



Second 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, April 11, 2001

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

TABLING OF REPORTS

Hon. Eric Robinson (Minister charged with the administration of The Communities Economic Development Fund Act): Mr. Speaker, I am pleased to table three copies of the Year 2000 Annual Report of the Communities Economic Development Fund.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the gallery where we have with us today from Transcona Collegiate eight Grades 9 and 10 students under the direction of Mrs. Colleen Maindonald. This school is located in the constituency of the honourable Member for Transcona (Mr. Reid).

Also, I would like to draw the attention of all honourable members to the public gallery where we have with us today 20 teachers and administrators from Bangkok and Ireland. This group is under the direction of Narisa Bend and are the guests of the honourable Member for Seine River (Mrs. Dacquay).

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

ORAL QUESTION PERIOD

Budget Spending Increases

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, as we all know governing is about choices, and those choices have consequences. With yesterday's Budget, the Premier and his Minister of Finance (Mr. Selinger) have now chosen to spend over \$6.8 billion. That is an increase of almost \$360

million over last year's Budget or 6 percent. In fact, thanks to this Budget, 21 of 24 governmental departments will increase spending this year. The gross domestic product, however, is only expected to increase this year by 2.4 percent. Instead of planning for the future, the Premier has chosen to spend for today.

With the GDP only expected to increase by 2.4 percent this year, will the Premier explain to Manitobans how he plans to sustain the most recent increase in spending?

Hon. Gary Doer (Premier): Mr. Speaker, there are a number of independent financial analyses that have been provided dealing with the Budget since its introduction yesterday. Quite a lot of the independent, expert advice certainly contradicts some of the statements made by the Leader of the Opposition in terms of the spending ratios.

* (13:35)

The members opposite, for example, treat property tax credits, an increased support of \$75 per family—they have in the past and they continue today to treat that as a spending increase as opposed to a tax reduction. We would note that the two-year total of this amount will be real property tax relief and will start to reverse the unfortunate reality of the 1990s of not only a property tax credit being decreased by the Conservatives, compounded especially for seniors, but also a fact of underfunding or negative funding of public education.

I think it is also important, in 1999, Norm Cameron, who was appointed after the Budget to be on the Tory tax commission or the Lower Tax Commission, stated that the Budget of 1999 was really a deficit budget; taking \$185 million out of the Fiscal Stabilization Fund to pay down \$75 million in debt was really a "deficit budget." Yesterday, Mr. Speaker, Mr. Cameron says quite a significant amount, in part because taxes that are announced in this Budget in addition to taxes that were announced in the previous Budget, so the accumulative impact effect of \$100 million

or so I mean is very significant. It is very significant for the people of Manitoba for this balance between investments in programs like the floodway, in universities, in health care, in agriculture, in our young people, in our future are balanced off with affordable government and tax reductions. That is the balance.

Budget Income Tax Rates

Mr. Stuart Murray (Leader of the Official Opposition): It is wonderful to talk about the future but if there is nobody here in the future, who is going to be around to take care of these wonderful things?

You know, the Premier said this morning that he was—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Murray: It was reported to me that the Premier this morning talked about the fact that he was old-fashioned. Well, I think he has proven that. I think he has proven that in spades in that his spending is out of control and he has no plan, none whatsoever, no vision. You know, Mr. Speaker, the train is running at full throttle and the engineer is out shopping. The Premier was handed a sound and strong economy in September of 1999, built by 10 years of hard work, but as usual—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. It is very difficult to hear the question, and I would ask the co-operation of all honourable members.

Mr. Murray: Thank you, Mr. Speaker. But, as usual, all he and his party saw were dollar signs, and like kids in a candy store they are trying to spend as much money as they possibly can before they get caught.

The Premier talks about opportunities; he talks about investment. Will the Premier explain to Manitobans why it is that other provincial jurisdictions are able to reduce meaningful tax relief while priority spending? Will the Premier please explain why he has spent almost all of the

revenues he has taken instead of offering meaningful tax relief to hardworking Manitobans?

Hon. Gary Doer (Premier): This member takes a lot of liberties with the truth. My quote was that I was old-fashioned because I believed a promise made should be a promise kept.

* (13:40)

Point of Order

Mr. Marcel Laurendeau (Opposition House Leader): Mr. Speaker, *Beauchesne's* clearly states that one should choose their words very carefully. Words are not necessarily in *Beauchesne's* that are ruled unparliamentary, but sometimes they can just provoke debate.

Mr. Speaker, the honourable First Minister should know that taking liberty with truth is very similar to lying and that is something on this side of the House we do not tend to do. So I would ask the honourable minister to withdraw that statement.

Mr. Speaker: Order. On the point of order raised by the honourable Official Opposition House Leader, I would like to take this opportunity to caution all members on their use of language. The use of that language was very, very close to being unparliamentary. I would like to caution all members to be very careful in choosing their words.

* * *

Mr. Doer: Thank you, Mr. Speaker. I have completed the full and accurate quote for the member opposite, and I certainly do not mind being accountable for my own words; I just do not like words invented for me.

Mr. Speaker, the CIBC today goes on on Budget Briefs, April 10, 2001: The 2001 Budget builds solidly on last year's tax reduction efforts—enriched personal tax credits, reduced tax rates will generate new savings in the PIT for Manitobans. The \$30 million in this Budget and the figure is closer to \$100 million after factoring in prior years' tax reductions, leaving underlying own source revenue growth more in

line with the expected gain in the nominal output, dealing with the first question. Taken together, the efforts in the last two budgets will amount to a double digit PIT reduction for 2003. A further \$27-million increased property tax was unveiled similar in magnitude to the past year's relief. The importance of business tax reductions was clearly acknowledged with a cut in the small business tax rate and a jump in the associated income threshold pegged for the year 2002. Moreover, the Budget announced the first cut in general corporate tax rates in some 50 years. That is the finding of this Budget.

Mr. Murray: Well, Mr. Speaker, I am delighted to get all these wonderful supposed comments from the other side. What I would ask—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Murray: There is reminding, Mr. Speaker, that middle-income earners in Manitoba, families, woke up this morning to be the highest taxed west of Québec. Manitobans, I believe, are getting tired of the "father knows best" routine. Will the Premier please explain to hardworking Manitoba families why he insists on spending their hard-earned dollars as fast as he collects them instead of letting Manitobans, hardworking families, choose how they would best spend their hard-earned money?

Mr. Doer: Mr. Speaker, I am assuming then that the member opposite is in favour of cutting all the health care budget, all the agricultural budget, all the money for conservation for flood protection. They would cut the floodway expenditure. They would cut the university funding. They would cut back on the community colleges. They would fire another thousand nurses or maybe more. That is why the people of Manitoba made a change in 1999; to get a balanced approach to our finances, to get a balanced approach to our economy.

* (13:45)

Mr. Speaker, these are not supposed analyses. They are available on the Net, in our new technology, for members opposite. I would point out the member opposite, his only

comment yesterday besides "choices" was to say that we were "spending six times more than we were reducing in taxes." The fact of the matter is the overall expenditure is \$348 million, and the personal income tax, the education property tax, the capital gains reductions, the net education tax credit, the business tax reductions result in a net \$124 million; 348 to 124. His numbers were way off yesterday.

Budget Income Tax Rates

Mr. John Loewen (Fort Whyte): Mr. Speaker, in yesterday's Budget the Doer government chose to increase their spending—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I just want to make a clarification. In the past, the Speakers have accepted the naming of the leader of the party for that era, so the honourable member by using the honourable First Minister's name for this era will be accepted by the Chair. I just wanted to make that clarification.

Mr. Loewen: Mr. Speaker, in yesterday's Budget the Doer government chose to increase their spending rather than provide meaningful tax relief to Manitobans. Manitoba continues to hold the dubious distinction of having the highest provincial income tax rates in the country with the exception of Québec. This was confirmed in a letter to the Minister of Finance from the Institute of Chartered Accountants of Manitoba.

Mr. Speaker, my question to the Minister of Finance is: Could he explain to Manitobans what extra service and what extra benefits they enjoy for the privilege of paying the second-highest provincial tax rates in all of Canada?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, it is a remarkable achievement when the member opposite can distort the facts as much as he has done here today.

I would draw his attention to the table prepared in the Budget Papers, section E16, where annual personal cost in taxes for a single person are the lowest in the country. I would

draw his attention to the annual personal cost in taxes of a two-earner family of four, earning \$60,000, where they are the lowest in the country. I would draw his attention to the annual personal cost in taxes of a single parent with one child, where their tax burden and cost-of-living burden is the third-lowest in the country. I can give many other examples as to how we have improved the situation in this and the last Budget.

Mr. Loewen: Mr. Speaker, I would like to table a letter from the Institute of Chartered Accountants of Manitoba, dated January 23, to the Minister of Finance, which clearly indicates in a table that Manitoba is the second-highest in Canada, only surpassed by Québec in terms of their provincial income tax rates pre-Budget; they remain there after the Budget. I would like to table that, and I would call into question the minister's statement that I am asking him if he considers the Institute of Chartered Accountants of Manitoba to be lying on the facts, and he can comment on that.

My question, Mr. Speaker, to the Minister of Finance—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I would like to take this opportunity to remind all members that *Beauchesne's* Citation 409(2) advises that a supplementary question should not require a preamble. I would ask the honourable member to please put your question.

* (13:50)

Mr. Loewen: Mr. Speaker, my question is to the Minister of Finance. He has a copy of the letter that is tabled. My question to him is: Does he not believe the chart that is provided by the Institute of Chartered Accountants of Manitoba that indicates clearly that Manitoba has the second highest tax rate in all of Canada?

Mr. Speaker: The question has been put.

Mr. Selinger: Mr. Speaker, I enjoyed the meeting we had with the Institute of Chartered Accountants. I thought they had some very constructive suggestions in their proposals that

they put forward to us. I would note for the record that the letter was dated January 23, 2001, well in advance of our Budget, and the tax reductions we have introduced in this Budget are 10.5 percent by the year 2003 and position us to be very competitive going forward.

Mr. Loewen: Mr. Speaker, the minister knows the facts and he should admit to them. I would ask the minister that when the middle tax rate for Manitobans is 20% higher than Saskatchewan today, 62% higher than Alberta today, 36% higher than British Columbia today and 75% higher than Ontario today, why did this minister not provide any significant tax relief to middle-income earners in Manitoba to keep them competitive with middle-income earners in our neighbouring jurisdictions.

Mr. Selinger: One of the more informative pieces of budget analysis that came out was from the Saskatchewan government where they showed that we were very competitive and that the tax effort we made to reduce taxes was among the most rapid in the country since the year 2000, and I note in our tax comparison tables provided in this year's Budget on page E22, that our provincial levies for a family of four, two-earner family, earning \$60,000 are lower than those in Saskatchewan, so certainly even Saskatchewan recognizes that we are making a very positive effort to move in the right direction.

Manitoba Hydro Debt Repayment Schedule

Mr. Harold Gilleshammer (Minnedosa): Mr. Speaker, the Budget document that the minister tabled yesterday indicates that Hydro debt has grown from \$4.9 billion in 1996-97 to almost \$6.2 billion today. Could the minister indicate if he has a debt repayment schedule or a debt repayment plan in place for Manitoba Hydro?

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): As the honourable member knows, Manitoba Hydro as a Crown corporation is reviewed on a regular basis by the Manitoba Crown Investments council, and they believe that they are meeting their financial targets, including improving the debt to equity ratio over

the next few years to a 25-75 ratio, and those targets will be moved on.

Mr. Gilleshammer: So the minister's answer is that there is no plan in place to repay debt. There is a plan in place to deal with the debt-equity ratio.

Water Power Rental Rates

Mr. Harold Gilleshammer (Minnedosa): Given that Hydro debt is spiraling and Hydro surplus is being diverted to government through increased water rental rates, can the minister justify the 105% increase in water rental rates?

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): I think the member opposite did not hear the answer to the first question. The debt-equity target will be improved going forward. The water power rental rate increase was really to overcome a problem that existed upon coming into office where we had a water power rental agreement that was noted on footnote 17 in the back pages of the Hydro report and not reported to the Legislature. We have abolished that agreement and made it more transparent and brought the rate to a market level that is supportable and justifiable.

* (13:55)

Standing Committee Review

Mr. Harold Gilleshammer (Minnedosa): Since these expenditures and transfers of surpluses could be used to pay down debt or lower Hydro rates, will the minister agree to have Hydro expenditures, debt and rates reviewed by the Public Utilities Board?

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): One of the things that has been really interesting since coming to government—we did a quick check, Mr. Speaker. The public utilities committee, as I understand it, met about four times over the four years of the last government. We have already met three times in the first year and a half, and we will be happy to convene another meeting to review all the Crown corporation activities, including Hydro.

Agriculture Crisis Manitoba Position Paper

Mr. Jack Penner (Emerson): Yesterday, Mr. Speaker, in a rare point of unanimity in this House, on a motion ruled by myself and seconded by the Member for Kirkfield Park (Mr. Murray), we agreed there was a very significant crisis going on in communities in much of Manitoba.

We asked that Tuesday be set aside for a debate on the agricultural crisis that is going on in the House. We also discussed the possibility of a resolution. I am asking the Minister of Agriculture (Ms. Wowchuk) in this spirit of co-operation that we saw yesterday: Is the Minister of Agriculture prepared to participate with representatives from all parties in the Legislature along with farm, municipal and agricultural industry leaders in order to seek their input into drafting a united provincial position on the agricultural crisis?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, this is a very interesting question that the member brings forward. I would hope that the member also would bring to the Legislature that we contacted their offices and proposed a resolution that could be debated in the House here. We asked them to offer their opinions and changes to the resolutions. There was a letter written from the Leader of the Opposition (Mr. Murray) to the Premier (Mr. Doer) to discuss this resolution and ask how we could handle this situation. Now the member is implying that just out of the blue, you know, out of the blue he decided that we should be having an emergency debate on this resolution.

Mr. Speaker, it is something that we have been calling on the Opposition to work with us on, and we will work on it because this is a very important issue for Manitobans.

Mr. Jack Penner: The question to the minister is very simple: Will she agree to participate with farm, municipal, agricultural industry leaders and the Opposition leaders on all sides of the House to draft a position paper for Manitoba to deal with the agricultural and community crisis

that we are facing in this province? Will she agree to that kind of a meeting?

Ms. Wowchuk: Mr. Speaker, this is a very important issue. We have sent a resolution over to the other side of the House, and we asked if they would agree to next Tuesday for an emergency debate. We asked for this before the member raised it on the floor of the Legislature yesterday.

We worked through that and we are prepared to work with all members. We are taking this issue so seriously that we want to send this resolution to the agriculture committee and hold hearings on it so the public and the farmers and all members can have opportunity to debate this very important issue.

Mr. Jack Penner: Mr. Speaker, it is becoming quite evident that the Government—*[interjection]*

I ask then of the minister whether she is now telling us that it is quite evident they are not prepared to involve the industry, the actual industry that is in crisis and the communities that are in crisis, in drafting a position paper, and could she agree that this meeting between the farm leaders, industry leaders, community leaders, including the AMM, be held before next Tuesday that we could in fact come to an agreement on what the issues should be that would be drafted into this position paper, that we could debate next Tuesday, Mr. Speaker?

Ms. Wowchuk: Mr. Speaker, this is quite amazing coming from the member, the comments that are coming, but then I am not surprised because, when I look at a comment that he made on the radio station when he was asked about the situation and farmers, Mr. Penner said Conservatives do not have a position on how much money should be given to Manitoba farmers.

* (14:00)

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I would just like to remind all honourable members when referring to other honourable members to refer to honourable

members by their constituency or ministers by their titles, even when quoting from newspapers.

Ms. Wowchuk: Thank you, Mr. Speaker, and I will quote. The member from Emerson said the Conservatives do not have a position on how much money should be given to Manitoba farmers.

On the specific issue that the member raised, his leader has written to our leader. We have said we agree this is an important issue. I have just indicated today that we will send this issue to the Standing Committee on Agriculture. But, Mr. Speaker, we met with AMM last week and we talked about this issue. We will invite all of them to participate in this very important discussion.

Pan Am Clinic Purchase—Asset Value

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, in yesterday's Budget the NDP government re-announced their purchase of the Pan Am Clinic using \$4 million of taxpayers' money. Can the Minister of Health tell Manitobans what specific assets were purchased for that \$4 million and the value assigned to each?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, as we indicated at the press conference when we announced the agreement in principle to purchase the Pan Am Centre, it was to purchase the building, the equipment and the surgical suites and would also permit us to proceed to expand by 30 000 square feet the facility so we can increase the volume and surgeries done in Manitoba.

Purchase—Debt and Liabilities

Mrs. Myrna Driedger (Charleswood): I wonder if the Minister of Health could tell this House what debts and liabilities were assumed or paid off by Manitobans through this deal.

Hon. Dave Chomiak (Minister of Health): As we indicated when we made this announcement to agree to the agreement in principle, Mr. Speaker, we were finalizing due diligence and that information will be provided to the House and to the member opposite. I hope she will read

it carefully when it is done and that will be shortly.

Purchase-Independent Appraisals

Mrs. Myrna Driedger (Charleswood): Will the Minister of Health provide today or tomorrow in order to expedite this discussion copies of the three independent appraisals that were done on the clinic as referenced by Doctor Postl on a radio program.

Hon. Dave Chomiak (Minister of Health): Unlike what was done during the previous decade, Mr. Speaker, of deals like SmartHealth, deals like Connie Curran, deals like frozen food, as I indicated at the press conference, we will be making all these materials available when we sign the final documents of the agreement. I hope the member will have an opportunity to review them. We will have a discussion at that time. I think it is in the interests of Manitobans that we proceed to do something about the surgical situation, to move on it. It is an innovative approach. It is not the Alberta approach of privatization in which the members advocate a two-tier system. We do not want that. We want a public system. We do not want a two-tier Conservative system, and we are trying to do that for all Manitobans.

Budget Universal Child Care System

Hon. Jon Gerrard (River Heights): Mr. Speaker, child care is vital for Manitoba. The Government has stated its vision for a universal child care system in February. Why did the Minister of Finance (Mr. Selinger), I ask, only tinker with child care spending in his Budget? Why did you not introduce a universal child care system for Manitoba as people have been asking for and as you have set out in your vision statement?

