre if we were to give that money, \$250 million, back to the taxpayer. That

would mean we would close the largest health care institution in the province.

Let us talk about long-term health care. The long-term health care budget, 1998-99, was again about \$258 million. We would close all long-term care in this province if we did not have that income, or Misericordia Health Centre, budget \$48 million. What is the closure of Grace or Misericordia or the Health Sciences Centre actually worth? Is it worth the \$5 or \$6 or \$7 per month that a person would receive in extra tax rebates? We are not talking more tax, we are talking less tax rebates. I will tell you the person who is having the heart attack or the person who is having back surgery or the person who is having the baby, or whatever it is, wants to have health care. If you walk there and a person got hit by a car and they say, sorry, we do not have any room, can you come back Wednesday? I do not think they would be worried about the \$8 a month. I think the seniors, I think the average Manitoban, when they need the health care system, do not mind that extra \$5 or \$6 less in tax rebates.

Just to give you an example of what a quarter billion dollars equates to, the total university grants last year were \$231 million. So, giving no money to any university would have meant that we still would not have made up for the \$250 million of extra tax rebates that the members opposite are advocating. The departments of Justice and Labour combined is \$243.7 million. Again, that would not make up for the tax cut.

What I am saying to you is that we want to be reasonable. We want a balanced budget that continues to pay down our mortgage. We want good health care that is available for everyone at no cost, unlike Alberta. We want a home care system where if people and seniors need help, they can get it, they can get the support they need to stay in their homes to live a good, productive life. We want a good education system that is affordable, where we are training for the future. We want decent college spaces. We want good infrastructure, which means things like expanding the Internet, the roads, everything else. We want support for industry. We want support for innovations in high value-added areas. We want support for families. I am

really proud of what we are doing insofar as families and children. It is a very good budget on that.

Support for communities, again, we give money. We are one of the few provinces that give money directly to communities from general revenues. That is something not many people know about. We want reasonable tax reductions. This budget does that. Fifteen thousand fewer people, low-income people, are on the tax rolls. That means they are not being taxed. When this government says that the average person is paying more, no, 15 000 will not be on the tax rolls.

Seniors, I have done multiple calculations with seniors on my computer, on the Internet. I have not seen where one senior has had an increase. They have all had decreases, everyone I have calculated at this point.

There are decreases for families. Members opposite say you do not take total cost of living into calculations. I would like to compare. If a welder or a plumber or an electrician or a government worker or a bank worker lived in Winnipeg versus living in Toronto, versus living in Vancouver, if you take the total standard of living, I know that Manitoba has one of the highest standards of living comparatively to anyone. It has one of the best environments to grow up in. I am proud of that.

The other thing is that it should be a fair tax. The members opposite had stated that they have gone from 54 to 47 percent in 10 years, about 1 percent a year, a little less. I do not know why they would sit there and say all of a sudden, rather than continue a nice reasonable trend, why should we take a huge tax cut in one year. What we should be is reasonable. The trick is to invest in the future. Nobody would sell their house, and then say, I am going to have nothing for 15 years.

* (17:30)

What we want to do is have investment in the future. Build the personal care homes. Invest in education. Invest in the infrastructure. It is investments. The members opposite should know that it is crucial to invest so that you can

get long-term gains. This budget is investing. Again, the tax burden is also going down. I am pleased about that.

Mr. Speaker in the Chair

I look at this and I say that we have a budget that addresses all the concerns, the health and wellness. I look at the children, I look at the business investment, I look at the university, and I look at the standard of living in Manitoba. I am proud to be part of a government that has addressed one of the best or presented one of the best budgets I have ever seen, because it is balanced, and, yes, I have read previous budgets. It is responsible. It is intelligent. It has addressed some long-term concerns that most governments have not had the ability to deal with, especially the pension liability.

I believe that looking down at all the cases, I think it is a very, very balanced and positive budget that I can support. I think it provides a vision where what we are doing is we are showing where we are going. We are investing in the future and making a good, solid investment for all of Manitobans. Thank you very much, Mr. Speaker.

Mr. Leonard Derkach (Russell): Mr. Speaker, I take my place in responding to the Budget that was presented to Manitobans, and I do so with some sadness, because I think that Manitobans have been somewhat robbed of an opportunity that could have come their way had the Government of the day taken a different approach in terms of the presentation of their budget and the aspects of the Budget.

