



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

**DEBATES
and
PROCEEDINGS
(HANSARD)**

40 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, April 19, 1991

The House met at 10 a.m.

PRAYERS

ROUTINE PROCEEDINGS

TABLING OF REPORTS

Hon. Harold Gilleshammer (Minister of Family Services): Mr. Speaker, I am pleased to table the Annual Report, 1989-90, for the Department of Family Services.

Hon. Eric Stefanson (Minister of Industry, Trade and Tourism): Mr. Speaker, I am pleased to table the Annual Report of the Manitoba Boxing and Wrestling Commission for the year ended March 31, 1990; as well the Annual Report for the Manitoba Development Corporation for the year ending March 31, 1990.

INTRODUCTION OF BILLS

Bill 35—The City of Winnipeg Amendment Act

Hon. Jim Ernst (Minister of Urban Affairs): Mr. Speaker, I move, seconded by the Minister of Energy and Mines (Mr. Neufeld), that Bill 35, The City of Winnipeg Amendment Act; Loi modifiant la Loi sur la Ville de Winnipeg, be introduced and the same be now received and read a first time.

His Honour the Lieutenant-Governor, having been advised of the contents of this bill, recommends it to the House.

Motion agreed to.

Mr. Speaker: The honourable minister has tabled the message.

* (1005)

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, may I direct the attention of honourable members to the gallery, where we have with us this morning from the English Language Program at Point Douglas School 25 students. They are under the direction of Mrs. June Shymko. This school is located in the constituency

of the honourable member for Point Douglas (Mr. Hickey).

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

ORAL QUESTION PERIOD

Rural Manitoba Job Loss Statistics

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, this has been a very tough week for Manitobans. Air Canada jobs, Agricultural Canada jobs going to Regina, CN jobs yesterday, permanent jobs being lost, the public service, the voluntary sector are all joining the thousands and thousands of Manitobans in the unemployed lines. It has been very tough particularly, though, on rural Manitoba.

As we analyze the Estimates that have been tabled in the Legislature two days ago, it appears to us to be about a three-to-one ratio where the cuts are in rural and northern Manitoba versus our urban centres—Fire Tac crews, lifeguards, highway maintenance, Dauphin correctional officers, northern education programs, and on and on and on we go.

I would ask the Premier: How many permanent jobs are lost in rural and northern Manitoba? How many seasonal jobs have been lost in rural and northern Manitoba as a result of the budget his Minister of Finance tabled in this Legislature two days ago?

Hon. Gary Filmon (Premier): Mr. Speaker, I can tell the Leader of the Opposition that in the analysis that was provided for me, out of something in the range of 375 to 450 permanent full-time jobs that will be lost, layoffs that will occur as a result of this budget, just slightly over 100 would be outside the city of Winnipeg. That would be something in the range of one in four. One-quarter of the jobs that involve layoffs of permanent, full-time civil servants would be from outside the city of Winnipeg.

Mr. Doer: Mr. Speaker, the Premier knows that many of the seasonal departmental jobs in Highways, Natural Resources and other departments are located outside of the city of

Winnipeg. Of course, those are not included in the numbers that he has stated in this House. The Premier, obviously, has an analysis of the permanent jobs. He therefore, I would assume, being the head of Treasury Board, has an analysis of the seasonal departmental jobs which impact dramatically on rural and northern Manitoba. You can see that in the Estimates, about a three-to-one ratio and cut in money outside of the city of Winnipeg as opposed to inside the urban centre.

My question to the Premier is: Will he tell us how many jobs have been lost in the total 1,000 job reduction program of the government? Will he table that analysis for Manitobans so Manitobans can see for themselves where those jobs are being lost and how it will impact on our very, very serious situation in rural Manitoba with the agricultural crisis and other crises in our province?

Mr. Filmon: Well, Mr. Speaker, I can tell the Leader of the Opposition that as a for instance of the various reductions that have taken place, 44, regrettably, of those jobs that had been targeted for decentralization were eliminated by virtue of this process of budget.

On the other hand, by the end of this year, it is our estimate that of the more than 600 decentralized jobs that we had announced, the more than 600 projected decentralized jobs, some 500 of them will have been decentralized. So, in fact, rural and northern Manitoba continue to be -(interjection)- Mr. Speaker, I am giving the numbers despite the fact that the New Democrats oppose decentralization, despite the fact that they have consistently stood against rural Manitoba and northern Manitoba, never did it when they were in government and opposed it when we proposed it. There will be more than 500 of those decentralized jobs taking place by the end of this year.