Hon. Tim Sale (Minister of Family Services and Housing): I am really concerned that the honourable member opposite may have some amnesia. He perhaps forgets that it was the 1993 Liberal red book in Ottawa that promised 150 000 spaces in day care that the federal government would fund. Somehow that promise has not come true.

In addition, the federal government put out a paper which showed that a fully mature universal health care system would cost \$11 billion in Canada, and I was pleased that they put forward \$300 million for all early childhood programs across the country, but that is a little short of \$11 billion.

I think I am also though enormously proud to be a member of a government that has increased spending in day care by 27 percent in two years, stabilizing wages, opening new spaces, dealing with special needs kids, something that never happened in 10 previous years.

Mr. Gerrard: Mr. Speaker, my supplementary to the Minister of Finance: When study after study has shown that each dollar invested in child care saves between \$2 and \$7, why are you not interested in saving? Why did you not give us a universal child care system in this province?

Mr. Sale: As the member from River Heights correctly noted, our Government first acted by putting \$9 million in last year's Budget, increasing spending by some 17 or 18 percent in this area. Then we issued a paper so that all Manitobans, including the member opposite, will have a chance to say to us what ought to be the shape of our future policy direction.

By May 1, we hope we will have enough responses that we will be able to pull those together and respond to the people of Manitoba in terms of what they think ought to happen. In the meantime, we put another 7.7 percent into our system to continue the stabilization, to add more children with special needs, to open more spaces, to provide more subsidies, to support the wages of hardworking child care workers. That is how we plan in this Government. We ask for responses from the community before we act. We engage the community.

Mr. Gerrard: Ma question supplémentaire au ministre des Finances : Pourquoi le ministre ne commence-t-il pas un système universel de garderies pour la province du Manitoba? Comme le ministre a dit dans son budget—

English

there was a unique opportunity.

Il ne l'utilise pas. Pourquoi pas?

Translation

My supplementary question to the Minister of Finance: Why does the minister not initiate a universal child care system for the province of Manitoba? As the minister said in his Budget, there was a unique opportunity. He is not using it. Why not?

Hon. Greg Selinger (Minister of Finance): J'aimerais dire merci au député pour sa question. Dans notre premier budget, on a mis 20 pour cent de plus dans le domaine des garderies ici au Manitoba, plus qu'aucun autre gouvernement au Canada, sauf le gouvernement du Québec.

Cette année, on a mis encore 7,7 pour cent dans le domaine des garderies. En plus de ça, on a mis 42 pour cent de plus dans Enfants en santé Manitoba pour les centres parents-enfants et pour les autres programmes de prévention pour les familles. On a fait plus pendant nos deux premières années au gouvernement qu'aucun autre gouvernement du Manitoba.

Translation

I would like to thank the member for that question. In our first Budget we put 20 percent more into child care in Manitoba, more than any other government in Canada except the government of Québec.

This year we have put a further 7.7 percent into child care. In addition to that, we put 42 percent more into Healthy Child Manitoba for parent-child centres and for other prevention programs for families. We have done more in our first two years in government than any other government of Manitoba.

**St. Boniface Hospital
Hip Replacement Surgery**

Mr. Harry Schellenberg (Rossmere): Mr. Speaker, I have a question for the Minister of Health (Mr. Chomiak). A constituent of mine contacted me concerning hip revision surgery at

St. Boniface Hospital. Could the Minister advise me of the current status of that program?

* (14:10)

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I certainly welcome that question because, as has happened many times for the past two weeks, members of the Opposition have been irresponsible in information they have been circulating in their press releases. I am very pleased that, contrary to what the members opposite, the two-tier members opposite, have been insisting over the past several weeks, surgeries are, in fact, expanding this year by 141 at St. Boniface Hospital, something that is totally contrary to what members opposite have been circulating.

The WRHA has been contacting individuals and families to advise them that contrary to the fact that members opposite were insisting there was a budget cut, in fact, we are increasing the number of surgeries at St. Boniface Hospital for hip and knee, something that did not happen during the decade of Tory neglect and cuts.

**Flooding—Morris Area
Emergency Preparations**

Mr. Frank Pitura (Morris): Mr. Speaker, Morris Mayor Dale Hoffman says officials are preparing—and, in fact, it may be happening right now—to close the ring dike on the northwest and south sides of Morris. If the Morris River rises to expected levels, Highway 75 will be under a meter or more of water north of the town of Morris and near closure at the south end of the town. Farmlands surrounding the town of Morris as far as 8 kilometres from the Red River, especially to the west, will be under water at a level similar to that of 1996.

Will the Minister of Conservation tell this House what steps the Province is taking to protect people and property in the threatened communities which are in this 8-kilometre radius, such as Riverside, Rosenort and Aubigny that do not have permanent dikes around their communities at the present time?

Hon. Oscar Lathlin (Minister of Conservation): Mr. Speaker, I thank the

member for the question. It gives me a chance to tell the whole House some of the activities that our department and the Department of Transportation and Government Services have been involved in with respect to giving assistance and guidance to municipalities south of Winnipeg.

Our regional offices in the Red River Valley have been responding to the municipalities along the Red River and local resident concerns relating to flooding. Regional crews have been deployed on 12-hour shifts. We have Transportation and Government Services and Conservation assisting the municipalities trying to clear ice from those drains that are clogged up, as well as the culverts, to try to alleviate any further damage that would be caused on a farmyard and in the yards of individual residents.

Mr. Pitura: Thank you, Mr. Speaker, but I would like to specifically ask the minister—and I will be specific as well—in terms of the community of Riverside, which frequently gets flooded, five or six times more frequently than anywhere else along the Morris or the Red Rivers: What specifically is the minister prepared to do for that community, owing to the fact that there is no dike for that community in place at the present time?

Mr. Lathlin: Mr. Speaker, I can advise the member that our staff of the Department of Conservation and the Department of Transportation and Government Services are making available as many of our professional people as we can handle: helping, actually going out to the communities, meeting with the municipalities, giving technical advice and assistance to determine to what extent properties are going to be affected.

We are monitoring the Morris situation every day throughout the day, and the more information I get from staff I will be passing on to the House and also to the member.

Mr. Pitura: Mr. Speaker, I would like to ask the minister responsible, should there be flooding on properties for, say, the community of Riverside where people have to be evacuated and property flooded, what kind of compensation program

this Government will have in place for those that are flooded.

Mr. Lathlin: My information as of this morning is that the flooding situation that is happening right now, as bad as it is, is not as serious as the one that we had in 1997. So my advice to a member would be to not prejudge anything. I would like to see what will happen. We are monitoring the situation. I want to guarantee to the member that we will not stand by and watch communities having to battle the flood waters all by themselves; we are there to give them a helping hand.

Mr. Speaker: Time for Oral Questions has expired.

Speaker's Ruling

Mr. Speaker: I have a ruling for the House.

After Prayers on April 10, 2001, the honourable Member for Emerson (Mr. Penner) rose on an alleged matter of privilege concerning critical issues facing the agriculture industry in Manitoba. He concluded his remarks by moving "THAT on Tuesday next the ordinary business of the House be set aside to debate the socio-economic crisis rural Manitoba communities are experiencing due to the ongoing impact of the downturn of grains and oilseeds and specialty crop sector and the resultant negative impact on rural businesses, industries and communities alike."

Subsequently, the House gave unanimous consent for the motion to be moved as a motion separate from the matter of privilege, and the motion was agreed to. Although the motion in question has been dealt with by the House in another capacity, I believe that it is important to indicate for the record that the matter raised was not a matter of privilege as a prima facie case of privilege was not established, nor were the collective privileges of the House or individual privileges of members breached.

This ruling does not affect the decision of the House to deal with agricultural issues next Tuesday.

* * *

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I wonder if there is consent of the House to revert to Ministerial Statements for the Minister of Conservation to present an update on the river levels.

Mr. Speaker: Is there unanimous consent of the House to revert to Ministerial Statements? *[Agreed]*

MINISTERIAL STATEMENTS

Flood Forecast

Hon. Oscar Lathlin (Minister of Conservation): As I indicated yesterday, for the next several weeks I will be making statements with regard to the flood outlook. Today, Mr. Speaker, I can advise the House that the Red River levels in Manitoba continue to rise, although by less than a foot in the past 24 hours. Rises will increase by the weekend when the heavy run-off from the U.S. will begin to arrive.

* (14:20)

Some flooding has begun in the St. John area, and this will gradually increase and spread to other areas between Emerson and St. Norbert in the next two weeks. The level in the city of Winnipeg remains quite high at 17.8 feet. The floodway flow this morning was about 16 000 cfs out of a total flow of 55 000 cfs upstream of the floodway inlet.

Forecasted crest stages for the Manitoba portion have not changed but will be reviewed once precipitation from the present storm system is known. Some upward revisions are likely, but this will depend on how much rain falls and where it falls. Rain has begun in areas south of Fargo and will spread northward as the day progresses.

Indications are that the Fargo area will receive 30 millimetres of rain with heavier amounts to the south of Wahpeton. The Grand Forks area is expecting about 20 millimetres and Emerson about 10 millimetres. Little rain is expected in the Winnipeg area.

Flooding continues in the Breezy Point area this morning where levels have risen 1.3 feet

since yesterday. Present levels are still five feet below the record 1996 crest in the cottage area. The high levels somewhat south of the cottage area yesterday have subsided by about two feet. High levels will continue in the Breezy Point and Netley Creek area for another day or two until the ice pushes into the marsh south of Lake Winnipeg. Flooding of cottages at Breezy Point and in the Netley Creek area will continue in the meantime.

Flooding of low-lying farmland continues along the Souris River, although much less in extent than in 1999. The flooding stretches from the international boundary to about Hartney. Levels should not rise more than one more foot with crests likely early next week. Minor flooding continues along the Roseau River, but it is localized and in areas where ice is jammed. Levels fell overnight at Stuartburn and at Gardenton, indicating reduced ice effects.

Flooding should be significantly less than in 1996 and 1997 even when the crest from the U.S. arrives next week. This could change if heavy rain falls over the U.S. portion in the next few days. Rising flows on the Assiniboine River in the Portage la Prairie area have resulted in increased diversions to reduce the chance of flooding from Portage to Headingley.

Some flooding continues on the La Salle River and the Whitemud River where some further rises are expected. Run-off is not yet fully underway in the upper Assiniboine River or in the Dauphin area. Thank you.

Mr. Glen Cummings (Ste. Rose): I want to emphasize that we do appreciate the Minister of Conservation providing us with daily updates through this medium to speak to the public out there that is obviously concerned about what may be in the future in terms of flooding and potential flooding.

Currently there appears to be some significant dangers to areas just outside of the town of Morris as was indicated by my colleague earlier. I continue to be concerned that these areas were to have received permanent diking so they would have protection, and that puts all the more onus on all of us in public office to make sure that they get adequate

protection as the waters continue to move into their area. Because of their expectations for permanent protection, they of course are very concerned about what the future might hold for them.

I would ask the minister if he would review the situation in the Netley Marsh and in the Selkirk area because I continue to hear, and we see in the media today, concerns being raised about the levels of the ice jams and the problems that occurred there. Perhaps he would then review the policy of whether or not they should have been implementing some ice-softening procedures or ice-weakening procedures in order to avoid that because we will see if we look at the report that was provided today that in fact the level of the crest in the Breezy Point area was probably higher in '96 than it was in '97, and that may well have been the direct result of some ice-weakening efforts that were made at that time.

I thank the minister for his report, and we will continue to hope and pray that the potential for flood waters remains low.

MEMBERS' STATEMENTS

Mr. Speaker: Members' statements as agreed yesterday, three from the Opposition, two from the Government side.

Flooding—Selkirk Area

Mr. Edward Helwer (Gimli): I would like to bring a matter of great importance to my constituents to the attention of this House. A tremendous amount of flooding has been taking place in the Rural Municipality of St. Andrews and in the city of Selkirk and just north of the city of Selkirk as a result of the Minister of Conservation's (Mr. Lathlin) mismanagement of flood prevention measures. Because the Minister of Conservation underestimated the thickness of the ice on the Red River and failed to take appropriate flood prevention measures, many residents of the area north of Selkirk have had to deal with building damage and road closures.

The Minister of Conservation did nothing to alleviate the breakup of the ice such as drilling holes in the ice or spreading sand to soften the ice. To compound the matter, the minister

ordered the floodway gates opened before the ice had moved into Lake Winnipeg. The resulting ice jam was a tremendous inconvenience to residents of the area, an inconvenience that could have been avoided had the matter been properly managed. With headwaters from the United States and southern Manitoba on its way, the Minister of Conservation must act immediately to alleviate the situation.

Kyokushin Karate Club

Mr. Cris Aglugub (The Maples): Mr. Speaker, on March 17 I had the pleasure, along with the Minister of Labour and Immigration (Ms. Barrett), of celebrating the Kyokushin Karate Club's first anniversary. One of the events at the anniversary was the promotional test for white belt students. The orange and blue belts also demonstrated several exercise techniques and board-breaking exhibits.

The Maples Kyokushin Karate Club was founded on March 18, 2000, by Sempa Mario Acuna and provides 60 students from all ages the opportunity of learning kyokushin karate. The karate school is free of charge and promotes good health, fitness, self confidence, along with good discipline.

I would personally like to thank instructor Sempa Mario Acuna, who is up in the gallery listening to me right now, and members and organizers of the club for generously promoting and volunteering their time to the community and enhancing the quality of life of young Manitobans. I am confident that your students realize how fortunate they are to have you as a mentor and to have the opportunity to learn the art of karate. I know that Sempa Mario Acuna's main goal is to help children stay out of trouble by teaching them discipline and respect, and I am sure that Mario had a profound impact in the life of his students.

Mario Acuna has opened his home, his heart, and we all appreciate the fine example he has set for those in the community. He is a great role model, and the students are very lucky to have such a dedicated karate teacher. I am proud to support, and I will continue to support, worthwhile initiatives like the Kyokushin Karate Club in my constituency in The Maples.

Mr. Speaker: Order. The honourable member's time has expired.

* (14:30)

Manitoba Business Climate

Mr. Jack Reimer (Southdale): Mr. Speaker, I rise today to draw the attention to the House to a disturbing trend our province has witnessed over the past 18 months. Over that time almost a dozen businesses have announced layoffs, relocations and closures resulting in almost 2000 lost jobs for Manitobans. Other businesses have expressed concern over the uncompetitive and unfriendly business climate being cultivated in Manitoba and may also consider leaving our province for greener pastures.

Since taking office 18 months ago, this Government has proceeded to hinder Manitoba's competitive edge by making middle-income Manitobans the highest taxed in Canada. By pushing through anti-business labour laws, by refusing to keep our province's tax regime competitive, this Government has helped to escort business and the accompanying jobs and revenues right out of Manitoba. Mr. Speaker, this Government should be more concerned with keeping Manitobans competitive, keeping jobs and investment here in our province instead of setting up barricades to business. We cannot afford to lose another 2000 jobs before this Government takes some meaningful steps towards strengthening Manitoba's competitive advantage and attracting and keeping jobs here at home, for Manitobans.

Thank you, Mr. Speaker.

Property Taxes

Ms. Bonnie Korzeniowski (St. James): I rise today, Mr. Speaker, to talk about the significant property tax relief that our Government has provided for Manitobans. During the last provincial election, we made a commitment to responsible property tax relief, and we have delivered on that promise. In the 2000 Budget, we increased the education property tax credit by \$75 to \$325 annually. When our Government increased the education property tax credit last year, it was the first time it had been increased since it was reduced by the former administration in 1993.

In this year's Budget, it has again been proposed that we increase the tax credit by another \$75 to a total of \$400, from \$250 two years ago. With the increases in the education property tax credit from the past two budgets, Winnipeg property taxes will be reduced by an average of 6 percent and by 9.4 percent in the rest of Manitoba. During the 1990s, the previous government's reduction of the education property tax credit had the effect of increasing property taxes for Manitobans. The \$75 increase in the education property tax credit saved Manitobans \$25 million last year. With this year's additional \$75 reduction, we are saving taxpayers \$53 million. Not only has this Government made a commitment to reducing property taxes through increases to the education property tax credit, we are also addressing the roots of property tax increases.

The previous government was well known for offloading education funding onto the local school divisions. By underfunding our public schools, the previous government was only shifting the burden to the local, frequently causing large increases in property taxes at the school division level. Our Government is proud of its record on reducing property taxes for Manitobans.

Point of Order

Mr. Marcel Laurendeau (Opposition House Leader): On a point of order, Mr. Speaker, I wonder if you might advise members in this Chamber that when you are rising to your feet, we should be taking our seats to find out what your response is.

Mr. Speaker: On the point of order raised, the honourable House Leader of the Official Opposition has a very good point. I would just like to remind all honourable members that the Speaker rising, *Beauchesne's* Citation 168, when rising to preserve order or to give a ruling, the Speaker must always be heard in silence. So in the future, I would ask the co-operation of all honourable members.

Variety Club Telethon

Mr. Jim Penner (Steinbach): Mr. Speaker, it is my distinct pleasure to rise once again this year

and offer my congratulations to the Variety Club of Manitoba on another successful and rewarding Variety Club Telethon. As many members of this House know, this year's telethon, which ran from Saturday, February 24 to Sunday, February 25, raised \$569,000. That will be used to meet the medical and non-medical needs of disabled and disadvantaged children in Manitoba. Indeed, Mr. Speaker, this year's telethon demonstrated again the generosity of Manitobans to a worthwhile cause and the spirit of the many volunteers of Variety.

Mr. Speaker, members of the Progressive Conservative caucus were again pleased to participate in this most important event by taking telephone pledges from hundreds of Manitobans.

We were also honoured to make a collective contribution to this year's event of \$10,000 and look forward to raising money for those children in our province faced with the challenges of disability and illness. The Variety Club's slogan is "For the Love of Children." That was evident at this year's telethon as group after group told of their fundraising efforts and as we heard the stories of the difference these funds have made in the lives of children.

Mr. Speaker, while the telethon is an important and visible part of Variety, it is only one of the number of efforts that take place throughout the year to raise funds for Manitoba children. I would encourage all members of this House and residents of Manitoba to support the year-long efforts of Variety.

Mr. Speaker, on behalf of all members of the House, I would like to congratulate executive director Bryan Stone and chief barker Wayne Rogers on another successful telethon and for the work they do in improving the lives of Manitoba children.

House Business

Hon. Gord Mackintosh (Government House Leader): On a matter of House business, Mr. Speaker, would you please canvass the House to determine if there is an agreement for the House to not sit on Easter Monday, April 16.