Mr. Speaker, I want to begin by congratulating my colleagues on this side of the House and especially two of them. First of all, the commitment to financial responsibility that was demonstrated by our leader, and, secondly, the former Minister of Finance who, through his hard work, was able to present Manitobans with a balanced approach to fiscal responsibility and one that ensured that our province is competitive in an ever present global economy.

The Member for Kirkfield Park (Mr. Stefanson) is someone whom I have watched operate as a Minister of Finance for about five budgets in this House, and I have to tell you that

I have never seen a more committed Manitoban than this individual to ensuring that every possible advantage be given to the citizens of our province and to ensuring that our province stands well in a competitive environment in our country and, indeed, in the world.

The balanced budget legislation and the balanced budget that was brought down in 1995 were signals that indeed our province was prepared to compete in this world and to compete in this country with any other jurisdiction across this land. The other aspect I think that was very important, Mr. Speaker, was the balanced budget legislation that was brought down, because I do believe that that signalled the standard, not only for other governments in this province for the future, but for other governments in other jurisdictions in Canada. Indeed, as I say, it set a standard, and it has been followed by other jurisdictions across this country. So that is something that I am very proud of and something that I think all Manitobans are proud of because we did turn the corner. I think that is what Manitobans were asking us to do; it was to get rid of some of that debt that was burdening each and every taxpayer in this province.

So today we look at a budget where there was opportunity to continue that trend, to continue that approach, to continue reducing that burden of debt off the shoulders of Manitobans and, indeed, our future generations. But I am little sad to say that this budget has taken a different approach and has turned a different corner.

I am also proud of the fact, Mr. Speaker, that through our administration we were able to put in place a debt retirement plan, one that was going to free us of debt in a period of 30 years—and that is a long time into the future—but it is a plan. It is a beginning of a plan to reduce that burden of debt, not just from ourselves, but it was an opportunity to reduce the burden of debt from our future generations. That is what this has to be about if we are going to compete both nationally and internationally in this global economy.

Over the course of our time in government, Mr. Speaker, there were no increases in major

taxes. I think that needs to be stated over and over again, because we were in government at a time when this province faced a greater recession, probably second to the great recession or depression. But they were very difficult times for all Manitobans, and yet the stewardship of our administration ensured that there were no major tax increases to the people of Manitoba. That is something that I am proud of and something that made our province a very attractive place for people to want to come to live and to raise their families. Indeed, over the course of the 11 years that we were in government, I have to say that many former Manitobans came back to our province, put their roots back into this province, and are raising their families in this province.

I only hope, and I say this very sincerely, that that is something that this government is going to look at very seriously, because we do not need to have the exodus of young people out of this province into other provincial jurisdictions where indeed they are starting their futures, their jobs and their career opportunities. We want them back in this province. We need to grow this province.

When I look at what has happened in other New Democratic jurisdictions in Canada, I have to say that in each and every situation there has always been an exodus of people from that jurisdiction. You only have to look as far as our neighbour in Saskatchewan. Now Saskatchewan and Manitoba have always had probably a similar number of people in their jurisdictions, but if you take a look at the exodus of people out of Saskatchewan in the last few years, it has far surpassed what Manitoba's record is. So I have to remind this government that they have to be mindful of all of those things when they not only present their throne speeches but indeed very important in the Budget process.

Mr. Speaker, the other individual that I really want to congratulate from our side of the House is the former premier of our province, the Member for Tuxedo (Mr. Filmon), and this is an individual for whom I have a great deal of respect, someone who was committed from the very time he entered this Legislature to make Manitoba a better place for not only his family but for people in Manitoba. He was so com-

mitted to this that when we formed government in 1988, this was first and foremost in his commitment to responsibility to the people of our province. Indeed, I have to say that he lived up to that commitment, because under his jurisdiction I think every single province in Canada took note of the strides that were made here in this province where we went from incredible debt. We went from incredible taxation, we were one of the highest taxed provinces in Canada, and we went from there to where we were the fourth. I believe at one time we were even lower than the fourth-highest taxed province in Canada.

Although that is one single element of looking at a fiscal situation and at a province, it nevertheless sends a very important signal to those people who want to invest in our province, who want to live in our province. Under our administration and under the leadership of the Member for Tuxedo, I have to tell you, Mr. Speaker, that many companies looked at Manitoba as an attractive place to invest. I only have to give you the examples of Maple Leaf in Brandon, of McCain in Portage la Prairie, of Isobord in Elie. I could go on and on and on and tell you about companies that looked at Manitoba as a place where they wanted to invest because the climate was right, because our tax regime was right, because the attitude of government was right.