Mr. Doer: Mr. Speaker, what a farce. For every two or three jobs that are decentralized and then put on hold, then frozen, then cancelled, and then there are no buildings in decentralization, there are a number of layoffs and cutbacks. You go through the departments—Agriculture, Keewatin Community College, regional-based family services, highway operations, tourism promotion, tourism development, regional services, park services, forestry, fisheries, wildlife, on and on and on.

The Premier (Mr. Filmon) knows full well at the end of the day there will be less public employees

working outside of the city of Winnipeg when this whole budget exercise is concluded than all his pre-election rhetoric that has not come true.

I would ask the Premier, will he come clean with Manitobans? Will he table in the House the thousand-job loss that he announced two days ago, three days ago, will he table in the House very directly where every single one of those jobs is located in Manitoba? He has those numbers. We are entitled to those numbers in the province of Manitoba.

Mr. Filmon: Mr. Speaker, I repeat that at the end of this year, as a result of our decentralization process, more than 500 Civil Service jobs will have been decentralized outside the city of Winnipeg. Every area of government had some reductions in jobs. That is inevitably the way it will be when you have some 400 people who will be laid off overall from current—some of those have to be in rural Manitoba, but they are not disproportionate to rural or northern Manitoba.

*(1010)

Child Care Programs Parent Fees

Ms. Becky Barrett (Wellington): Mr. Speaker, in 1983 the NDP government instituted a new child care system, which quickly became a model throughout North America. This government, in the last three years, has begun a systematic dismantling of this program. Yesterday, the latest move in this erosion took place when the minister increased parent fees by 17 percent for preschool children and 47 percent for an infant in care.

Can the Minister of Family Services explain how this unprecedented one-year increase carries out one of the basic principles of the child care system in Manitoba, namely, that parent fees should be at a level affordable for the majority of Manitoba families?

Hon. Harold Gilleshammer (Minister of Family Services): Mr. Speaker, over the last 18 months this government has worked with a working group from day care providers across this province and brought about some changes, changes that will increase subsidies to those families that need the assistance. Where single parents or parents are working and their income is low, the subsidies will be there to allow them to access quality child care in this province.

I am very proud that this government, over the last four years, has increased the funding to day care by over 50 percent, and the subsidies are there for those people who really need them. I will just give the member some examples. A single-parent family with two children in care, making an after-tax, after-deduction income of \$35,000 will pay no more, and the subsidies are there to assist people like that.

Ms. Barrett: Mr. Speaker, considering that a secretary making \$25,000 a year and her partner making \$30,000 a year will be without any subsidy at all and considering the incredible increase in the parent fee, this couple would have their child care expenses at over \$900 month.

How can the minister stand in his place and say that this is a system that is to make the rich pay?

Mr. Gilleshammer: My honourable friend has a fundamental misunderstanding of the system. The income level is net income, after taxes, after deductions. The subsidies are going to be there in greater numbers for those people who access the system and need that assistance.

I will give the member a second example. A two-parent family, with two children, with an after-tax, after-deduction income of \$38,000 will not pay more. Again, I emphasize with the member that this is net income, after taxes and after deductions, and that we feel that the amount of—

Mr. Speaker: Order, please.

Point of Order

Mr. Steve Ashton (Opposition House Leader): Mr. Speaker, we certainly appreciate receiving details on this initiative which was announced yesterday, but perhaps the minister would give us the courtesy of doing it in the form of a ministerial statement, rather than extend Question Period time, because that is the normal way in which such announcements are made. Otherwise, I would ask you to call him in order.

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

The honourable minister, to finish his response.

*(1015)

* * *

Mr. Gilleshammer: I can well understand that the member is embarrassed by the information that is coming forward, where the fact that we are putting

more money into subsidies to help those families that really need it and those that access considerable income are going to be expected to pay for the cost of child care in this province.

Operating Grants

Ms. Becky Barrett (Wellington): Mr. Speaker, in October of '89, the child care workers rallied on the steps of this Legislature in favour of increased operating grants for day cares and for salaries for day care workers.

Can the minister tell this House if he consulted with child care workers and child care boards of directors before he decreased by one-third to one-half the operating grants to child care agencies, thereby ensuring the Americanization of the day care system—the rich will get it, the poor will get it and the middle-income families will not—and that this further will ensure that the child care workers in this province will continue to be vastly underpaid for the work that they do?