Mr. Speaker: Is there agreement in the House of all members to not sit on Easter Monday? There is unanimous consent. *[Agreed]*

ORDERS OF THE DAY

BUDGET DEBATE (Second Day of Debate)

Mr. Speaker: Adjourned debate on the proposed motion of the honourable Minister of Finance (Mr. Selinger) that this House approve in general the budgetary policy of the Government standing in the name of the honourable Leader of the Official Opposition (Mr. Murray).

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, there are so many reasons for all of us to be proud of Manitoba, but unfortunately this Budget is not one of them. In fact, with a Budget that has kept middle-income Manitobans among the highest taxed in the country, there is probably going to be fewer and fewer proud Manitobans as more and more of our young people move away to seek opportunities in provinces and states that are by far more attractive places to live, work and raise families.

Mr. Conrad Santos, Deputy Speaker, in the Chair

Mr. Deputy Speaker, governing is about making choices. Yesterday, this Premier (Mr. Doer) made his choice. He chose to keep middle-income earners, middle-income Manitobans, among the highest taxed in the country, and let me tell you Manitobans will also make their choice.

Like many businesses who have already left our province in recent months in search of lower taxes and greener pastures, so too will businesses, families and young Manitobans. This Government has completely dropped the ball on taxes, and that is going to lead to some very real, very serious missed opportunities for Manitobans. This Premier made the choice not to provide meaningful tax relief, and as other provinces go in the opposite direction as they move forward, Mr. Deputy Speaker, investment and business opportunities will pass us by.

The fact is, Mr. Deputy Speaker, and this bears repeating, Manitobans are still among the highest taxed in the country, and because of that we are not going to be able to compete. Ultimately that means our revenues will go down and the Province will not be able to adequately fund the priority services Manitobans want, need and deserve. While the rest of the country has proven time and time again that you can offer tax relief and increase spending at the same time, this Premier just does not get it. He says he cannot afford to cut taxes. Well, I say you cannot afford not to.

The Premier should talk to his friends next door in Saskatchewan. Mr. Deputy Speaker, in that province revenues this year are expected to drop by some \$750 million, but they recognize the importance of providing tax relief to their citizens, and they made it a priority. At the same time, the Saskatchewan government also announced that it has increased its health budget by nearly \$230 million. At the same time that our neighbours next door are expecting revenues to drop by three-quarters of a billion dollars, they have been able to introduce a budget that increases spending to priority areas and makes their taxes more competitive than Manitoba.

* (14:40)

The Premier (Mr. Doer) here in Manitoba actually expects the people of our province to believe him when he says he cannot afford to provide meaningful tax relief. It is not about one or the other. All the other provinces have already proven that you can increase spending and cut taxes at the same time. It is about being able to manage and being able to make tough decisions. This Premier demonstrated with this Budget that he was unable to do either.

The problem with this Government is that they just spend, spend, spend, and while they continue to help their friends, the rest of Manitobans are left wanting. This Government is the same old yesterday's NDP with the same old tax-and-spend mentality that is leading to uncontrolled, unsustainable spending with no thought or plan for the future. Yesterday was an opportunity for this Government to take a step forward, to show Manitobans that it was finally starting to listen, but they did not do that. Instead, Manitobans got higher taxes, out-of-

control spending, no plan or vision for the future.

Mr. Deputy Speaker, I was elected the MLA for Kirkfield Park just five months ago, and in those five months I have witnessed more mismanagement, more broken promises and more hidden agendas come forth from this Government than even I thought they were capable of.

It truly is a sad day for the constituents of Kirkfield Park and indeed all Manitobans, because today every single one of them woke up in a province that is on its way down the road to decline. In fact, if there were any Manitobans out there who still hung on to the hope that this Government was the new and improved Today's NDP they were introduced to during the 1999 election. They woke up to the reality that it is the same tired, old gang running the show as it was during those dark days of the Pawley-Doer administration, the same old tax-and-spend NDP of the 1980s.

Remember those times? Out-of-control spending, new and increasing taxes around every corner, poor management, broken promises and hidden agendas at every turn—sounds familiar, does it not? I cannot help but feel an eerie sense of *deja vu*.

Mr. Deputy Speaker, in the same way that the Minister of Health (Mr. Chomiak) in his own mind wants to believe he has kept his promise to end hallway medicine, the Minister of Finance (Mr. Selinger) wants to believe the impossible. He believes the Budget he has introduced to us is a balanced one. Quite frankly, I think the Minister of Finance should go back to school and learn the basics of math and language arts, because he is wrong. He is wrong when he says he has provided significant tax relief, and he is wrong when he says the Budget is balanced. I would encourage the minister and all members opposite to pick up a newspaper or tune into a newscast and get clued in. While the Budget projects a surplus, what has been provided to Manitobans is in no way a balanced and responsible approach to governing. The Budget in every sense of the word is unbalanced.

Mr. Speaker in the Chair

Mr. Speaker, over the last 18 months, this Government's spending has increased by \$750 million. Some of this was offset by increased federal transfer payments and extra funds from tax revenue because the economy performed better than expected, but the provincial government should not have built a budget around funds that may not materialize at the same level in the upcoming year.

In this Budget alone, spending is up by \$359 million or 6 percent over last year. In fact, for every \$1 in tax relief the CFIB suggested this Government was spending \$6. Again, Mr. Speaker, according to the CFIB, for every \$6 they spent they gave the people of this province back a mere loonie. We on this side of the House have a very real concern about this Government's spending habits, especially when they have failed to provide meaningful tax relief.

Manitobans would like to see some of their hard-earned money go back into their pockets to spend as they, not this Government, see fit. This is not an unreasonable expectation on the part of Manitobans. While other provinces have shown that they can increase spending and still offer meaningful tax relief, this NDP government has only shown how it can spend any extra money it takes in. This is a disturbing trend. With an economic downturn in the United States, the increased revenues the Government enjoyed over the past few months may not exist to offset this increased level of spending, and what will the Government do then? Turn to Manitobans with their hands out, looking for more tax dollars?

We all know the NDP has not met a tax they did not like and one they did not hike, so we all know too well what is in store for the Manitobans under the future of this Government. No wonder the Minister of Finance (Mr. Selinger) was not anxious to release his third-quarter results. Anyone who can overspend by a quarter of a billion dollars in one year clearly has an inability to manage their finances and he ought to be embarrassed.

Mr. Speaker, for the first time in almost a decade the Finance Minister has added a new tax example chart to the back of the Budget. If he is so proud of his numbers, why the need to spin

them so hard? That aside, the fact this Budget document has done nothing to put more money back into the pockets of hardworking Manitobans instead, according to the minister's own Budget document, this is what happened to Manitoba families. A single-income family of four earning \$40,000, this Manitoba family is the highest taxed west of Québec. A single-income family of four earning \$60,000, this Manitoba family is the highest taxed this side of Québec.

A two-income family of four earning \$60,000, this Manitoba family is the highest taxed west of Québec. A two-income family of five making \$75,000, this Manitoba family is the highest taxed west of Québec. In fact, this Budget makes middle-income families, middle-income Manitoba families pay 17% more income taxes than the same family in Saskatchewan, 27% more than those in British Columbia, 63% more than those in Ontario and an astonishing 85% more than that same family in Alberta.

An individual earning \$61,500, thanks to this NDP government, that individual with their .1% tax reduction in the top bracket. Hang on to your hat, Mr. Speaker, he will save \$5.12 a month. Wait a minute. It gets better—17 cents a day, 17 cents, not even enough to buy a cup of coffee. Ironically, the Premier (Mr. Doer) thinks this step is something that should have the business community singing his praises. Well, I think not. I think this Premier ought to realize that if he expects to gain the respect of the business community, if he expects to regain the ground lost because of this Government's anti-business labour laws that solidly drove a wedge between business and labour groups in this province, then this Premier is going to have to understand that it is going to take more than putting on a nice blue suit to accomplish that.

* (14:50)

The Premier had a choice to make. He had a choice to make amends with the business community to move forward, moving steps to make Manitoba more competitive and prosperous and putting more money back into the pockets of hardworking Manitobans. He could have lowered personal income tax. He could have removed the education support levy

from property tax bills. He could have reduced the provincial sales tax, or he could have eliminated the payroll tax, but he did not. Instead, he opted for increasing existing taxes and creating a new green tax.

Then, Mr. Speaker, let us not forget the backdoor tax. In the Budget, water power rental rates have increased with the Government taking an additional \$52 million a year from hydro. Basically, the amount of revenue the Province will take from hydro has increased 105 percent, going from \$50 million to \$102 million. Our hydro rates are the lowest in Canada, and we need to keep it that way if we want to attract business to this province. While the Government says they do not expect this to increase residential rates, time will most likely prove them otherwise. I have said it before, the NDP has never met a tax they did not like or one they would not like to hike, and this will not be any different.

One of the things that I believe is a fair comment is to say well, where might you cut, where might you cut some spending? Well, I have not had a chance to look at the entire document, but clearly when 21 of 24 departments have increased spending, is this justifiable? Hardly. They have added funding to the Executive Council. They have added more staff. There is \$10,000 more per person they are paying for executive assistants, administrative assistants. They have added some 240 people at a cost of \$10 million a year. There is an area that we would start in terms of cutting.

Mr. Speaker, we have already lost thousands of jobs in this province, and we are at risk of losing even more. It is ironic that there are "welcome to Winnipeg" and "welcome to Manitoba" signs posted, but this Government keeps putting up roadblocks. They seem bent on keeping businesspeople and new investment out. For example, Schneider corporation cancels a \$125-million expansion, 1200 jobs gone; Strongco Engineered System relocating to Alberta, 61 jobs gone; Buhler Industries announcing relocation to a Versatile tractor in North Dakota, another 250 jobs; Isobord Enterprises goes into receivership, 90 jobs; Simmons Canada Incorporated relocates production to Alberta and Ontario, 40 jobs; Medichair Limited relocates head office to

Alberta, 6 jobs; Tolko Manitoba announces layoffs from its Woodlands division, 308 direct jobs and 300 indirect jobs; Tarr Construction relocates to Alberta, five jobs; Investors Group Securities transfers local operations to Toronto, 49 jobs.

Then, Mr. Speaker, there are those companies like Brett-Young Seeds who earlier announced plans to relocate to Alberta if Manitoba's business climate remained uncompetitive, and if they left, Brett-Young Seeds would take with them 60 jobs. In fact, the co-owner of Brett-Young Seeds, Lloyd Dyck, was quoted in today's newspaper saying that the Budget did nothing to change his mind about moving his business, head office, to Alberta. Of course, we on this side of the House hope that Brett-Young Seeds and other companies who may be considering moving out of Manitoba reconsider, but we also recognize the position this Government has put them in. There are going to be some difficult decisions being made in the coming months, and we can only hope for the best.

During the election, the Premier (Mr. Doer) promised to build a new partnership with business and labour for new and better jobs, but, Mr. Speaker, refusing to provide tax relief, failing to keep Manitoba competitive and driving a wedge between labour and business has built something all right; he has built a one-way road out of Manitoba.

Mr. Speaker, you are most likely familiar with the hit movie *Castaway*. Well, here in Manitoba the Finance Minister (Mr. Selinger) is starring in his own spinoff version. It is better known as "taxedaway." As the country sits on the edge of economic slowdown, governments from coast to coast have provided meaningful tax relief to improve their competitive position to encourage investment and economic growth within their provincial borders. Yet one province stands alone as a tax-and-spend island, oblivious to the sea of tax relief around it. Manitobans are going to be taxed away in every sense of the word.

Considering the Finance Minister is the only member opposite with the fortitude to admit that his Government election health promises were

irresponsible, it came as no surprise to hear him admit it in the Budget yesterday, that his Government still has not ended hallway medicine. In fact, although members opposite stated time and time again that come April 5, 2000, quote, there would not be a single patient in hospital hallways, it is more than a full year past this self-imposed deadline, and Manitobans are still waiting for this Government to fulfil their promise.

I saw the Premier (Mr. Doer) on Videon's *Insight* program a few weeks ago, and I will have to tell you I was shocked at the spin coming out of him. Apparently, Mr. Speaker—this is interesting—all of us on this side of the House, all of us, and all of the reporters, all of them, and, in fact, all Manitobans misinterpreted his election promise.

You remember the television commercials, I am sure. Let me refresh your memory: If it means having diagnostic equipment operate a couple of hours more a day to make sure the people are not going to the United States, then we do it; if it means having our nurses rehired to have the beds which are already paid for staffed rather than having people in the hallways, then we will do it. Well, Mr. Speaker, Manitobans are still going to the United States for treatment; and, when one considers that nursing shortages have doubled over the last 18 months, it is obvious the nurses have not been hired.

The Premier's new favourite phrase, his new favourite phrase is: You cannot just add water and stir to make a nurse appear. Well, no kidding. So why then, Mr. Speaker, did he lead Manitobans to believe that he could? He knew he could not end hallway medicine and fix health care in six months, but he made the promises anyway, and not only are there still patients in hospital hallways, but the numbers this year are up over last year's numbers even though there was not a major flu epidemic. So where exactly are we with hallway medicine, Mr. Speaker?

Well, in one of today's newspapers, it was reported that yesterday the St. Boniface Hospital had some forty patients backed up in the emergency room, and twelve needed to be moved immediately. That is where we are at with hallway medicine. The Health Minister

wants to believe he has kept his promise, but then perhaps he does not get by to visit the hospitals like he used to.

*(15:00)

The Premier (Mr. Doer) says people misinterpret his election promise, and there alone in the corner, there alone, isolated all by himself, is the Finance Minister. There is the Finance Minister. The only one across the way who had the guts to publicly admit that their hallway medicine promises were irresponsible. Where does that leave the patients, Mr. Speaker? What about the patients? What about those patients who are still there in the hallways, still there getting treatment in Grafton, North Dakota, still waiting for the respect and dignity that they were promised? Whatever happened to the respect and dignity?

Mr. Speaker, you have also probably heard of the hit movie *Traffic*? Well, if there were Oscars to be handed out today, then the Minister of Health (Mr. Chomiak) would be up for his role in hallway highway traffic. You have seen this story unfold. Determined to win at all costs, one party abandons common sense for irresponsibility by claiming to have the cure for what ails the health care system, claiming they had the cure, only to leave patients back in hospital hallways while others abandoned their homeland for treatment in the United States. It is not just hallway medicine anymore; it is hallway highway medicine, and the traffic is getting more and more congested. Then there are the waiting lists: CT scans in September of 1999, six weeks, February 2001, seven weeks; ultrasound, September 1999, twelve weeks, February 2001, eleven weeks; stress MIBI, September 1999, fifteen weeks, February 2001, twenty-one weeks; last, but not least, MRI, September 1999, ten weeks, February 2001, thirteen weeks.

A few weeks ago on that same program *Insight* that I referred to earlier, when the Premier (Mr. Doer) was questioned about why the waiting lists for MRI had grown, he said that was not true, that was not true at all. He said the wait had gone down. Well, clearly the Premier's math skills are as poor as the Finance Minister's because to go from a 10-week wait to a 13 wait is an increase in wait, not a reduction.

On top of that, Mr. Speaker, it was revealed that, although the Winnipeg Regional Health Authority was running a \$10-million surplus, doctors at St. Boniface Hospital had to cancel revision surgeries to hip- and knee-replacement patients due to cutbacks. A letter from two St. Boniface doctors was mailed out notifying patients awaiting care for failed joint reconstruction that the doctors could no longer provide service to them. The letter went on to state that the Health Authority had placed extreme fiscal constraints on the program, and, since there is already an 18-month waiting list for surgery with the new cutbacks, the doctors did not feel they could provide safe, quality health care as they were previously able to do.

It is unacceptable that patients who are in pain and in need of surgery are being turned away by our health care system, but it begs the question: How can the minister justify cancelling surgeries when the WRHA was running a surplus? Although I do support the Health Minister's attempts to encourage fiscal responsibility throughout the health care system, it should not be done at the expense of patient care, particularly when the minister promised to slash waiting lists and guaranteed in last year's Budget that his Government sufficiently funded the health care system.

Mr. Speaker, we all know that one of the major problems facing health care right now is the growing shortage of nurses. In fact, one of the keys to improving health care delivery in our province is to solve the nursing shortage; yet since the Doer government took office, the nursing shortage has more than doubled, and the number of existing full-time positions has been reduced. A doubling of the nursing shortage, yet this Government takes no steps in their Budget to deal with the growing problem. But do not just take my word for it. Even the Manitoba Nurses Union stated they did not see anything in yesterday's Budget to address the nursing shortage, and it is interesting that this Government tried to take credit for doubling nursing enrolment in this Budget. I should remind all members opposite that, while there will be 508 nursing grads in 2002, 418 of those grads enrolled under the Manitoba Nurses Education Strategy, which the previous Tory administration initiated in 1996, and only 90 of

those students are from this Government's reinstated two-year RN program.

Mr. Speaker, whatever happened to the Health Minister's task force report that should have been out months ago? The committee was struck last May and was mandated to examine issues that affect nurses' working conditions and their workplace environment. The committee was to report back to the province in six to eight months following that May announcement, yet almost a year has passed, and silence from the minister. In fact, last month it was reported that long hours and stressful working conditions for nurses and doctors are making young Manitobans have second thoughts about entering the health care profession. Is that not enough to convince this Government to take action, to do something? This Budget provided no plan for addressing the nurse, doctor and specialist shortages, and it contained no plan to attract or retain these needed health care professionals in Manitoba.

Manitoba needs action and responsible management of our health care system, and we need it now. Unfortunately, all we have seen from this Government is increased spending with no results. Mr. Speaker, hundreds of millions of dollars more have been pumped into the health care system, yet no improvements have materialized. All we have seen to date is a growing shortage for nurses, doctors and specialists, longer waiting lists, patient pile-ups in the hallways and increased traffic on the highways as more and more Manitobans head out of the province for treatment. This Premier and this Health Minister have got to grasp the simple concept that simply throwing money at problems will not solve them. I know it is difficult for them to grasp this; I know it is difficult. They have to have a real plan to address the very real health care issues that are alive in our province, but they have failed to deliver that plan.