I only wish that the Government of today would have taken a page out of that book, not so much to compliment the former administration, but more importantly to compliment what had been achieved by Manitobans, what had been achieved by the hard-working people of this province.

* (17:40)

I am afraid that this budget does nothing to compliment or to carry on the torch in that direction with that attitude to ensure that our province continues to build on the foundation that was established by the former premier of our province and the former administration of this province.

I remember coming to government in 1988. I remember taking over the administration of the

Department of Education and Training, at that time the Department of Education. I remember looking at the Budget and looking at the prospect of not being able to support education to the level that we wanted to. It was not because we were trying to be chintzy. It was not because we were trying to play scrooge. It was because the cupboard was bare. We had been left with an enormous debt by the former administration. The Minister of Finance there had left this province in an incredible mess, some 22 different taxes had been increased in that single administration. In six years this province incurred a greater debt than it ever had in the previous history of the province, in six short years of one administration.

Now, Mr. Speaker, that is what we inherited. So we needed to address that situation, very different than what this administration inherited, although they tried to create some sort of a deficit. They even hired an expensive consultant and paid him \$500,000-plus to do an analysis of where the province was at, and they found out, whoops, we have not got a deficit, we have got a surplus. We had been telling you that from Day One, but, oh, no, we needed to spend some money to find out that in fact we had a surplus instead of a deficit.

Well, now we have the crowing from across the way that says, oh, but that is because we got some federal money. Well, why did you not look at the budget that was laid out for you, and why did you not follow it, and why did you not manage it? It just shows you that this new administration could not manage anything. I mean, they had a budget that was laid out for them and all they had to do was manage it, a budget that had forecast a surplus of some \$21 million, and they said they were going to incur a \$400-million deficit.

Now, this is how a new administration takes over. Instead of working on the positives, they started to scare Manitobans right from Day One of their takeover of government, and they said: We are going to have a \$400-million deficit, and we are going to hire Deloitte and Touche, and Mr. Hikel is going to tell them how they are supposed to create this \$400-million deficit.

Well, it was bogus. All of a sudden we found out that that \$400-million deficit evaporated. Whoops. It is okay. We just spent some of Manitobans' money to tell you that the deficit that we thought was there is not going to be there. It is the only administration in Canada that I know of that tried to run a deficit when there really was not one.

Well, Mr. Speaker, I hear the Minister of Culture, Heritage and Tourism (Ms. McGifford) telling me: What about 1988? Well, let me go back to 1988 for a minute. I can tell you that in 1988 we were spending approximately a million dollars a day on the interest charges. That is a day. Why? Because the Minister of Finance of that day put this province into such a mess that indeed we were borrowing money at premium charges.

He says: Are we going back to those days? Well, yes we are. I will tell you why we are going back to those days. Because the engineer of that budget is the engineer of this budget. I mean, they hired him not only for the transition but they also hired him as the chair of the Economic Development Board who was coaching the Minister of Finance to bring in this budget. Now, you tell me what we are supposed to think and what Manitobans are supposed to think.

Well, it is true. Everybody has brains, but, you know, it appears that there is no leadership over there, because you reached back into the past to bring back those people that Manitobans said were not worthy of the office. You brought them back and you made them coach you in putting together this year's budget.

Now, I look at the budget, and I say to myself: What is there in this budget that Manitobans can celebrate about? What is there in this budget that Manitobans can say, yes, this is going to help us progress and be more competitive in the global economy that we have to work in every day? Well, unfortunately, Mr. Speaker, even by their own admission and even by their own printed word, the budget shows that an average family in Manitoba earning an average salary in Manitoba is going to be paying 66% more personal provincial income tax than a family in Ontario. We have even surpassed the schedule. We went from the middle of the pack

to the highest in the country, to the very highest in the country.