Hon. Harold Gilleshammer (Minister of Family Services): In my first answer, Mr. Speaker, I indicated that the working group on day care, which represents all of the day care operators in the system, have worked with government over the last 18 months to bring forward these recommendations.

I find it somewhat strange that the member portrays herself and the party that she is a part of the protector of the middle class. Over the six years in the early '80s when the NDP were in power, they increased taxes by almost \$2,000 to every Manitoban. The payroll tax was doubled; the retail sales tax was raised twice for an overall increase of 2 percent. Consumption taxes increased by 87 percent and put money in place through the subsidy system for those families that really need that assistance.

Tourism Government Initiatives

Mr. James Carr (Crescentwood): Mr. Speaker, my question is for the Minister of Industry, Trade and Tourism.

Tourism is the single largest industry in the world, but sadly Manitoba is not getting its share. We have just received the statistics year over year for the end of February, and incredibly automobile traffic from the United States to Manitoba is down an

astonishing 19.5 percent, by far the worst decline of any province in the country.

How does the Minister of Tourism account for this astonishing decline? What does he intend to do about it?

Hon. Eric Stefanson (Minlster of Industry, Trade and Tourlsm): Mr. Speaker, I think the honourable member would appreciate that normally your tourism initiatives, you spend money to see the benefits in the next year or subsequent years and so on. We now have undertaken a very specific tourism initiative, doing away with the generic kind of promotion that was done in the '80s which was noneffective. We are now target marketing. We are also surveying the people who are, in fact, coming to Manitoba to check how effectively that is working, so that we can continue to focus on the people who are coming to Manitoba and why they are coming.

Mr. Speaker, the kind of initiatives that you will see us undertake will be very target marketing. Instead of just advertising Manitoba, we will focus on the kinds of traffic that we think we can attract to this province. So the initiatives that we have undertaken in this particular year, I am extremely optimistic in terms of the kinds of results they will start to produce starting this year and in the years ahead.

Mr. Carr: Mr. Speaker, I am glad, I guess, that the Minister of Tourism is optimistic. I wish the people in North Dakota and Minnesota were as optimistic as the minister.

What initiative is he talking about when the budget tabled by the Minister of Finance (Mr. Manness) this week cuts parks, cuts beach patrol, cuts grants to tourism associations? How can the Minister of Tourism defend those budget cuts at a time when they are staying away from Manitoba in droves?

Mr. Stefanson: Mr. Speaker, I want to assure the honourable member that the money that we are currently spending in the most effective areas, the promotion and marketing of the province of Manitoba, have in fact not been cut.

I will be more than pleased to discuss some of the very specific focused marketing that Manitoba is in fact going to do in the states of North Dakota, in Minnesota, in the northern midwestern United States. In terms of some of those very specific programs, I will gladly share them with the

honourable member during the budget process, but I can only assure this House that we are now undertaking very focused marketing. Instead of just generic advertising in a broad sense, we are focusing on the kind of market we should go after.

* (1020)

The member is quite correct, that we did cut some funding to a particular organization or two, but it is not affecting the kinds of money that we are spending on the marketing and promotion, the money that needs to be spent to get the traffic here. We will still continue to work with those groups on joint initiatives through funding sources that are available through our department, through our Canada-Manitoba potential extended agreement.

Mr. Carr: Mr. Speaker, but it is bit of a double whammy, because while they are staying away from Manitoba in droves, they are leaving Manitoba in record numbers. Again, the statistics, year over year at the end of February, show that 11.5 percent more Manitobans left to North Dakota and Minnesota than the previous year.

How can the minister square the circle? How is he going to stop this flow of people going out of Manitoba and those who are not coming in?

Mr. Stefanson: Mr. Speaker, I give the honourable member enough credit that I think he recognizes that outflow is not tourism; it is a problem that is common across Canada, particularly in southern Canada. I would hope that he would make the distinction and appreciate the difference, because it is a very fundamental difference in terms of what is happening in our country.

We have had questions along that line before. We are currently working with the federal government in terms of the kinds of initiatives to preclude that happening.

I think, as we all know, that is an economic situation. It is created by the kind of environment that was created during the 1980s by an NDP government, in terms of the kinds of taxation levels, in terms of the kind of economic climate that they have created in this province. Now, Manitobans are looking towards the northern United States on an economic basis.

We are working towards improving that, as the honourable member knows, in terms of what we have done in the areas of taxation, which are very important to that economic climate. I wish he would

make the distinction between that leakage and tourism. Clearly, there is a fundamental difference.