This Budget also included no mention of a plan for information technology, no mention of a plan for improvements to our mental health system, no mention of progress indicators to measure progress in restoring health care as a promise in the throne speech and no mention of election promises to put nurses in school. The

Premier and the Health Minister are great critics, wonderful in opposition, but they have proven themselves to be hopeless managers of our health care system and of our province's finances as a whole. From the growing concern about outdated diagnostic equipment, Mr. Speaker, to the very real concerns in rural Manitoba that the NDP will be closing their local hospitals, this Government's attitude of just throwing money at problems and hoping they will go away will destroy our health care system, and I think all Manitobans ought to be concerned.

* (15:10)

Speaking of concerns in rural Manitoba, Mr. Speaker, it was with great and grave disappointment that we again saw nothing in the Budget for Manitoba's rural economy. What we have seen is a noticeable shift away from supporting rural Manitoba, and that concerns us. If Manitoba is to succeed as a whole, not special interest groups but as a whole, it is essential that we all work together in partnership and with the best interests of all of our communities in mind not just a selected few.

The lack of support for rural Manitoba in this Budget is glaring. I have mentioned earlier that this Budget was a disappointment to Manitoba families. To our rural families it was not only disappointing, Mr. Speaker, but to our rural families it was very discouraging. Where was the hope? Where was the support? Where was the encouragement? Where was the vision? Sadly, we saw nothing.

Mr. Speaker, in the last decade the economic landscape of rural Manitoba changed. The Progressive Conservative government of the day took on the role as a catalyst and a facilitator and worked closely with the communities, local groups and individuals to rebuild and diversify. They emerged from the depression and the disastrous effects of the Pawley-Doer government of the 1980s.

Mr. Speaker, the economic, social and environmental stress created by the NDP were especially hard on rural Manitobans and created challenges that were daunting and seemingly insurmountable, but, as I said, the role of government changed. Increased and better

communication helped to develop new programs and tools that better responded to the needs of rural Manitobans. It was a partnership, with government supporting the work that was being done in each community.

It is history now, a remarkable story, some have said a comeback story of how rural Manitobans took their futures into their own hands, translating the intrinsic advantages of rural life into profitable companies and empowering others with their positive attitudes and exceptional determination to succeed.

Mr. Speaker, the evidence was everywhere. Thousands of rural Manitobans became a part of an entrepreneurial spirit that sparked new economic growth and a renewed sense of pride. Rural Manitobans took a quantum leap forward from the darkness of the NDP '80s. More autonomy, rural Manitobans developed their own strategies and began to reap the benefits. Only 18 months ago rural Manitobans looked forward to a bright future with strong and proactive business and community leaders. They were on a new threshold.

Today, Mr. Speaker, with the delivery of this Budget, the can-do spirit of rural Manitobans has hit a wall. Like all Manitobans they are now facing the reality of creeping pessimism that is beginning to erode their confidence and the bright future that they have built.

The polls are clear. Almost 60 percent of Manitobans expect a worsening economy this year, 55 percent of Manitobans expect their household income will fall behind the cost of living last year, and almost 45 percent of Manitobans expect taxes will rise in the province within the next 12 months. The last number proves prophetic with this Budget. The point is, Mr. Speaker, rural Manitobans see opportunities slipping away. Jobs and businesses are being lost and now they are being ignored in the Budget.

Mr. Speaker, this has always been a fear of the community leaders and of the individuals that I have met over my brief time in the Legislature. They were afraid this NDP government would turn a blind eye to the needs and aspirations just as it had done in the 1980s.

Their fears have been realized. Our vision of rural Manitoba is one of vibrant and healthier economies, communities that build upon regional strength and diversity, business and community organizations, individuals at all levels of government working together as partners to develop and employ innovative means of achieving environmentally sound, sustainable economic renewal and enhanced quality of life.

That was and is our vision. In fact, it was the vision of the former Department of Rural Development before this Premier (Mr. Doer) destroyed it and made it an afterthought with the Department of Intergovernmental Affairs. I am hopeful that the Premier will soon admit his mistake in merging Rural Development into the Intergovernmental Affairs portfolio and reverse that wrongheaded decision.

This area, Mr. Speaker, is far too important not to stand on its own. So in the near future I will be appointing one of our members as a new critic for rural development. We must be vigilant and hold this Premier responsible for ignoring rural Manitobans in this Budget, and we will do that.

This Premier and his Government have no vision or plan for rural Manitoba, just as they have no vision or plan for the entire province. In fact, one needs only to think of those farmers and businesses still suffering from the effects of the 1999 flood to appreciate what I mean when I say the Province just is not providing the needs support to rural Manitobans.

We have heard a lot of promises from both the provincial and federal governments about how they are trying to rectify the situation, but promises and platitudes are like broken plowshares, they just do not cut it. The provincial government's inability to secure funding under Disaster Financial Assistance arrangements or under a Jobs and Economic Restoration Initiative-style program as was used during the 1997 Red River flood is proving extremely frustrating. It is frustrating for the farmers whose livelihoods have been threatened by this natural disaster. It is frustrating for the businesses that supply those farmers, and sadly some of them are no longer operating. It is

frustrating for the communities whose residents are so closely tied to agriculture and the rural way of life.

Our producers were counting on some form of disaster assistance to help them with spring seeding, the same help they were looking for last spring that never materialized. It is our sincere hope that this matter will soon be resolved. Our farmers and rural businesses and communities that service and supply them deserve some answers. It is time for the Doer government to account for its failure to negotiate aid packages that treat Manitoba's farmers fairly in comparison to their Canadian counterparts.

It is time for the Doer government to stop passing the buck to the federal government and demonstrate some interest in trying to find long-term solutions to the challenges facing our farmers. There is no leadership, no direction, and our farmers are paying for the Province's lack of understanding of agriculture issues.

Mr. Speaker, I cannot help but think I have a theme going here, but I am sure you have heard of the recent Oscar nominee movie *Almost Famous*. Well, here in Manitoba our Minister of Agriculture (Ms. Wowchuk) is starring in her own version of that movie. It is called "Almost Finished." That about sums up the future of the farm family here in Manitoba thanks to the inaction of this Government. The movie has played out right across our rural landscape. After leaving hundreds of flooded farmers and businesses out to dry and being unable to follow through on its commitment to have improved federal-provincial relations, this Government continues to turn its back on rural Manitobans putting the very future of the farm family at risk. The family farm is almost finished, and that is not something this minister should be proud of being almost famous for.

* (15:20)

Whether it is the blind eye this Government has turned towards rural Manitoba or its failure to work hard today to prepare our province for the challenges of the future, we are in every sense of the word disappointed in this Government's lack of vision for Manitoba. The Premier (Mr. Doer) is a man of many words but

of little substance. It is one thing to talk the talk, but it is another to walk the walk. The Premier does his share of talking, and he does it slicker than any politician I know. But in terms of following through with action, he continues to walk in circles.

Mr. Speaker, where in this Budget is there a plan to prepare our young people for the future? Where is the plan to ensure that they are prepared for and able to compete for jobs in the new digital economy? We on this side of the House agree that there needs to be a strong investment in education. To make post-secondary education and training more accessible and affordable is one thing, but without a plan to keep our province competitive, without a plan to ensure our province is a place for our young people that they will want to stay and work and raise their families, this Government is basically just training our young people so that they can leave for opportunities in other jurisdictions.

Mr. Speaker, we on this side of the House strongly support the need for a well-educated workforce. Young people must have the knowledge to succeed in today's digital economy. However, what is also needed is a strong diversified economy that offers our young people graduating from post-secondary institutions solid employment opportunities.

As well, members opposite continue to fail to realize the consequences of their tuition freezes without the appropriate funds to offset the loss to universities and colleges. Last year, the University of Manitoba was forced to almost clean out its fiscal stabilization fund and implement a \$5.1-million staff, programs and equipment cut all because the NDP failed to offset the loss in funds due to these policies. The Government knew their policy was having a negative impact.

Last October the *Free Press* reported that, quote, the province's tuition freeze is forcing colleges and universities to play catch-up with hefty tuition increases next year. Red River College may seek a minimum 12% increase in tuition next fall, and the University of Manitoba needs more than a 5% jump unless the Education Minister increases this year's 3.6% hike in post-

secondary education funding. Mr. Speaker, obviously, the NDP's much-touted Grade 3 guarantee of every child reading and writing fluently does not apply to the Government ministers. Surely, the ministers read this and many more articles that talked about the consequences of the tuition freeze coupled with the lack of funding. Unfortunately, for Manitoba's post-secondary institutions, government ministers may have read these articles, but they are obviously unable to understand them. They are offering post-secondary institutions the same increase in operating grants as last year. Maybe members opposite cannot remember, but that level of funding did not cut it last year and it sure will not cut it this year.

Speaking of not cutting it, I am sure the Minister of Justice (Mr. Mackintosh) is more than a bit displeased with his Government's inability to deliver an action plan to combat the growing crime and gang problem right here in our province. This Government likes to talk tough on justice issues, but they certainly have not been able to deliver results. I think everyone here recalls how vocal the Member for St. Johns was when he was in opposition touting his party's 18-point gang action plan. Well, their plan is not working. In fact, membership in Manitoba gangs has grown by 500 since 1999. We have also learned that Winnipeg is one of the first jurisdictions in Canada to have the distinction of having a generational gang problem, that is, children following their parents' footsteps into gang membership. Mr. Speaker, Manitoba is also the auto theft capital of Canada and so far we have not seen this Justice Minister (Mr. Mackintosh) crack down on the most common offenders. This Government has not announced any means to alleviate court backlogs and, in fact, has reduced funding to the courts.

On top of that, on top of the no mention of any initiatives to improve efficiency within the justice system, this Government has just imposed a 2.3% cut in funding to the court system. While all of us on this side of the House are still in a state of disbelief about this Budget, it bears mentioning that we are concerned about a few other items that were also excluded from this Budget. While we have encouraged this Government to repeal a section of Bill 4, its

Election Finances Amendment Act that states that taxpayers' money will be used to fund political parties in Manitoba, to date we have heard nothing. Under this section, Manitobans will be forced to donate to all political parties because this Government is planning on establishing a system whereby registered political parties get direct funding from the provincial government. We on this side of the House believe that if the Premier (Mr. Doer) wants to fill up his election war chest he should go out and earn donations like the rest of us.

Manitoba continues to fall behind the other provinces in terms of competitiveness and yet this Premier's priority is to guaranteeing his own party an annual subsidy from the taxpayer. I can assure you that the Manitoba Progressive Conservative Party is going to work for and earn its dollars, not take a handout from a government that has no right to be handing it out in the first place.

However, the idea of this Government doing things that it ought not be doing comes as no surprise to anyone. In fact, the anti-democratic, anti-business labour legislation that this Government rammed through in the heat of last summer springs to mind as just one example. Nowhere in this Budget is there that previous language the Government was so fond of prior to last summer of improving relations between business and labour. This Government has driven a wedge between business and labour in this province, and we will be watching very closely as this session moves forward. I assure you, there is no appetite in this province for this Government to follow through with its secret union deals that the Premier has with his union bosses.

The scenes have been played out, and Manitobans do not like the movie they are seeing. Box office fanatics may have been keen on recent Oscar nominee *Shadow of the Vampire*, but those of us here in Manitoba are a little more skeptical of the Labour Minister (Ms. Barrett) constantly being in the shadow of the union. The future of our province is at risk as Government decisions continue to be made by union bosses pushing an anti-democratic, anti-business labour agenda leaving the public at large disillusioned and fearing that few business

industry jobs and economic growth will not come to their communities. As I said right off the top, governing is about choices. The Premier could have, in this Budget, made the choice to make our province a home for opportunity for all Manitobans but he chose not to. He could have made this a choice to make our province competitive but he chose not to. He could have made the choice to give Manitobans what almost every other Canadian is receiving from their governments, meaningful tax relief, but again he chose not to.

The Premier chose to spend today instead of working hard for tomorrow. If he truly wanted to get Manitobans excited about the future, he should have taken steps to provide opportunity so they had something to be excited about. If he truly wanted to provide a Budget that prepared Manitobans for the future, he should have provided meaningful tax relief that would have put our province in a position to be able to prepare for that future.

Mr. Speaker, Manitoba should be competitive on its merits, yet this Government's approach to planning for the future is by turning to the federal government for a handout, and that is a poor way to plan for our children's and our grandchildren's future.

* (15:30)

I have made several mentions today about the various starring roles some of the members opposite are playing: the Minister of Finance (Mr. Selinger) in "Taxed Away," the Minister of Health (Mr. Chomiak) in "Hallway Highway Traffic," the Minister of Agriculture (Ms. Wowchuk) in "Almost Finished," the Minister of Labour (Ms. Barrett) in "Shadow of the Union," but the Premier, (Mr. Doer) without a doubt, deserves top billing for his role in the worst picture ever played in Manitoba. After running an election campaign that committed the NDP to providing a fair and balanced approach to governing, once in office, that approach was tossed out the window, and Manitobans have become increasingly pessimistic as the Premier's hidden agenda continues to threaten provincial competitiveness and future prosperity.

Mr. Speaker, *Crouching Tiger, Hidden Dragon* may have been a winner at the Oscars, but the creeping pessimism, hidden agenda playing daily here in Manitoba is a bust.

Therefore, I move, and seconded by the Member for Fort Whyte (Mr. Loewen),

THAT the motion be amended by deleting all the words after "House" and substituting the following:

Therefore regrets this Budget ignores the present and future needs of Manitobans by

- a) failing to work hard to adequately prepare Manitoba for the challenges of tomorrow;
- b) failing to address very real concerns about the sustainability of the high level of expenditures built into this Budget;
- c) failing to provide a vision or a plan for Manitoba's economy;
- d) failing to protect the strong economic climate established in Manitoba during the last decade;
- e) failing to provide meaningful tax cuts to Manitobans;
- f) failing to recognize the importance of tax competitiveness so Manitoba can continue to prosper;
- g) failing to create an economic climate that will draw investment to Manitoba;
- h) failing to provide any incentive for our young people to stake their futures in Manitoba;
- i) failing to address the serious socio-economic crisis facing rural communities due to the crisis in the grains, oilseeds and specialty crop sector;
- j) failing to provide assistance to agricultural producers still affected by severe flooding in southwestern Manitoba in 1999;
- k) failing to properly prioritize the highways and infrastructure needs of Manitoba;
- l) failing to end hallway medicine as promised;

m) failing to address the growing shortage of health care professionals;

n) failing to address health care waiting lists;

o) failing to address the critical shortage of teachers at all levels across the province.

As a consequence, the Government has thereby lost the confidence of this House and the people of Manitoba.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please.

Motion presented.

Mr. Speaker: The amendment is in order. Debate may proceed.

Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines): Mr. Speaker, it is a real pleasure for me to rise today and speak to our second Budget, a Budget that I believe is balanced and focused on what Manitobans want which is a balance between investment and education, health care and infrastructure, and significant tax cuts.

Now, I believe that the Budget of 2001 makes the kinds of choices that the vast majority of Manitobans would make: more investment in public services, strong debt reduction and tax cuts that we can afford. Manitoba's disposable income growth is the strongest over 20 years. Our unemployment rate is the second-lowest in the country and the lowest in Manitoba since 1976.

Mr. Conrad Santos, Deputy Speaker, in the Chair

Now, it is always good to look to third parties to see what they say about Manitoba's economy. Sometimes we get a little hung up with our own rhetoric, but I would suggest that Manitobans look to others. How are we doing compared to other jurisdictions? Well, you know, I do not think that the CIBC is known as a particularly left-wing sort of think-tank. It is the CIBC World Markets, a provincial budget brief document by a Mr. Warren Lovely. Now, Mr.

Lovely notes the 2001 Manitoba Budget reinforced a commitment to reduce taxes, pay down debt and invest in key programs while maintaining a positive fiscal balance.

I find it remarkable that the Opposition would not join us to vote for this Budget, a Budget that provides balance, a Budget that is supported by Manitobans. The only ones who do not support the Budget are the right-wing, backward-thinking Opposition.

Now, Mr. Lovely also points out that the new initiatives were aimed—and I think the Budget is quite innovative. It is looking at a number of new sectors that are going to be very, very important to our economy and to the future wealth of Manitobans. The new initiatives were aimed at improving tax competitiveness, as well as meeting key program spending requirements.

Manitoba enjoyed a broadly based economic expansion in 2000, with the real GDP advancing a sturdy 3.5 percent. Robust business investment generated roughly one-third of the output gain, while accelerated employment growth sparked a meaningful rise in personal incomes. The jobless rate slid below 5 percent in 2000, marking the third straight year that Manitoba has boasted the lowest provincial jobless rate.

Not only that, CIBC continues to indicate that the Province has also made good on a planned \$96-million debt repayment, which included the first pension liability paydown in four decades. All told, the budgetary surplus came in at \$26 million. That topped the original \$10-million target and was made all the more impressive by the fact that it was achieved without a scheduled \$90-million withdrawal from the Fiscal Stabilization Fund. That is wise fiscal management. It is disappointing that the Opposition cannot or will not recognize the facts like CBIC and other third parties who are looking at our economy objectively.

*(15:40)

I would also like to point out that Mr. Lovely from CIBC indicates the significant tax cut relief that we see inch ahead in 2001-2002. On that score, the Budget built solidly on last

year's tax reduction efforts. Taken together, the efforts in the past two budgets will amount to a double-digit personal income tax reduction by 2003. The importance of the business tax reductions was clearly acknowledged with a cut in the small business tax rate and a jump in the associated income threshold pegged for 2002. Moreover, the Budget announced the first cut in general corporate tax rate in more than 50 years. Now, did the Tories look at a corporate tax rate? No. Never. Are they voting against a corporate tax rate cut? Apparently—foolish, short-sighted, not looking at competitiveness and the importance of these initiatives.

Now, we have been hearing a lot from the Opposition and those that are opposed to this Government that spending is out of control, completely out of line. We have blown the Budget. Well, the fact is if you will look at the document by the third party, I would like to indicate, from CIBC, overall a 2.9% rise in program spending is anticipated in this fiscal year. Now, 2.9 percent, that does not seem as if the lid is blowing off the kettle. That is a very modest growth given the considerable pressures in health care, in our commitment to education, in our willingness to look at tax cuts and actually follow through. That type of program spending is reasonable, justified, and shows fiscal prudent management.

Now, I would also like to perhaps try to understand how the Opposition could actually vote against this Budget. It really seems to me to be difficult to understand. Now, they may actually believe the rhetoric that is being presented by those who have another agenda. There have been claims that the expenditures exceed the tax cuts to a ratio of something like six to one. Well, that is quite staggering, but is it accurate? No, it is not accurate. I would ask members opposite to actually look in the Budget document, and if they need help reading the Budget document, we can provide it, because in reality expenditures amount to \$348 million. The tax cuts, and I can provide detailed explanation in fairly simple language, amount to \$124 million. That amounts to three to one in terms of spending to tax cuts.