This is revisiting history. We took over government. We were the highest taxed province in Canada. The new administration takes over, and, in one fell swoop, first budget, we are the highest taxed in Canada again. It is a tax-and-spend approach. Now that was the approach of the old administration, tax and spend. The Pawley government was characterized by a tax-and-spend government. The new Premier (Mr. Doer) of our province was a minister in the Pawley administration, so I guess he has just taken that mantle and has continued to progress in that direction. We will tax and spend Manitobans' money. *[interjection]*

Mr. Speaker, the Member for Flin Flon says: What happened in '93? What happened in '92? I just told you that we were living in a recession that was the second biggest recession in the history of this province, and in those years we were still fighting the debt and the deficit that was left to us by the Pawley administration. Now you cannot perform magic, but, indeed, through those recession years we never raised taxes. We never raised major taxes in Manitoba. We continued to reduce the debt. We continued to reduce the deficit, and we came in with a balanced budget in 1995.

Now I challenge the members across the way to make sure that they live by the true word of a balanced budget, that they do not dip into the coffers of the agencies like Manitoba Public Insurance Corporation and Manitoba Hydro to force them to pay dividends, so that this administration can say: We have a balanced budget, but what we will do is, we will make the ratepayers pay the cost of our balanced budget.

Now there are some realities that have to take place, and one of those is that if Manitobans want services, those services have to be paid for. I think that is something that is understood, but every Manitoban that lives in Winnipeg or in rural Manitoba or in northern Manitoba, if you want the services, somehow we have to pay for those services. It is an acknowledgment.

I have to understand also, and I do understand, that setting a budget is a very meticulous,

a very difficult, a very complex process, and it takes time. I can understand that the budget this year was delayed because, as a new administration, there was a lot of learning. That learning curve had to be very sharp, but, indeed, it is something that a government has to do. But there has to be a balance. In my view, and there have to be priorities established. Yes, our priorities vary somewhat from the priorities of the new government. *[interjection]*

Now, the Member for Kildonan, the new Minister of Health (Mr. Chomiak), chirps from his seat as he did when he was in opposition. As a matter of fact, I think the Minister still thinks he is in opposition, because you ask him a question in the House, and he stands up, and he apologizes, and he blames the Opposition for the woes. Well, I think that is starting to wear thin. I think Manitobans are beginning to understand that this fellow, this individual, this Minister of Health, who promises outlandishly to Manitobans about the things he is going to accomplish, all of a sudden says: Hey, but you know, 85 percent of health care is in good shape, so back off a little.

* (17:50)

So back off a little, he says. *[interjection]* No, you said that after the election. Mr. Speaker, I think the Minister of Health has a few lessons to learn, and they will come in time. He does not need to chirp about SmartHealth and about some of those other things, because I am sure that, down the road, we will be able to quote back to him some of the things he is putting on record himself.

Mr. Speaker, I want to examine the economic performance of our province, because I think that is a good benchmark. If you look at the economic performance of our province over the course of the last two or three years, the last four or five years, Manitoba has performed extremely well, to the point where lending agencies and the people, the bond rating companies, who establish the rates of borrowing of a province, have put us at a rate where we borrow at the second best rate of any province in Canada.

An Honourable Member: I think it is still there under an NDP Government.

Mr. Derkach: Well, I am told by the Member for Burrows (Mr. Martindale) that it is still there under the NDP Government. Hello, you have just been there for seven months. Give yourselves some time, okay?

But we did not accomplish that over the course of one or two budgets. It was a concentrated effort year after year after year to ensure that we got there, and we arrived at that position. *[interjection]* I do not know what context the Minister of Culture, Heritage (Ms. McGifford) wants me to put that in, and I will not even acknowledge her comment, Mr. Speaker.

Let me say this that we are borrowing at the second best rate of any province in Canada, and I think that is a credit. It is a credit not only to the former administration, but it is a credit to Manitobans who have worked hard, who have created an engine in our economy that is fuelling the economy in such a way that indeed there is good revenue coming into the coffers of the Province. That is great, and I think that is important. If you look at the revenues and how they have been increasing to the provincial Treasury, that is something that we should all be thankful for, because that is how we pay back the debt. That is how we provide for the services that Manitobans need.

I want to say that all of these things were achieved within our mandate and within our administration by some very hard work. Yes, no matter how long you are in government and whatever short period of time you are in government, there are going to be mistakes made. I am not infallible. I can tell you that I have made my series of mistakes in the course of time, and sometimes we had a little fun with them in the House, too, but that happens. That happens. We are people; for that, we do make mistakes.