Now, how does that relate to what Manitobans would expect from the Government?

Well, you know, we have a good indication, because the Minister of Finance (Mr. Selinger) went out to Manitobans here in the city, in rural Manitoba, to northern Manitoba, to our business community, and the overwhelming position and the view of Manitobans was that in fact a 3 to 1 ratio for spending to tax cuts is exactly what Manitobans wanted.

Now, why would the Opposition choose to vote against Manitobans, choose to vote against their opinion? It seems to me to be foolish and in fact ignoring the opinions of Manitobans who participated in the Budget consultation.

Now, we had a colleague who sat on the other side by the name of David Newman, in fact was a minister with the Conservative government in the past. When he ran in the federal election for the Tories, for the Conservatives and felt quite concerned about some of the extreme views represented by his former colleagues on that side of the House, certain members that had adopted the Alliance platform, certain members that had really gone over the top, in fact, he called those members the loony right.

Now, the loony right may actually be a good example or a good illustration of where their thinking is coming from. You know, it seems to me that in this case I do agree with David Newman.

It is unbelievable that the loony right is so loony that they would actually abandon Duff Roblin's legacy; they would vote against the expansion and enhancement of the floodway. They are so shortsighted that they do not see the importance of rebuilding and ensuring that we do not have to go through massive emergency repairs. Is it better to prepare for the flood or react after it inundates land, homes, businesses or even the city of Winnipeg.

You know, the loony right would immediately abandon Duff Roblin's plan. It is really unfortunate.

You know, this Opposition, the loony right, is so loony that they would actually vote against, what, education investments? What did Duff Roblin say about education? In fact, he wrote a

biography and has a chapter called "Education, the Priority." Now, the legacy of the right is one that really has betrayed that commitment.

Ten years of hacking and slashing education is the legacy of the Tories. They have only reinforced it by today suggesting that they are going to vote against the Budget. Our Government agrees with Duff Roblin, agrees that education is the priority. You know what? Business agrees. Business is strongly supportive of investing in education. This is one of their advantages. Education is the key in technological areas and the key to Manitoba's success.

Are the members opposite actually going to vote against investments in education, vote against bursaries for students, vote against the ACCESS program, a program that is known to be successful in bringing First Nations people into universities, into professions, professional occupations? Are they voting against immigrants entering ACCESS programs? Are they voting against Duff Roblin's recommendation on college expansion?

Unbelievable, Mr. Deputy Speaker, that the right has decided that education is not a priority and in fact is not something that they want to vote for.

This is a Budget that also invests in a water strategy. Is a water strategy important to Manitoba? Absolutely, one that should have been started over a decade ago, something that we have to manage.

Not only is Manitoba rich in water, and that is a benefit in terms of hydro and irrigation, but it is also a liability as we look at possible flood damages. It is absolutely crucial that we deal with the various issues involved in a water strategy.

* (15:50)

This Budget, I am very pleased to say, includes several initiatives in the area of water management. That includes investing in more inspectors and training, for ensuring the water safety of our communities here in Manitoba. We do not want to succumb to any tragedy like was experienced in Ontario where they did privatize

water testing similar to the Conservatives here in Manitoba, where they wanted to privatize and cut all subsidies for water testing.

What happened in Ontario? A terrible tragedy because public policy was turned away because of fiscal poor management, poor foresight, and we actually had the situation where people died because of the Government's poor policies and lack of vision and irresponsible actions of not monitoring the water or ensuring public safety. This Budget ensures that. It is remarkable that the Opposition would consider voting against safe water. Are they also voting against finally an investment in drainage? Manitoba has a serious problem of neglected drainage ditches, which affects rural Manitoba very negatively.

The members across talk about rural development and the importance of programs for rural Manitoba. Here they are voting against an investment in drainage, which is the No. 1 key issue presented by the AMM when Cabinet met with them only one week ago.

It was neglect and a lack of willingness by the previous government that led to the erosion of our infrastructure. We are willing and able to invest in rural Manitoba, and the Opposition chooses to vote against this investment. In addition, the Leader of the Opposition (Mr. Murray) talks about Manitoba's economy in terms of a negative picture. I would say that he is wearing blinders, and he is probably the only person in Manitoba who does not realize that we are in a successful economic situation in Manitoba. His vision of Manitoba is so dark and gloomy that it is a wonder he can get out of bed in the morning. He can cite every negative factor that has ever happened.

When a company chooses to move to Alberta, that is a disappointment, but sometimes there are business or corporate decisions that are made. Sometimes they will move. Like Candu has got an office in Alberta because they have contracts in the tar sands. There is no problem with that. Is Candu leaving Manitoba? No, they are not. In fact, it is doing very well in Manitoba, the president of Candu tells me, and has been very successful and intends to stay here in Manitoba. You know, it is incredible that the

Opposition chooses selected doom-and-gloom examples and blows them up to the point where they are trying to scare Manitobans.

The fact is that there are enormous success stories in Manitoba's economy. Most people but the Leader of the Opposition understand that and have a lot of confidence in the economy. In fact, we have been so successful we have created 15 000 jobs in a year and a half. If you want to talk about a company taking six jobs to Alberta, I guess that is your choice, but I would rather talk about the growth and optimism that is the reality in Manitoba.

Let us look at some, just a snapshot of the expansions that are occurring right here. What is happening in Portage la Prairie? Are things doing good? Have we got a lot of plans in wait? Yes, we do, and the Member for Portage la Prairie (Mr. Fauschou) understands that completely. The project for Simplot is moving ahead, and there has been a process through the environmental staging which is going to take a little bit longer than we had anticipated earlier, but all indications are that the potato project for southern Manitoba is on track and will actually mean a \$120-million investment, phase one, and will have 230 direct jobs plus 514 indirect and farm gate jobs. Palliser Furniture has an investment of \$20 million over five years, employment growth, 200 in the first phase, for a total of 1200 to 1400 employees for Palliser Furniture. Kitchen Craft expansion, an investment of \$26 million, employment 300 to 500 jobs. Loewen Windows has an investment of \$20 million, an expansion of 250 jobs, and, yes, I know, during the recession right now, there is a small slowdown, but having been out in Steinbach within the last month, I know that they have aggressive plans that see continued expansion in Loewen Windows. They are one of Manitoba's successful companies and expect to continue that in the future.

Nexen Chemicals, CXY in Brandon, a sodium chloride plant, an investment of \$55 million, Alcan Industries, oh, I believe they are from Alberta and moving to Manitoba, investment \$50 million, employment 21 jobs. Vansco Electronics, investment \$12.4 million, employment 340 jobs, oh, and that is page one of a document that goes on for four pages.

You know, I can go on and on. The point is that perhaps we do not celebrate our successes enough, and you know, perhaps the media likes to look at something that is more dramatic, or they would like to make a story, a negative story. Now, I do not know why the media would choose to focus on the negative when there are so many successful stories in Manitoba, but the Opposition chooses to select specific companies, and some of them are moving for corporate decisions based on the fact that their jobs are in Alberta. I just say let us be balanced.

Now, you want to look at expansions. Look at what other people are saying about Manitoba's economy. We are doing very well, thank you, and continue to do well, and the future looks very bright actually in a number of different sectors, even with the downturn in the United States, which is always very difficult to manage.

Let me continue: Gage Customer Service Centre, an investment of \$1 million, employment 226 jobs; IBM, employment 40 jobs; Hudson Bay Mining and Smelting, an investment of \$400 million in northern Manitoba; Inco, investment \$70.4 million in Thompson, employment there, 1400 individuals, good jobs in our very productive and long-living industry, mining. Willmar Windows, investment \$9 million, employment 300 people.

Convergys, which just moved recently from downtown Winnipeg out to the suburbs, some people were concerned about that, out to the suburb of Fort Whyte, have increased their employment totals to make it, I believe, the largest call centre. They have 1200 employees; they have racked up, I believe, 400 jobs over the last year. That is a fantastic success story for an incoming customer service centre, and the Opposition refuses to look at good news, refuses to recognize the positive economic record that Manitoba has.

*(16:00)

We can go on and on. Just about two weeks ago we opened a brand new customer call centre at CUETS, and that is a support system for banks and credit cards, MasterCard, which is also a very high-paying customer service centre, 35 jobs.

We are very pleased to say that since taking office there has been a change in the customer service centre industry in Manitoba, one that focussed on any call centre that could come, whether it was outgoing or ingoing, and significant subsidies provided to virtually every call centre to come in. That has been changed to focussing on inbound customer service centres and incentives are used strategically. Particularly they enhance economic development, for instance, for rural Manitoba.

We have seen some significant movement of new call centres going into rural Manitoba and there are plans under way for central Manitoba which we expect to announce very soon. We are working with a number of companies in eastern Manitoba. In addition, customer service centres provide an opportunity for rural diversification. And when we look at what is available in rural Manitoba, it is very important to do just that.

You know, the town of Dauphin has been very innovative and forward thinking and has moved very quickly to provide a labour study that is going to be used as a foundation for decisions and for attracting a customer service centre to Dauphin. It is being modelled after the work that has been done already by Portage la Prairie and by Selkirk, which have taken those steps and pioneered the way. Now we are hopeful that there are other rural centres that will be able to have an incoming customer service centre providing high quality, well-paying jobs.

Being responsible for a department that works with business and industry leaders, I am always honoured with the ability to have the privilege of working with people that are risk takers, innovative and a strong commitment to Manitoba. They are quite eccentric, I must say. But, you know, to be leaders, you have to be opinionated, you have to be strong and you have to be a visionary, and I think that this is a Budget that listened to the business community.

Number one, it invested in education. Number two, it is the first time that we have seen corporate tax cuts for 40 years. First time. We have also invested and continued the trend to reduce small business tax and we have changed the criteria for the small businesses from \$200,000 up to \$300,000.

Those are all significant tax improvements for the business sector and they are not just looking for tax cuts, as they will point out. They are also looking for an investment in strategic areas that will make a difference to them. The skill shortage issue is one that is still with us. It is important to invest in youth, it is important to invest in education, and I am very pleased to say that this Budget does exactly that. And I would expect members opposite to recognize that.

In the dark Tory '90s, we faced some enormous challenges by the federal government, cutting us off at the knees, and there was a reaction by the Government that resulted in many, many cuts to programs, but 10 years of hacking and slashing to education has seriously eroded the infrastructure well beyond the federal cuts. The provincial government got right into the mode of program cutting, hacking and slashing, especially to programs that mean a lot to families—health, recreation, sport, education, all of those programs cut by the previous government.

Investment in programs is very important, but also tax cuts. Now, why are tax cuts so important? That is a matter of being competitive. It is a matter of being competitive, and there is a point where we have to say that people will look at certain factors, and part of it is the income tax brackets. I am very proud to say that our plan of income tax reduction will reduce taxes by 10.5 percent. Now, that is quite a substantial move. I think that there has to be given a lot of credit to a government that can see both sides of the picture. Not only do we invest, but we see significant real reductions in taxes.

The education property tax credit is something that the Opposition likes to ignore, but I would like to point out that it is \$75 last year, \$75 this year, making a significant difference, particularly for rural Manitobans, amounting to almost a 9% tax reduction to property owners in rural Manitoba. It is more like 6 percent in the city of Winnipeg but 9 percent for rural Manitoba. Does the Opposition recognize that this is a significant tax cut for rural Manitobans? No, they choose to look at it in a very negative light, but this is a substantial movement to reducing property taxes. I think that we have seen for the first time in over a

decade considerable movement in a sector which has been over-relied on in the past.

So there is significant movement in property tax credits. It is now \$400. Compared to the Tory years when it was reduced, it was reduced to \$250. The Opposition should hang their heads low for such a move to actually cut the property tax credit. It has taken us two years to restore and to build it up and provide the tax relief that Manitobans want and deserve and to repair the damage that the Tories caused by those dark, dark years in the '90s.

Now, for a family, you know, taxes, we always get opposition members citing a particular line on how the taxes impact a particular tax bracket, and is it the highest or is it middle, and they hold it up with papers and say, you see, we are the worst. Everyone is moving to Alberta. Well, you know, the fact is we have seen significant tax reductions, and the first year we did target low-income Manitobans. I do not apologize for that. I think they deserved it. I do not know what the Opposition is saying. What would they do? Continue to tax the poor and give the tax breaks to the rich? Is that their plan?

It makes sense to deal with the people who have the greatest stress, and so last year we focussed on low-income Manitobans, and we got criticized over and over and over again by members opposite. This year, we are looking at central, middle-income families. Middle-income families, for a family of four with a \$60,000 income, total savings from income and property tax over the period from now to 2003 will be \$2,545. Now, for a family of four earning \$60,000, that is not unreasonable. That is a pretty good scenario in Manitoba, and they will see significant tax savings. Overall, this will save Manitoba families \$165 million in income tax by 2003.

* (16:10)

Now, you know, sometimes when we are talking about the Budget, yes, we have a plan for 2001, 2002, 2003. Is it a bad idea to look at a phased-in tax program to give people an idea of where we are going? In fact, I would expect the Opposition to actually congratulate us on very forward-looking fiscal management. It is

important to lay out your tax regime into the future and provide that knowledge to Manitobans. It is the way to do budgeting, by presenting a forward-looking document. Now, 2003 is not very far away, and then we will have a total saving of \$165 million back in the pockets of Manitobans.

The Opposition is opposed to that. What would they do? Let us just imagine. They would, what, double the tax cuts? Would they double the tax cuts? Would you cut hospitals in rural Manitoba? Would you cut Pharmacare completely? Perhaps you would cut all maintenance on drainage ditches. Oh, maybe we should not have given farmers any help in this crisis. Would you cut that? Perhaps you would cut education programs. That seemed to be a favorite. Every school trustee, present and past, knows the harm that education cuts made to families and children. Yet, you know what, overall—and I cite again CIBC, overall a 2.9% rise in program spending. Now, that is being criticized. Perhaps they would like to see cuts in every department below inflation. That is about the only alternative that I could imagine.

You know, we do have an aging population and people expect services. In fact, we are getting criticized by the Opposition that we are not moving aggressively enough to handle all of the demands on health care. Yes, it is a challenge, absolutely, and we have to look at other ways of doing business, but, you know, when they say that we should have program reductions, I would like to hear from the members opposite, in what sectors would they see these substantial cuts? If it is not in health and education, every other department might as well shut down for the amount of money that they would put into tax cuts, or they have not really thought out their plan, which is also irresponsible.

Give us a fiscal regime. Have the nerve, have the guts to put your plan on the table. How much would you give in income tax cuts? Would you have done the corporate tax cut? Would you have invested? You know, it is easy to be a critic, but the fact is 2.9 percent in expenditure is very modest. *[interjection]*

Now, the Opposition is heckling that these are not real numbers. Perhaps CIBC World Markets, the analyst who reviewed the provincial Budget, for those who are concerned about this, nationally and internationally is wrong. Perhaps the Opposition has got the numbers right. Well, you know, there is often a debate between political parties, and we all have our spins, but I would prefer to go to somebody who is an outside party, who has looked at the numbers objectively and has done the analysis.

Now, maybe members on the other side have not had an opportunity to look at objective reviews of the Budget. That may be a possibility. Maybe that would explain why the Opposition would vote against a balanced budget, because it is beyond me what else the Opposition would expect. When Manitobans are calling for this formula and we are able to provide it, the Opposition is still unsatisfied. *[interjection]*

Well, you know, it is 2.9 percent when you have fairly significant pressures in health. You have an obligation and a commitment to invest in education. We have also found \$40 million to begin the renovations on the floodway, which is a pre-emptive position to take care of flooding. Not only that, for rural Manitoba we have started a process that is very significant in terms of water management. The Assiniboine River study is actually being conducted right now. It is important for us to understand water management issues in the Assiniboine Valley when we are looking at enhancing high-value crops like potatoes, other vegetables and fruits which are going to make a big difference to the farmers in that region. It will make a big difference to farmers and communities in rural Manitoba.

I would like to just talk a little bit about how this Budget impacts the people of my riding of Minto, a riding that includes the west end of the city, the traditional west end of the city. It is a community made of working people categorized as blue collar and is closer to the city, is lower income families. The Budget will make a significant difference to those families by increasing the funding for Healthy Child, by increasing support for child care to the tune of 7.7 percent.

Mr. John Loewen (Fort Whyte): Mr. Deputy Speaker, I appreciate the privilege of putting some words on the record regarding the Budget that was introduced yesterday by the Doer government. I must say first off how deeply disappointed I am in reviewing this Budget and seeing the tack that this Government has continued to spend. Government is about choices; we know that. This Government has chosen to go down the path of spending, keep spending the taxpayers' money.

The only thing I will give them credit for is at least they are philosophically in the right space, because they believe, and after a brief while in this House I have come to understand that the members opposite truly believe that they can spend taxpayers' money better than taxpayers can spend it themselves. That is the direction they are headed. That is the direction they have been headed since day one and that is the direction unfortunately for Manitobans that they continue to head.

Since I have come to this House to represent the constituents of Fort Whyte for the first time upon the creation of that wonderful new constituency, we have seen a constant pattern of spend, spend, spend. Any money that comes in the door, this Government finds a way to spend, without a plan, without a vision, without a purpose but worst of all without any measurable outcomes. Their vision is: Let us rake in the money, and then we will spend it just as fast as we can. I do not think that provides service or does justice to the hardworking people of Manitoba who generate the income that this province lives on.

Mr. Deputy Speaker, this Government this year has chosen to spend \$900 million more than was budgeted to spend in 1999—\$900 million. My question is: Where have Manitobans benefited from the expenditure of \$900 million? The simple truth is, they have not. There has been some necessary spending. We are not voting against this Budget because we do not believe we need to spend more on health care, because we believe that, just as we believe we need to spend more on education. That was the legacy of the Filmon government, to spend money in a controlled way, to spend money that would provide measurable outcomes, and to

spend money with a planned purpose, not just to spend money because it came in the door.

* (16:20)

Mr. Deputy Speaker, in the last five years, particularly in the late '90s and the year 2000, this province and this country benefited from one of the greatest economic expansions that the western world has seen. We benefited from that. We see that every day in the figures. We see how much the corporate tax revenue line has swelled in this province, not only here but federally. We have seen how much the personal income tax revenues have swelled, not only for this province but for across the country. We have been a direct beneficiary from those success stories in Manitoba, from the increasing income tax rolls in Manitoba, and we have also been a direct beneficiary from the massive reinstatements of federal transfers to this province. That money has flowed in significantly in the last two years to the tune of close to a billion dollars in two years, and that in itself speaks to the lack of sound economic planning that the members opposite undertake.

I remember back in 1999, my first election, and we can be criticized for the way we tried to communicate to Manitobans what the growth in the economy would mean, but maybe we did not do a great job of explaining it, but the facts are the facts. Our party stated that, over the course of the next mandate, the provincial coffers would swell by at least a billion dollars. What did we get back from the members opposite and from their supposed intellectuals at universities? Voodoo economics, they called it, never happen; they are dreaming; we will never see it in our day. Well, here we are, less than two years later, we have realized \$900 million of that billion-dollar forecast. *[interjection]* That is right.

The most distressing thing is that they decided not to share any of that with the people of Manitoba; they decided to spend it all. That, Mr. Deputy Speaker, will come back to haunt this province in future years. This party across the way, the New Democrats, need to go back to some simple lessons in good management, Keynesian economics. Call it what you want, but in good times you put money away for bad times, because the cycle turns. As the Minister

of Industry, Trade and Mines (Ms. Mihychuk), in her own wisdom, has just informed us, we are in a recession. Now, the economists may not agree with her. They have not said that. She said that today in the House, and I would encourage her to go back and read *Hansard*, because that is what she said. She said we are in a recession. That will come out in *Hansard* tomorrow.

The economists have—

Mr. Deputy Speaker: Point of order being raised.

Point of Order

Ms. Mihychuk: The point of order raised is that I would like the record to be straight. At no point have I suggested that Manitoba is in a recession. It is not the situation. I would not use that terminology. I would suggest that the member opposite clarify the record and apologize or withdraw those comments.

Mr. Loewen: On the same point of order, Mr. Deputy Speaker, I would encourage you not to pass judgment until you have a chance to review *Hansard*, because I was in the House listening to the minister speak on the Budget, and she definitely mentioned "recession." Now, she cannot deny that she never said the word because it will be in *Hansard*. She can deny it, I guess if she wants, but the Minister stood up in this House and talked about recession. I simply reminded her that the economists have not called a recession yet. If in her wisdom and in her knowledge as a minister of the Crown, she knows more than the economists out there—in fact, there are numbers that point to the fact that we are in a recession—then she should stand up and admit it.

Mr. Deputy Speaker: [*inaudible*]

* * *

Mr. Loewen: Thank you, Mr. Deputy Speaker. As I was saying, it is unfortunate for Manitobans that this Government has chosen to spend close to a billion dollars that has been generated through hard slogging during the 1990s to position Manitoba so its economy could record growth in the last two or three years. It is

unfortunate for the people of Manitoba that we have gone down this road.

The real unfortunate part is as the economy turns, and it is fully expected to turn, we do not know whether we are going to have a recession yet, but we do know there is a slowdown in the United States. We know that now that 35 percent of our gross domestic product is exported to the United States that there is going to be a multiplier effect in Canada. So it is safe to assume that this country, Manitoba and other provinces are going to be faced with an economic slowdown. That is the time that this Government needed to have savings from the good times to help us through the bad times. [*interjection*]

Mr. Deputy Speaker, I will discontinue talking until the Member for Wolseley (Ms. Friesen) answers her phone. Rules are rules.

Thank you, Mr. Deputy Speaker.

Point of Order

Mr. Darren Praznik (Lac du Bonnet): I know that in the age of modern technology I would think the majority of members of this House have cell phones. I have one as well. Sometimes we forget to put it on the silent mode and sometimes we are caught with it ringing, and we adjust back and forth. But perhaps the Deputy Speaker would like to caution all members of the House on all sides, not to single out one single member, but to caution all members that it would be a very good idea to ensure that any of our personal communication devices are put onto silent mode when we are in the Assembly and not embarrass one individual member.

Mr. Deputy Speaker: We do have a rule in the House that cell phones are not allowed in the Chamber. Therefore I am cautioning all members to be very careful about the observance of this rule, but we are not perfect, so we make mistakes.

Hon. Jean Friesen (Minister of Intergovernmental Affairs): On the point of order, my apologies to the Member for Fort Whyte. It was quite inadvertent, and I am sorry. I did not mean to interrupt his speech, and I

would like to thank the honourable House leader of the Opposition for his comments as well.

Mr. Deputy Speaker: The apology has been offered. Is it accepted?

Mr. Loewen: Of course, the apology is accepted. I, too, in a moment of haste probably mentioned the member's constituency, when having thought about it for a second I would not have, so apology accepted. I understand that it happens to all of us.

* * *

Mr. Loewen: What we have seen from this Government through this tremendous growth in revenue is their philosophical approach to government, which is to spend, spend, spend. When we actually compare the numbers, and I think it is important to get the numbers on the record, spending has increased from the 1999 Budget by close to 13 percent in less than two years. That is a very significant number. That adds up to \$900 million, close to a billion dollars. It is unfortunate that at least half of that was not shared with the people of Manitoba in terms of tax relief. That will come back to haunt us, because that inability of this Government to provide tax relief to the people of Manitoba has led to this province being in an uncompetitive situation. We see that day in and day out.

* (16:30)

We are hearing daily of people moving out of this province, businesses moving to Alberta, businesses relocating, individuals relocating to the United States, our young people looking at their options, because on a tax basis we are uncompetitive. I will speak more to that in a minute and get into some of the direct figures there, because again I think it is important to place accurate figures on the record which unfortunately I think there is some political spin on the numbers that we see in the Government's Budget document.

The thing that concerns me the most is that two or three years from now as we are in the middle of the slowdown that we are about to enter, this Manitoba economy—and I will go back to a story that has been in the news over the last

couple of weeks—but we have all read about the refloating of the *Irving Whale*, how it sank to the bottom of the St. Lawrence with its load of toxic chemicals and oils. Unfortunately, we are going to be in a similar situation in two or three years in Manitoba when we have to refloat this economy, and it is going to be a huge task to get this economy back on track. Let us not kid ourselves, this Budget and last year's Budget have definitely put the brakes on the Manitoba economy.

We are seeing unsustainable growth in spending, and believe me, the spending train is on the way. It is booming down the tracks, and as fast as the money flows in it is being loaded on the back of that spending train and that train is running down the tracks, and the money is being spent. Unfortunately, that train is running across the people of Manitoba, and they, like the people of Fort Whyte, and the people of Winnipeg, do not have an underpass. So they are not going to be able to avoid that train, and that spending train is well on its way.

In terms of that spending, we only have to go back to the Budget of last year to see the type of increased spending and to see again how it has been magnified this year. Our 1999 Budget called for spending of about \$5.9 billion. When this Government came into office in the fall of 1999, in the ensuing six months they took that spending to \$6.4 billion, \$6.4 billion, \$519 million they spent over the 1999 Budget. That is irresponsible spending. Last year, they brought in their Budget that told the people of Manitoba they were going to spend roughly \$6.4 billion on programs and debt. Did they spend \$6.4 billion? No. Their own projections tell them they are going to overspend last year's Budget by over \$245 million, \$245 million in overexpenditures in one year.

I would ask this Government on behalf of the people of Manitoba to examine their process, to look closely at how they are spending taxpayers' dollars because most of those expenditures are not improving services, they are not providing direct benefits or indirect benefits to the people of Manitoba. They are geared at special interest groups that have supported this New Democratic government in the past. So the rewards are being handed out to special interest

groups instead of being passed back to Manitobans in the form of tax relief.

As we speak, and we have heard it and I am sure we will hear more of it, members opposite are always asking us, well, you cannot have it both ways. You cannot spend, and you cannot reduce taxes. Well, I would encourage the Finance Minister (Mr. Selinger), I would encourage the Premier (Mr. Doer), I would encourage all members opposite to look across the great country of Canada, look at the provincial budgets that are coming down and what you will see is happening is a sea of change. We have governments all across this land who are looking at targetting spending or increasing spending through the times of the boom economy and as a result of the extra revenues that have been generated because of that, but they are also looking at significant tax relief. Yes, you can have it both ways. You just have to have the strength of character and the strength of mind to determine priorities when you are spending, and you have to have the strength of character to stand up for the people in your province and fight on their behalf when it comes to dealing with Ottawa, another situation that is sadly lacking from this Government.

Mr. Deputy Speaker, there is no doubt that there is money for tax relief. There are significant dollars available for tax relief. Unfortunately, this Government has chosen in its Budget documents to put political spin as opposed to passing real dollars back to the people of Manitoba. And it does not take a whole lot of research. The members should go back and read the 1999 Budget that they voted for that reduced the income tax rates in this province from 50 percent to 47 percent in stages. They brought in a piece of legislation that affirmed that the rate for the year 2000 would be 47 percent; that would be the provincial rate.

In 1999 the Department of Finance estimated the savings that would result from that reduction in income tax, and those were significant. The Department of Finance estimated in the 1999 Budget the reduction in the rate to 47 percent would result in a saving to Manitobans of \$81 million. That is \$81 million of tax relief in the year 2000. That number was prior to the federal government's reduction in

their tax rates. So that number, had the rates stayed at 47 percent, would have been multiplied, and that \$81 million in tax relief would have likely been in the neighbourhood of \$120 million in tax relief.

So there was \$81 million that this Government promised to the people of Manitoba. Did they live up to that promise? Not even close, because what did they do? At the first opportunity they chose to delink the provincial income tax system from the federal system. I believe they did this because they realized that the federal government was going down the track of reducing its tax rates and there would be a corresponding reduction in provincial taxes as a result of it, because they would be taking 47 percent of less federal taxes. So what did they do? They chose to delink. Their own Budget document stated that these savings would only result in 2001 in savings of \$68 million. There was \$81 million promised by this Government when they reduced the tax rate to 47 percent.

This Government, the NDP government, Mr. Doer's government, promised to pass that along. They promised the people of Manitoba they would pass along federal tax reduction, but they did not. Instead they turned that \$81 million figure in the year 2000 into \$68 million in the year 2001.

So they raised taxes. But they chose to put political spin on their Budget document, and we have proved the numbers. But if you did your tax calculation on May 9 and you did it again on May 11, your taxes were going to be higher. In fact, when we had the Minister of Finance (Mr. Selinger) in Estimates, he refused to answer the question on a number of occasions. In fact, I noticed that he was almost as uncomfortable when he was reading the Budget yesterday as he was in those Estimates sessions. And I think that is disappointing for the people of Manitoba.

Now what do we have in this Budget? Again, the Government talks about tax relief. There is not any significant tax relief in this Budget. This Government played with the numbers. They increased some of the credits, but they increased them only at the rate of inflation, something that provinces all around the country

and the federal government are doing is indexing your basic deductions. But they want to stand up and think that is a big deal. Lo and behold, they lowered the tax rate; the one tax rate they lowered this year, they lowered by one-tenth of one percent. Can you imagine standing up before the people of Manitoba and saying: I am going to reduce your tax rate from 17.5 percent to 17.4 percent, and trying to put a positive spin on that. That is incredible. There is nothing there. That is \$5 a month. I mean, let us get real.

* (16:40)

At the same time, they are trying to draw figures, and they are trying to play with the numbers that show the comparisons from province to province, to somehow demonstrate to people that we are really in the middle of the pack. Well, we are not in the middle of the pack. Let us look at the rates, because you only have to look at the facts and the figures to prove that that is not true. Income tax rates in Manitoba for 2001, if you earn between \$7,361 and \$30,544 your tax rate is 10.9 percent. If you were in Ontario it would be 6.2 percent. If you are in B.C. it would be 8.4 percent. If you were in Prince Edward Island it would be 9.8 percent.

When we started this charade, when we started this game of playing with our taxes, taxes in the Maritimes were 57 percent of the federal tax rates. Taxes in Manitoba were 47 percent of the federal tax rate. Now through one little jiggery of the tax numbers and by delinking, this Government has managed to take us from the lower middle of the pack to the top of the pack in terms of tax rates. Those rates that I quoted are only on those earning less than approximately \$30,000 of income.

If you earned between \$30,000 and \$60,000 of income your tax rate is 16.2 percent. It is in the books. It is in the books that the federal government publishes. Those are the rates. The same earnings in Nova Scotia draw a rate of 14.95 percent. The same rates in Newfoundland—this is a have-not province, this is a province that needs higher taxation to provide services. What better example could it be than Newfoundland? In Newfoundland they pay 16.16 percent. We are higher than Newfoundland. As a matter of fact, we are higher than everybody but Québec.

Is that fair to Manitobans. Can the members opposite actually go out to their constituents and try and portray that as fair treatment of the people of Manitoba? I find that incredible.

In fact, the Minister of Industry, Trade and Mines (Ms. Mihychuk) talked about what a wonderful relationship this Government is building with the business sector, how they have listened to the business sector. Well, Chartered Accountants of Manitoba, Canadian Federation of Independent Business, the Business Council of Manitoba all made requests to the provincial government in the Budget. I should also mention the Canadian Taxpayers Association calling on this Government to keep this province competitive in terms of personal income taxes.

Did they listen? No. We went into this Budget, and the numbers are clearly here given by the Institute of Chartered Accountants of Manitoba, and I tabled this letter in the House today, dated January 23. It was a budget consultation letter in which they are very concerned that middle-income earners of Manitoba have the second highest rate in Canada, second only to Québec. That is where this province was going into this Budget. That is where this province is coming out of this Budget.

Mr. Deputy Speaker, I find it amazing that any minister, any member of this Government would try and stand up and tell people of this province, businesses in this province that they have been treated fairly in this Budget. In fact, any tax relief that they have talked about in their Budget does not even happen this year. They want to stand up and talk about how they have lowered the income tax rate for business in Manitoba, how they have raised the threshold for small business and business was calling for all of those reductions, but those are not happening this year. This is a government that says, well, starting in 2002, we will do that out there sometime when we can worry about it and we can change it in the next Budget if the economy turns on us.

So, instead of taking the money that has come in, salting it away for a rainy day, instead of using that growth in the economy to provide tax relief to keep Manitoba competitive so that

the economic cycle could continue, so that businesses would continue to invest and reinvest in Manitoba, so that our youth could look forward to a future in Manitoba, this Government has chosen to spend it all.

This is a government that has chosen to spend today instead of working hard for our future. This is a government that has chosen to spend every dollar that they can get their hands on instead of looking forward to the future of this great province. I find that extremely disappointing, because the mess that is going to be created by this Budget and last year's Budget is going to have to be cleaned up. We are going to be in another situation sometime in the next two and a half years when we assume the reins of government. Our challenge will be to fix this mess. It will be similar to the mess that the Conservative government inherited when they were elected in 1988, and it takes time to clean up the messes that have been created by that old-fashioned New Democratic thinking that you can simply spend and spend and spend and spend and raise taxes and raise taxes and raise taxes without affecting the ability of the citizens and the businesses in your province to generate the type of revenue that is going to be necessary to provide the types of services and the level of services and the quality of care that Manitobans are going to need.

Mr. Deputy Speaker, this is a Budget that disappoints me. I was interested today to read a number of comments in the press, but I was particularly interested to read an article by Lindor Reynolds regarding the character of the Finance Minister (Mr. Selinger), and I concur with her. I believe the Minister of Finance to be a man of values, to be a man who has strong beliefs and who stands up for them and to be a man of integrity. That is why I believe this Budget cannot be attributed to the Minister of Finance but needs to be attributed directly to the Premier (Mr. Doer) of this province who, unfortunately, I do not think has the same type of moral fibre as the Minister of Finance.

That is why we see in this document a political spin on numbers in order to try and make the situation look a little better. I believe that is the work of the Premier and his political spinners, not the work of the Minister of

Finance. I sat through Estimates with the Minister of Finance last year, and I know the pained expression on his face when he had to answer questions about why the delinking of the tax system caused taxes in the province of Manitoba to rise.

I sat here yesterday and witnessed the Finance Minister (Mr. Selinger) rush through his speech in a manner that looked to me to be quite uncomfortable. I think he is uncomfortable with some of the information that has been put forward in this Budget document, and quite rightly because we have numbers, we have comparisons that are not transparent, that do not show the true nature of our income tax rates and, I believe, that are deceptive to the people of Manitoba.

I will point to one number. If you refer to page E20, Mr. Deputy Speaker, there is a chart that shows a Single Earner Family of four that earned \$60,000. There is a number there for Provincial Income Tax, \$5,898. But that is not what that person would pay for provincial income tax. That number is there so that it shows us as a little less than some other provinces in this country.

But if one were to do the actual numbers, if one were to look at a family of four in this province with one earner who earned \$60,000, one would realize that their income tax load is \$5,910, and that provides a different story. It provides an accurate story and it is the type of story the people of Manitoba need to know. That same thing can be shown of the chart of a single-earner family earning \$40,000. The number there is \$2,428, when, in fact, the provincial income tax load for that individual is \$2,468.

*(16:50)

Those are the numbers that would have been shown had this Government followed the tradition of presenting clear and transparent numbers as has been done in the past. Did they do that? No. Those are the numbers that would have been shown had this Government followed the tradition of presenting clear and transparent numbers as has been done in the past. Did they do that? No. They decided that they would put some other numbers in there, and they would

hide them in little footnotes. They would try and jerry-rig some supposed child care costs unique to each province. They do not publish these numbers. They do not tell you anywhere in this document what those numbers are. They just jerry-rig them.

So there are the people of Manitoba left to put their faith in a document that the minister stood up in this House here yesterday and told us was transparent, and this document is not transparent. This document hides the real facts. When I give you these numbers, I mean I find it amazing, because if you go on the Department of Finance's own tax calculator program, which I will qualify by saying it has its own deception in it because, once again, that program compares the rates to 1999 rates, not to the rates as they were at 47 percent, but it also would tell you that your provincial income tax load for a family of four at \$60,000 is \$5,910, not the number that is printed in this budget book.

I think this Government and I think this Minister of Finance (Mr. Selinger) and I think, more importantly, this Premier (Mr. Doer) need to stand up and be accountable for these numbers, because they paint the true picture. But I am afraid that we have not had days or weeks to go through this whole document. We have not seen all the numbers behind it. We will do our analysis. We will come back when this House reconvenes to committee to go into the Estimates process, and we will look at all of the numbers that have been misrepresented and a political spin put on them, all the numbers that do not compare to the numbers of last year. We will hold the Government accountable for those numbers on behalf of the people of the province of Manitoba. I think that is important, and we will be there to do that.