I am not going to criticize any individual minister in his portfolio right now for making a whole series of mistakes. Yes, we do not like the approach the Government is taking in general, but there is a learning curve here. There is a learning curve. I respect the fact that individuals who have put their names forward and have stepped forward to take on portfolios have

indeed an important challenge ahead of them, and indeed it is going to take some time for them to learn their portfolios and to manage them. But I am going to make sure that each and every one of you are going to be accountable for the portfolios you have in time to Manitobans. I think it all begins with the Budget, because every single minister around that table had to have input into the Budget that was presented to this House.

Mr. Speaker, the first area that I have to criticize in the Budget has to be one that I work in. It is one that I have worked in for the last 25 years. I think this is my 25th anniversary of being a farmer. Although I was not a full-time farmer, I have to tell you that as a part-time person involved in agriculture—and I have to tell you that I was not even raised on a farm. I was raised in an urban setting and then decided to go farming with a corporate farm and wound up farming on my own. Well, a big learning curve for me. Through that period of 25 years, I have learned a great deal about agriculture production, about its value and about how important it is to the economy of our province. Even though there are only 2 or 3 percent, or 3 percent or so, of people involved in agriculture in Manitoba, they still provide an enormous amount of GNP to our province.

Mr. Speaker, I have to say that even though I am involved in it, I have the utmost respect for those hardworking farm families out there who produce food for this province, for this nation, and indeed for other nations. They do it at the lowest cost possible, but they are never recognized. They are never reimbursed. They never gain the kind of recognition that they should from the people that they do feed in the world. This budget does not recognize the value of farm families, unfortunately. I say this in sincerity. I say this very seriously, because we have farm families in the southwestern part of Manitoba and the western part of Manitoba who are in pain, who are suffering because they have circumstances before them that are beyond their control. They cannot do anything about it. Mother Nature has dealt them a hard blow, and so, in times like that, it is up to government to reach into its coffers and to lend a hand up to those people. *[interjection]* Well, to lend them a helping hand. Let us put it that way. Let us not

use that term. Let us use "a helping hand" to the people who really need it.

So last June when we met with the coalition made up of producers, made up of KAP, made up of municipalities, they urged us to do something for those farm families—and we did. We were in the same situation that the present government is in, in that Ottawa was not recognizing the problem. So what did we do? We said that we would put \$50 an acre in a support program for these farmers. We paid that out. It was with some regret that the Premier (Mr. Doer) said, during the election campaign, that he thought we paid out that money too early, but these were families that needed that cash at that time of the year. They had no income coming in. They were flooded out.

Now this budget does not give any recognition to the fact that there are people in southwestern Manitoba who are suffering, not just farmers, not just farm families. Indeed, communities are suffering in southwestern Manitoba, and this budget fails to give any help to those families during a time of crisis, during a time of desperate need. The Minister had input into the budget. She could have asked the Premier, the Minister of Finance (Mr. Selinger), to recognize that dilemma and to put some money in. During the election campaign, I have to say that the Member for Swan River (Ms. Wowchuk) ran around the province and she assured farmers that she would help them if she was elected and if she was the Minister of Agriculture. She assured them that she would make sure that they had the support they needed, but where is that support? Where do southwestern Manitobans go to get the support now? She wrings her hands and she says Ottawa will not help. But where is she—where is the

Minister of Agriculture? Southwestern Manitobans are asking: Where is the Minister of Agriculture? Because she has not, since she has become Minister of Agriculture, travelled to southwestern Manitoba to look first-hand at the situation that exists there. Now, she says: I have met, I have met. Yes, you have met in your office. I say to you: Go to southwestern Manitoba. Take a look at the situation.

Mr. Speaker, I remember, in 1988, I believe it was, when the Swan River Valley was in trouble, and we were in government, and I remember going out there. It was not easy to face some of these people who were facing desperation, who were in trouble. It was not easy to face them, but we did because that was our duty, that was our obligation. She has the same obligation, the same duty, to go to southwestern Manitoba, meet with those people first-hand face-to-face, and make sure that their problems are recognized.

The other issue with agriculture is what has happened to MACC. Take a look at the Budget. Why has there been a reduction in the Manitoba Agriculture Credit Corporation? For what reason? Well, she says: You should know. No, I should not know. I expect the Minister of Agriculture to ensure that she supports that agency so that young farmers, farmers in need, farm families can get the support that they need from that credit corporation.

Mr. Speaker: When this matter is again before the House, the Honourable Member will have 12 minutes remaining.

The hour being 6 p.m., the House stands adjourned until 1:30 p.m. tomorrow (Thursday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 17, 2000

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