That brings into question the whole delinking process that this Government has gone through. I think it is important that the people of Manitoba understand what this Government has put them through because last year this Government delinked, and it cost the taxpayers of Manitoba money. It cost taxpayers earning \$60,000, \$163. This Government stands up and talks about the tax cuts that they have made. Well, they have not provided any tax reductions to the people of Manitoba. They have raised

taxes by delinking, and that is magnified even further this year. If the Minister of Finance, if the Premier had stuck to their promise and passed on the full benefits of the federal income tax reductions, then we would have a far different story in this province, and I would not be complaining so much about this Budget if they had agreed to do that.

We will make these numbers public, and I think it is imperative on all members of the Opposition to come to full understanding of these numbers. Thanks to this Government, if you are a single person in this province and you earn \$60,000, you are paying \$638.95 more, not less, \$638.95 more than you would have had to pay had this Government done one of two things, either not delinked and kept the rate at 47 percent as they promised, or had they set the rates, the provincial delinked rates, at a number comparable to 47 percent, which is happening all across this country.

Why do you think we stand here today and point to numbers all across this country that are lower than the numbers that we see in the tax rates in the province of Manitoba? Because this Government delinked and raised taxes. Other governments delinked and either reduced taxes or, at worst, kept them the same.

I think this Government needs to be held accountable for that. I think this Premier needs to stand up and tell the people of Manitoba what has actually happened, and I think this Finance Minister needs to take responsibility for what his Premier has forced him to do. Just like he has had the courage to stand up and take responsibility for the fact that this Government, this NDP government during the campaign made an irresponsible promise to end hallway medicine. He has admitted they were irresponsible, and I think that is a sign of integrity. I take him at his word, and I take the article in the *Free Press* at its word, because I know it is talking to some people with credibility in this community.

I believe the Finance Minister is a man of integrity. I would ask the Premier (Mr. Doer) if he has the same integrity. I can understand why the Minister of Finance (Mr. Selinger) was uncomfortable in this House today. I can

understand why the Minister of Finance was uncomfortable in the Estimates period last year, and I can understand why the Minister of Finance will be uncomfortable going on, because he is the one that is going to have to carry the burden of this type of political action throughout this community.

It gets worse, Mr. Deputy Speaker. It gets worse for people in the middle range who have a family. The numbers I quoted were for a single person. If we have a family of four with one income earner and they happen to earn \$70,000 in 2001, they are paying \$373 more than they should pay. That rate has just stayed the same at 47 percent. They are not paying less, as this Government is attempting to tell them, they are paying more. Worse still, if you are a family of four and you have two teachers and you have experience in the system and you are working hard for the betterment of the future of Manitoba, for the betterment of our children, you are probably earning in the neighbourhood of \$100,000. That family of four is paying \$1,100 a year more, not less, more as a result of this Government's decision to delink taxes and to give us the highest rates in all of Canada with the exception of Québec. I think those people have a right to know. I think this Government has an obligation to tell them.

We will be calling on this Government to come clean with the figures, to tell the people of Manitoba what their strategy for delinking really was and to tell them what the results have been. At the same time, I would ask the Minister of Finance (Mr. Selinger) to do his homework, to check the numbers. In Estimates last year I think he told us they went through approximately—I would have to check Hansard to be totally accurate, but I believe it was in the neighbourhood of 350 different permutations that the Minister of Finance (Mr. Selinger) indicated they had run through to arrive at the rates that they arrived at. Well, if they did 350 permutations and they did not come up with anything to compare to the actual rate in 2000, then I think they missed the boat and they can be accused of not doing their homework.

Mr. Deputy Speaker, I know my time is running out. I think I have covered the most important points. I do believe though that we

need to be careful in this House, particularly when the ministers stand up and talk about a possibility of recessions, when the minister talks about their great relationship with business. I would only remind him that the business community was less than happy with yesterday's Budget. The Chamber of Commerce was out in the foyer talking about the propensity of this Government to spend, and Manitobans are concerned. People all across this province are concerned about the spending, the indiscriminate spending, the spending that is targeted to special interest groups, and the spending that does not have any measurable outcomes attached to it that is being undertaken by this Government. It is unfortunate that they are taking us down a road, particularly with tough economic times ahead of us, that this province is going to have a tremendous amount of difficulty pulling itself out of.

I would encourage them as soon as they can to gather around their caucus table and maybe bring back some type of amendment to this Budget that will see this province remain competitive and give us the opportunity through economic growth, through growth in personal income, to build the type of province that we will be proud to leave to the next generations. Thank you.

Mr. Stan Struthers (Dauphin-Roblin): Mr. Deputy Speaker, I want to begin by saying to the Member for Fort Whyte (Mr. Loewen), who spoke ahead of me, that I have heard him talk about this delinking over and over and over again. I want to point out that the only delinking that he should be concerned about is the delinking that is occurring between his party and rural Manitobans and urban Manitobans, the delinking that they have perpetrated on reality, their own delinking themselves from the facts and from reality in this province to produce the kind of speeches that I have heard this afternoon from him and his Leader.

* (17:00)

I want to say, Mr. Deputy Speaker, that it is a pleasure to speak today and commend our Government on such a good Budget, such a solid and balanced Budget that is affordable for Manitobans that represents the priorities of not

only my constituents in Dauphin-Roblin but the people of Manitoba that have come to us and spoken to us and have said we want a balanced approach. We do not want that off-the-deep-end, loony-tune approach of the members opposite. What they tell us is that they want a straightforward, honest, hardworking government to deliver on the promises that they made in the last provincial election, and that is exactly what we are doing in this Budget.

The Leader of the Official Opposition (Mr. Murray) had a choice. He spoke earlier today about the choices that we have in government. Well, he cannot excuse himself from his responsibility as a representative of the people of Manitoba. The Leader of the Official Opposition is in a position of responsibility as well. That person makes choices every day. That person can choose to show leadership. That person can choose to represent Manitobans. That person has a lot of choices. I think the Leader of the Official Opposition is letting down the people of Manitoba in the choices that he has been making so far as the Leader of the Official Opposition.

We have taken an approach on this side of the House that we are going to take action. Our Premier (Mr. Doer) chooses to take action. Our Finance Minister (Mr. Selinger) chooses to take action. We as a Government have chosen to take action on behalf of the people of Manitoba. What have we seen so far from the Leader of the Official Opposition? We have seen, unfortunately, a lot of hand wringing. We have seen a lot of passing the buck. What we have seen, Mr. Deputy Speaker, is what my mother used to say to me when I did not want to do my homework. She used to say: Stan, do not stew about it. Do not stew over your homework; do something about it. What I say to the Leader of the Opposition is: Quit stewing and do some action. I say to the Leader of the Official Opposition: Get your act together; take some responsibility. You keep stewing, and we keep doing.

It is infectious over there. It is a contagious problem that they have in the Opposition because not only is their Official Opposition Leader stewing over every issue that is presented, everything from education to agriculture to health care to everything they deal

with, stew, stew, stew nothing. It is infectious. The others on the other side of the House are doing the same things, and I will prove it. You take a look. I challenge the Member for Lac du Bonnet (Mr. Praznik) to take a look to see what his compatriot, his colleague the Member for Emerson (Mr. Jack Penner) said about agriculture. What was his response to the farmers in this province who are in a very tight position, very poor situation? What was his response? What did he say? Did he take a position of leadership? Did he step forward and say what that Conservative Party was going to do to help the farmers of Manitoba? He certainly did not. Here is his quote. Do you know what? The Leader of the Conservative Party (Mr. Murray) stewed when he was asked what he was going to do for farmers. Do you know what he said? When he was asked what he would do for Manitoba farmers, his response was, talking about our Premier, he said: He is the Premier. I hope those are questions you are going to ask him. This is what leadership is all about. He was stewing. He stood there. He nervously wrung his hands. Did he offer anything to farmers in Manitoba? Nothing. Did he offer them a position on behalf of the Conservative Party? Nothing. He stewed about it. He was stewing, we were doing. Mr. Deputy Speaker, it is contagious over there because the member from Emerson did the same thing. The member from Emerson was stewing, as well, over the problems facing Manitoba farmers. The member from Emerson on CBC News, Penner says: The Conservatives do not have a position on how much money should be given to Manitoba farmers. So the member from Emerson stands there and wrings his hands next to his leader, both of them stewing on behalf of the Manitoba farmers.

Now, Mr. Deputy Speaker, the advice that my mother gave me when I was in junior high school was do not stew over your homework, do not stew about it, do something about it. Get it done. That is good advice from my mom to you folks across the hall here today. Quit stewing.

What else did the Leader of the Conservative Party say? What else did the Leader of the Conservative Party say when he was asked what he would do on behalf of Manitoba farmers? He was asked: If you were in a position to make a decision if you were faced

with a crisis in agriculture, if you were asked by the Prime Minister, here is the deal, here is the \$500 million, if that was you Mr. Leader of the Official Opposition, would you turn down that \$500 million? Would you say no to almost \$100 million for Manitoba farmers?

What was the Leader of the Official Opposition's response? He threw his hands up in the air and he said, and I quote "That is not my decision." Was that something that should have been said on behalf of the hardworking farmers of Manitoba, throwing up his hands and stewing about it? That is not a responsible, that is not a compassionate response on behalf of the Leader of the Official Opposition, and he wants to be Premier of this province. Did the group across the way who will not take a stand on behalf of Manitoba farmers think that they should be on this side of the House when all they do is stew and not act.

We are taking action. We are on this side of the House, we are taking action. When we were faced with a tough decision about accepting or not the money that was on the table for Manitoba farmers, we did not wring our hands. We did not stew about it. Our Premier (Mr. Doer) and our Ag Minister, our Minister of Agriculture and Food (Ms. Wowchuk), the MLA for Swan River, and the Premier of this province showed real leadership. They showed real leadership, and they told the federal government that is not enough money. That is not going to cut the mustard in rural Manitoba with the Manitoba farmers.

Did we say no to the \$500 million? No. We took a responsible decision. We did not stew. We did not wring our hands. We did not throw our hands up and say that it was not our decision. We took the money on behalf of Manitoba farmers. We put our money on the table for Manitoba farmers. We put in \$52 million so that farmers could have the benefit of \$93 million, and we are committed to stay at the table. We are committed to stay fighting on behalf of Manitoba farmers, and we are not going to sit back and stew about this. What is the position of the people across the way who pretend to represent rural Manitoba? Where are they? They were not there for farmers three weeks ago when they were at this building?

They stood at the side wringing their hands and stewing about it.

* (17:10)

Let us take a look at what is going on in other aspects of agriculture. We have a strategy to deal with livestock in this province. The Leader of the Official Opposition (Mr. Murray) earlier today was talking about choices that we have to make in this building, and we do have to make choices. When it comes to livestock in this province, we have chosen, as a government, to increase the number of inspectors that are keeping an eye on the increasing amount of livestock production in Manitoba. We chose to backfill the cuts of the previous government who, a number of years ago, chose to cut those very inspectors. That is leadership. That is not stewing about it; that is leadership.

An Honourable Member: And water quality testing?

Mr. Struthers: My friend here, the Minister of Industry, Trade and Mines (Ms. Mihychuk), puts her finger on a good point. Water is important in this province, and we have taken some very key steps in protecting the ground water that we have in Manitoba.

We chose to do some things that the people who stew did not want to do when they were in power. We chose to improve the database that is available to us when we make these decisions on intensive livestock operations. We have gone to work to put together ground water maps and soil maps so that we can make decisions based on some good data, not just playing politics with a sensitive issue as the previous government had done. We decided to take those hard decisions and move ahead.

We have improved the approval process. Our Minister of Intergovernmental Affairs (Ms. Friesen) has moved in getting more and more municipalities in this province to consider planning, to consider zoning by-laws, to write by-laws that encourage local people to get involved in the planning process. Our minister has also moved to make technical review committees mandatory. In the so-called good old days of the previous government, it was simply

pro development. There was nothing else; there was no consideration for the ground water; there was no consideration for the air.

Now we have introduced these measures as a way to ensure that decisions that were made all around rural Manitoba are good for the long term. They are sustainable. We did not sit back and stew; we went out and we acted.

I want to also indicate that we chose, in our Budget brought out yesterday, to increase spending on drainage, \$82 million, and the Minister of Conservation (Mr. Lathlin) should be commended for this rather than criticized. He has made it possible for \$82 million in spending on drainage and floodproofing for this year. This doubles our investment. That is action.

On the other hand, what did we get from our friends across the way? We got hand wringing and more stewing. We got the Member for Emerson (Mr. Jack Penner)—actually the member from Emerson on this one was, in one of the honest moments from across the way—and I think actually the member from Emerson should be commended for being this honest on CBC Radio in July of 2000—when he reported that his Government had monetary restrictions that made decisions in conservation as one of the departments that had significant amounts of money cut, and that they did not have the resources to keep up with the clean-outs and maintenance of those drains. He was right in those days. But, to take his own Leader's approach to this, he must agree with me when I say that at that time his party chose to cut the funding to maintain these drains, causing a lot of problems in rural Manitoba.

Well, we have chosen a different route. We have chosen to go back in to start the clean-up of the drains that the previous government had let go. The Leader of the Official Opposition talks about making choices. We are not scared to make choices, and we have been making choices for 18 months in government that produce good benefits for the people of Manitoba. Some of our choices, we have chosen to undo the damage that the previous government had done throughout all parts of this province.

You know, we increased in our Budget yesterday by I think about just over 6 percent, about 6.4 percent, the spending in the agriculture budget, and what do we hear from our colleagues across the way in the Conservative Party? They do not like that. Even the Member for Portage la Prairie (Mr. Faurouchou) does not like the fact that we are spending 6.4 percent more money in agriculture.

Well, I guess that is good for them to make that choice but what I want to know from the members across the way, if they do not think we should be spending that money on agriculture, 6.4 percent increase, which I guess the Member for Portage does not think is a good idea, if they do not think we should be spending \$38 million on the safety net program that we were in, in conjunction with the federal government, if he does not think we should spend the extra \$14 million on the CFIP program, then why does he not tell his farming friends in his area that he thinks we should be spending less money on farmers in this province?

You will not see a news release come out of the Conservative Party caucus saying: spend less on farmers. You will never see that kind of a news release come from the Conservative Party but that is what they are asking us to do here. What do we hear? They mock us and spend, spend, spend. You cannot have it both ways. You cannot sit back and stew about these problems and then not expect us to take action. Well, how many farmers would the Leader of the Official Opposition watch go under before he stops stewing about the problems in agriculture and joins in with this Government who has been asking for a united front on this problem for a long time. He can join with us and be unified and present a unified force with the federal government or he can do what he has been doing best, and that is wringing his hands and stewing about the problem.

Now, I do not want to leave the impression that the only area that the Leader of the Official Opposition is wringing his hands and stewing is agriculture because when you look at what they have said about health, the wringing of the hands and the stewing becomes even more pronounced. In health, I want it to be known that we are moving forward. We are moving forward with

the promises that we made in the election, and we are moving forward in solving some of the problems that face us in health care. We are moving forward on the problems that were left with us by a previous government who, in my opinion, could not have cared less about the health of Manitobans.

For example, in health we increased the funding by about 6.5 percent. What do we get back from the Opposition for increasing funding in health care by 6.5 percent? We get this criticism that we are spending, spending, spending. Are they proposing then that we not spend more money in health? Are they proposing that we sit back and let the RHAs wither on the vine? Are they proposing that we close hospitals, as their report on minimal standards that they commissioned before the last election indicates? Is that what they are asking us to do? If they are not asking us to do that then why do they not have the courage to say, good for you, Mr. Finance Minister, we agree that you should be showing support for rural and urban health care. We agree that we should be spending some money and improving northern and Aboriginal health care.

* (17:20)

A number of years ago, the previous government decided in its infinite wisdom that we did not need 15 seats at the universities to train doctors. They did not think there was ever going to be a problem of getting doctors into this province. They made a mistake. We fixed that mistake. We made that announcement. We made an announcement of our plan to recruit and retain rural and northern doctors in this province, the first real tangible steps in this area in years. We reinstated the 15 seats available at the university, and we went one step further, something that the previous government only stewed about. We designated nine of those positions for rural and northern Manitoba.

Our belief, Mr. Deputy Speaker, is pretty simple. It makes sense. We believe, and we have the evidence and we have the research to back us up, that the best way to make sure that doctors practice in rural and northern Manitoba is to recruit young people from northern and rural Manitoba, train them in rural and northern

Manitoba, and that way you are a lot more assured that those trained professional doctors will return to rural and northern Manitoba.

While we are doing this, while we were taking action on a huge issue in Manitoba, the Leader of the Official Opposition stews about it. He is stewing, we are doing. Nurses—some days I cannot believe the Member for Charleswood (Mrs. Driedger) stands up and even has the audacity to ask questions about nurses in this province after the number of nurses that they chased out of Manitoba when they were in government. What are we doing about it? Well, we are taking action. We have announced that we are going to the two-year diploma nursing program and that those nurses will be available to take positions in rural and northern Manitoba.

Again, Mr. Deputy Speaker, if the previous government had not fired a thousand nurses, we would not be in the position we are today. We would not be putting up with active, aggressive Alberta campaigns to take our nurses out of our province. We would not have a problem if the previous government had used a little bit of common sense. We are moving on this issue. We are acting on behalf of Manitobans. What do we see happening on the other side of the House? Lots more hand wringing: Oh, we cannot make a change like that, we cannot go to a two-year diploma program, we cannot do that, we are going to sit here and wring our hands and stew about it a little longer.

Well, in this case maybe a number of years ago they should have sat back and stewed about it, because what they did was silly. I would have preferred when the previous government was chasing nurses out of this province, you just sat back and stewed about it and not done anything. We would have more nurses here today. But the reality is that we have to take some aggressive steps and some far reaching innovative steps to solve a problem that faces the whole province but in particular rural and northern areas.

While the Official Leader of the Opposition stews, we put money into emergency medical services, we buy 80 ambulances to replace ambulances in rural and northern Manitoba that are becoming worn out, that have a lot of miles

on them, that are getting old and need to be replaced. They are stewing, we are doing.

I think what I sense happening, and I hope that this is a trend that continues in this province, that we shift the thinking, the paradigm that we operate under in Manitoba from one where you simply treat an illness to one where we are very aggressively looking at ways to prevent an illness in the first place. It is better health care. It is more effective health care, and it does not cost as much. Those are all good things.

We have a program called Health Check. We have worked together with RHAs across this province to develop programs that prevent people from being sick in the first place. If we listened to the advice from across the way and cut health care spending, then we could not be working on those kind of prevention models. We could not be encouraging RHAs and all the other partners in health care to concentrate on prevention of health issues or diseases.

I am going to use an example right from my own community where I live, and that is Dauphin. Some friends of mine began a program—that is right. The Minister of Conservation (Mr. Lathlin) says it is a nice place, and I agree with him. I am sure everyone agrees with that.

The program that I am thinking about is a step safe program. The Step Safe Program, without a whole lot of cost but with a little bit of innovation on behalf of local folks in Dauphin, has a very good way of pinpointing uneven sidewalks, crooked steps, dangerous situations where people could trip and fall, where seniors could slip and hurt themselves. That information then is relayed to people in the City Hall in Dauphin. They are on to the situation, and they either, first of all, mark out that problem area or they repair it right away if they can.

Now it may not sound earth shattering. It may not be fancy. It may not have a big ribbon to cut in front of a huge bricks and mortar building, but this program is saving a lot of hurt, and this program is saving a lot of money. I commend people in all of our communities across this province who spend some time

thinking about those kind of initiatives, and we want to work together with them.

Mr. Deputy Speaker, while the Leader of the Opposition (Mr. Murray) wrings his hands and stews about problems in health care, we have been moving to solve an equipment problem that is a legacy, a shameful legacy, of the previous government, \$22 million recently announced that will establish, amongst other things, an MRI at the Health Sciences Centre, CT scans in places such as Selkirk and The Pas and Steinbach, all kinds of good ideas out there where we have recognized the need for improvements in equipment. We are taking action. We are not sitting back. We are not throwing our hands up saying it is somebody else's decision. We are not trying to pawn this off on somebody else. We are not trying to pass the buck like the Official Opposition Leader has been doing. We are not wringing our hands and stewing about a problem. We are taking action.

It has been interesting to watch, very much, the stewing that has been going on across the way over private for-profit health care. I suspect we are going to see a lot more stewing and the wringing of hands across the way on this one. The Official Opposition Leader has spent a lot of time stewing on it. I know the Member for Charleswood (Mrs. Driedger) has been stewing about this one for a long time. The fact of the matter is across the way we are dealing with proponents of a for-profit, private two-tier health care system. They can stew about this all they like, but I think the people of Manitoba understand exactly where the members opposite stand on private health care. They stand absolutely opposite to the majority of Manitobans. They stand in absolute opposition to the majority of Canadians. They stand outside of the traditional, of the very progressive, of the very compassionate history of this country.

* (17:30)

The Opposition says we are spending too much on health care. They say we should spend less on health care. Well, I want to know from those members opposite, if we should spend less money on health care, I want to know how many nurses they think we should fire. I want to know how many hospital beds they think we should close. I want to know how many rural hospitals they think we should close as well. I want to

know if they think we could do with fewer ambulances or fewer rural doctors. It is irresponsible for members in the Opposition to spew out all these proclamations about spend, spend, spend. It is irresponsible for them to say cut, cut, cut, but not say where they would cut, cut, cut. I think that members opposite need a lesson in responsibility.

Another area that I think we made some very progressive strides was in the area of education. What was the most common thing you heard when the Conservative Party governed in this province through the 1990s? We heard a lot about them selling MTS, but I am thinking totally within the field of education. Every year school divisions, school trustees, teachers, parents and students never knew from one minute to the next what kind of an announcement they could count on when it came to public school funding, except they knew that money every year would be transferred from the public school education to private schools. That was pretty consistent. They also knew that the former government would offload onto the local taxpayer. They did not know what the funding announcement was going to be. I think it kind of depended on whether or not there was an election around the corner, because if there was no election, you could count on pretty much a minus two, and then the next year you could get cut by 2 percent again, and then you get cut by 2 percent again, and then lucky for the public schools there was an election every four years, because then they could count on a freeze.

What a difference, Mr. Deputy Speaker. What a difference between that approach, that 1830s, out-of-touch approach, and the approach that the Member for Brandon East (Mr. Caldwell), the Minister of Education, has taken, the Minister of Education, supported by a progressive government, a Premier (Mr. Doer) who is not going to sit back wringing his hands and stewing about problems of an education, but a Premier who is a doer, a Premier who said before the election we will promise stable, consistent funding for education and then delivered on it, Premier who said we are going to cut tuition fees for students.

I have a lot of constituents who are looking forward to sending their students to university or

to college. I have a lot of constituents who are very glad that we have taken tuition fee cuts seriously, and we did again in the Budget presented yesterday. We have a minister and a Premier and a Cabinet and a caucus who is committed to increasing bursaries so we can get rid of some of the barriers that stand in the way of young people moving forward with their careers and learning and participating in our economy.

In the last two years we have put record levels of funding into our public schools. In the last two years, we have delivered more in funding and education than the previous government did in its last five. The Leader of the Official Opposition (Mr. Murray) was sure right when he said we can make choices. He sure was correct, and we have sure been making some good choices the last year and a half. In our two budgets, we have made some excellent choices. Can we say the same about the Leader of the Official Opposition, who spends his time stewing? I do not think so.

Mr. Speaker in the Chair

Again, though, the refrain from the members opposite loud and clear over and over and over again is that we spend too much, spend, spend. *[interjection]* Well, I wonder if the Member for Arthur-Virden (Mr. Maguire) or anybody else on that side of the House can tell me, if we were to cut money in education, where they would cut it from. Under their watch, 700 fewer teachers taught in this province. Are they suggesting that maybe we should get rid of more teachers? Are they suggesting that maybe we should close some schools? What are they suggesting? Are they suggesting maybe that they should be offloading more onto the local taxpayer? There is certainly the precedent for it, because they did it every year of their tenure in this province as government.

Mr. Speaker, I could not help but think, when I was listening to the Leader of the Official Opposition (Mr. Murray) stewing about his predicament with this Budget, because I think really deep down the Leader of the Official Opposition knows that he is in a tough spot. He knows that this is a solid, balanced, fair Budget that is good for Manitoba families, that offers

stable, predictable funding for health care and education.

Is he going to say no to us coming through with our promises with another \$75 increase to the property tax credit? Is he going to say no to saving Manitobans \$75 this year on top of the \$75 they saved last year? Is the Leader of the Official Opposition going to vote against the income tax relief, the moderate income tax relief that we have put forward in this Budget, tax cuts that we can afford? He knows what the choices are. He said it himself here this afternoons that it is about making choices. Will he choose to support tax cuts that Manitobans can afford, or will he choose to go off the deep end and sell the farm with tax cuts? Will he choose tax cuts for his friends over public schools and health care?

When it comes to what I heard the Official Opposition Leader saying earlier today, I can only conclude that there is lots of stew, but there is no beef, that really this is a good Budget and that the Leader of the Official Opposition should really be throwing his support behind this.

So thank you very much for this opportunity to speak, Mr. Speaker, and I look forward to the passage of this Budget in the days coming forth.

Mr. Jack Penner (Emerson): Mr. Speaker, I truly appreciate being given the opportunity to make a few comments on the Budget. Drafting budgets for governments are never easy. They are difficult. I say to the Minister of Finance (Mr. Selinger) that this being his second Budget, it has certainly given him a bit more experience than he had before, and it is not easy for a government to make decisions on when and how to deal with matters in budgets. It is not an easy task, especially when government starts facing large, large deficits and has to go to the bank and borrow huge amounts of money. It is relatively easy when you have a large surplus that you are looking at, as this Government did, to make decisions on who gets what out of the large surplus. That becomes an easy task.

* (17:40)

We had often talked about this, Mr. Speaker, when I was on the Government side when I was a minister, how nice it would be if we could

have come into government with a large surplus, inherited a large surplus and been the nice person to everybody. Yet, when you are in government, those things change. So when we came to government in 1988 we inherited a large, large deficit. I think if I remember correctly, the deficit was some \$380 million to \$400 million that we inherited. So we had to find ways of borrowing the money from, as the previous Pawley administration had done, borrow the money from Japan or borrow the money from the United States or borrow the money from the Ontario Teachers' Fund and pay large amounts of interest, which added another huge cost to the operation of government.

We made at that time a very conscious decision. We made that decision very early on. We said to ourselves we have to take a business approach to governing. A business approach to governing means that you are not going to make commitments beyond what you can truly economically repay.

It is all right to borrow money. We do it all the time in our business. If you want to expand, if you want to do some extraordinary things and the funds are not currently there, you go and borrow some money, but never with an assumption that in a given period of time you pay off that debt. It is gone.

Under the Schreyer administration, and Ed Schreyer was one of these, in a very similar kind of position that this Government finds itself in. He came to government, and the first few years he had a very small surplus, but then revenues grew to the point, and I have this from the deputy minister of natural resources that was my first deputy minister, he said it was amazing. He said the Schreyer administration, and he had been a part of that administration, found itself in a position where they had huge amounts of revenue that they did not know what to do. He said they built monuments all over the place. He called them monuments. He said they built buildings all over the place, never paying any attention to who would fix the roof when it became of age, never, and this was his terminology, never paid any attention to whether there would be money at the end of the day to put the roof on the monument.

That is the problem with this administration. I see almost exactly the same approach that the socialist administration of the day had at the time, and similarly this socialist administration is taking the same approach. We have inherited from a government that was fiscally responsible an upturn in the economy and inherited a huge surplus.

Oh, by the way, Mr. Speaker, you will remember right after they were elected, they hired an accounting firm—was it KPMG? I think it was KPMG, or was it Deloitte Touche? I am not quite sure. It was one of the larger accounting firms—to do a quick assessment of where government was. They came out and told everybody, and this is where Mr. Doer's nose started growing, they told everybody, hey, there is a \$400-million deficit.

Point of Order

Mr. Struthers: Mr. Speaker, it is a rule of the House and common practice that we not use the names of people, that we refer to members by the constituency name or by their ministerial title. I would ask that you ask the Member for Emerson to withdraw the reference to our Premier that he just made, and I think maybe an apology would be acceptable.

Mr. Speaker: The honourable Member for Emerson, on the same point of order.

Mr. Jack Penner: Thank you very much, Mr. Speaker. I apologize. If it offends the honourable member to have his Premier identified with Pinocchio, I mean, that is, I apologize for that.

Mr. Speaker: On the point of order raised by the honourable Member for Dauphin-Roblin, he does have a point of order, when referring to all honourable members in the House, to refer to them by their constituency or ministers by their titles, and I would ask the co-operation of all honourable members.

* * *

Mr. Jack Penner: Thank you very much, Mr. Speaker, and I appreciate that. I should have given further thought to what I was going to say.

Again, I extend my apologies to you, Sir, because I think you do an admirable job.

As I was saying, the previous government came into power and told the general public that there was a \$400-million deficit. Well, it is amazing. It is amazing. Just a couple of months later, when they brought their first Budget to this House, there was actually, you know, like a wizard coming out of a box, they came with numbers that demonstrated that there was actually a \$12-million surplus. Now, Mr. Speaker, I ask you: What kind of wizardry would it take for a Premier or a Finance Minister or even the Member for Dauphin (Mr. Struthers), who is a great specialist in the area of finance, who would come up with a plan within a couple of months that would change the economics of this province by \$412 million? Who could you imagine that would do this? It would almost take somebody who had some wizardry capacity, would it not? Well, that is what happened. All of a sudden, we have a \$12-million surplus.

Now I ask you, Mr. Speaker, what would one call that? In our house, around our kitchen table, if my grandson came and told me a story like that and then two months later it was proved that story was wrong, what would I call him? What would I admonish him for? What would I say to him? Would I say, you know, son, it is not nice to be dishonest? Would I say that, or would I say do not listen too much to politicians because they sometimes are not quite fair, or how would I couch this when my grandson listens to all this? What would I say to him? Trust politicians? Trust this Government? Because first they tell you there is a \$400-million deficit, then a few months later they come with a \$12-million surplus, and I should say to my grandson, you know, they are very honest people? Should I do that? Then who would I be? Would I be fair to him?

Well, Mr. Speaker, the reason I put it this way is because I think we, as politicians, owe the people of Manitoba respect. I think that respect was missing during the first few months of the operation of this Government, and I think it will paint this Government with a measure of doubt by all people. If they would have come out initially and said, yes, we came to government, there was a \$12-million surplus, we will go on in

government, and we will show you that we can do it better, but they did not do that. They did not do that. We almost had to think they were the tooth fairy, because they came up with a brand-new plan that could change numbers in a couple of months from a \$400-million deficit to a \$12-million surplus. It was almost unbelievable.

I say to you that this is where we find ourselves in today because today, when I look at the numbers, when I look at the huge amount of money that this Government has spent during the last two years, one really has to wonder where they are going. It would have been a perfect time for an administration to take at least half of the revenues and pay down the debt as farmers do, as automobile dealers do, as nurses do, as doctors do when they borrow money. When they have an income that is in surplus, they pay down more of the debt than what they need to because it makes life easier at the end of the day. Yet this Government, this Premier, this Doer government does not know how to do that. I say to you the people of Manitoba will judge this Doer government very harshly the day that they will have to start borrowing money to pay the extra employees that they have hired and even the employees that were there when they took office. The time will come.

* (17:50)

We know that the U.S. economy, our economy is very dependent on because most of our goods are exported to the United States and we earn a large amount of American revenue. Yet we also know that some of the industries that have flourished up till now are finding it difficult to keep their supplies at current production levels.

I know that there are a number of the industries mentioned here before by the Minister of Industry and Mining. She, however, forgot to say that some of these industries are already laying off people. I will give you Loewen Windows in Steinbach. The reason Mr. Chuck Loewen gave was he said the American market has ground to a real hard slump and we cannot market as many windows into the American market as we used to. Mr. Speaker, therefore I say to you that we should be very cautious and

very careful. This is the time to use caution in our approach.

Let me take you another step further. Let me take you out of the industry sector into the primary sector. In our industry our province is still very, very dependent on a vibrant primary production sector, whether it is mining, whether it is forestry or whether it is agriculture. What are we seeing? What are we seeing lately in the forestry industry? The closure of the The Pas sawmill plant. Right? Or am I wrong? Maybe I should ask the Minister of Industry and Trade (Ms. Mihychuk). Is it correct that the sawmill at The Pas was closed? Is that correct? Why was it closed? Did this Government order it closed? Maybe it did. Maybe that is why it is closed. I suspect, however, that markets in the United States, where most of their lumber was going to, sort of dried up because the housing market in the States has really come to a grinding halt. Industry expansion and building has come to a severe downturn in the United States. The Minister of Industry and Trade (Ms. Mihychuk) certainly knows that, and she should today have warned her Minister of Finance (Mr. Selinger): Look, this is what is happening in our primary sector.

We have just seen what has happened in agriculture, that wheat prices are less than half of what the American wheat prices are. I should put it differently, Mr. Speaker, because that is not quite correct. Wheat prices in Canada are exactly what the American wheat prices are because our wheat prices are largely dependent on the Chicago price and Minneapolis price. However, what is happening is that the American government is now doing competition with the European government, and the American government is paying its farmers 48 percent on top of what they get from the marketplace as income. So the American farmer derives almost 50 percent of his income directly from Uncle Sam.

Where are we? It has caused the severe downturn in economic activity in rural Manitoba. Just look around you. Schools are closing, businesses are closing. Our Versatile plant that at one point in time employed almost 1300 people could hardly sell any four-wheel-drive tractors in all of western Canada. The

entire marketplace, John Deere, Case IH, Ford Versatile, sold less than a hundred four-wheel-drive tractors in all of western Canada.

How do we expect a plant that used to make almost that many tractors a week to employ people? Some people are talking about the union strike with Mr. Buhler. Well, there might be some of that. But how do you expect union employees to be able to stay on the job when there is no work, when there are no tractors to be built, when you cannot sell the tractors that you build? How can we expect that plant to survive when the companies that Mr. Buhler was contracting with, Caterpillar and others, have said sorry, your contract is up?

We are not going to build tractors in Canada anymore, maybe for a couple of reasons. They are as uncertain about their ability, of the long term of the survival of this plant and the economics under the new labour laws to be able to produce the kind of product they use to produce at an economical rate. Is that the reason? Maybe it is. But I would suspect largely it is because of the downturn of the primary sector, and this Minister of Finance (Mr. Selinger) has not even reflected on that in his Budget.

It is also interesting to note that, when you take a hard look at the realities of our total financial picture, and when you project this forward another year or two, you will see that our revenues will decline rather steeply over the next year. That is my prediction. Correct me, Mr. Speaker, at the end of the year if I am wrong.

Because we are so dependent on the American marketplace for our product—we are very dependent on it—I think Manitoba has done an absolutely astounding and remarkable job of moving into that American marketplace after the Free Trade Agreement. I think Manitoba, over the last 10 years, 12 years, has done an absolutely exemplary job of diversifying itself to

a much greater degree than any Pawley government ever expected they could do.

Now the Doer government is coming along and reaping the benefits of what the Filmon government had put in place, the foundation that had been laid that would get us there. I would suspect if this Government does not very carefully assess where they should be putting its funds and how they should reinvest in the economy, we will see at the end of the day exactly the same economic disaster that hit Ed Schreyer and his government. I think, Mr. Speaker, that it behooves this Government, this Minister of Finance (Mr. Selinger) and the Premier, Mr. Doer, to be straightforward and up front with the people of Manitoba, and I think that all of us owe it to our public, to the people of Manitoba to debate the issues here in a very up-front and futuristic manner.

I listened very closely to the Member for Dauphin, and I was quite frankly disappointed. I was very disappointed because of how he portrayed some things in this House. But that is his business. If he wants to use that kind of language and if he wants to portray his Government in that light, that of course is a reflection of—hopefully I know it is not a reflection of his constituency, but it is certainly a reflection of how he sees his Government approaching issues in the future.

So I say to you, Mr. Speaker, when we return here next day, tomorrow, I will be continuing my remarks in this manner, and I will look forward to the time remaining to bring some conclusion to the remarks I started here today.

Mr. Speaker: Order. When this matter is again before the House, the honourable Member for Emerson (Mr. Jack Penner) will have 19 minutes remaining.

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 11, 2001

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