Rural Manitoba Population Decline

Mr. Leonard Evans (Brandon East): Mr. Speaker, we now have data from Statistics Canada that reveal an absolute decline in the rural population of Manitoba beginning in 1988 when this government took office. Manitoba's population outside of Winnipeg has decreased by 4,100 people in the past three years. Prior to this, it had been rising slowly but steadily.

Mr. Speaker, I would like to table a document showing statistics that have been published by Statistics Canada with the chart.

Can the Premier tell us how this budget is supposed to help stop rural and northern depopulation when it is cutting millions of dollars of programs and services and laying off large numbers of provincial civil servants in rural Manitoba?

Hon. Gary Filmon (Premier): Mr. Speaker, what the people of rural Manitoba need is a sense of stability. They need a sense that there is government policy that will assist them in stabilizing their economies which are under massive attack.

All you have to do is look at the problems that the farm economy has faced over the last decade, massive problems with respect to drought, year after year during parts of the '80s, today a situation in which the real price of wheat is one-quarter what it was 10 years ago. No other sector of our economy has been under siege like that, has faced those kind of massive problems.

What has this budget done for them, Mr. Speaker? It has done many things: Firstly, it has put in \$43 million into the GRIP program, which is the largest single program of assistance to the farm community that this province has ever seen. We are also looking at other supports such as NISA and other enhancements to that.

In this budget we have money for the SDI, Southern Development Initiative, something that the New Democrats talked about but were never able to accomplish, to put in sewage treatment and water supply for the rural farm community, for smaller communities in rural Manitoba.

We have money in that for downtown redevelopment that will assist communities such as Brandon and others.

* (1025)

We have money in that program for rural Manitoba in respect to decentralization, some \$4 million so that the jobs that the member for Brandon and others are opposing to be transferred out of the city of Winnipeg—

Mr. Speaker: Order, please.

Mr. Leonard Evans: Mr. Speaker, at least the rural population was increasing under the NDP, not diminishing.

Budget Impact Rural Manitoba

Mr. Leonard Evans (Brandon East): Considering the serious decline of our rural population, would this Premier now be prepared to reverse the decision to offload costs on the backs of the rural people of this province through the transferring of 2,000 kilometres of provincial road maintenance, the reduction of water management and engineering services, and the underfunding of the school division? How about giving them a break?—stop hitting them.

Hon. Gary Filmon (Premier): Mr. Speaker, what a foolish comment by the member for Brandon East. We just had a redistribution of seats that took place as a result of the census that was carried out for 1985 in this province, for all those years of New Democratic—that redistribution gave two more seats to the city of Winnipeg and two fewer to rural and northern Manitoba.

That is the kind of massive depopulation that occurred in this province under New Democratic government. That is the kind of massive depopulation and shifts out of rural and northern Manitoba into the city of Winnipeg, two fewer seats, based strictly on population calculations. How can he stand there with a straight face and suggest that there was not depopulation of rural Manitoba?—absolutely foolish.

This budget has some \$4 million for water management programs. This budget has money in there because we are going to initiate the new rural development bond program that rural Manitoba communities want. These are positive initiatives for

rural Manitoba which never took place under New Democrats. All they got was hot air.

Mr. Leonard Evans: Mr. Speaker, this Premier stands up on Friday morning and demonstrates the stupidity about numbers of the population. Stupid, stupid. This is the first time we have had an absolute decrease in population. He does not understand that there has been a relative change in Winnipeg versus the rural population, but there has never been an absolute decline.

Mr. Speaker, exactly how are the layoffs of civil servants and cuts of millions of dollars of programs supposed to help the small business sector in rural Manitoba, where the closure of businesses is occurring constantly because of rural depopulation and declining incomes? Just how is this budget supposed to help the small business sector in the rural part of this province? No way.

Mr. Filmon: Mr. Speaker, this government has removed the payroll tax off two-thirds of the businesses that had been paying it when we took office, most of them, the vast, vast majority of them in rural Manitoba.

That member for Brandon East in his hypocritical way stands up and talks about being the friend of small business when he tried to destroy them with the payroll tax, when he tried to destroy the people with increased taxes—2 percent increase from 5 percent to 7 percent in the sales tax. We tried to destroy them with huge regulation—2 percent net tax on net income.

All the measures that he brought into taxation in this province are what has caused the problems in the rural community and in the small business community, and they do not look to him as the saviour, I can assure him, Mr. Speaker.

Fishing Industry Financial Assistance

Mr. Cliff Evans (Interlake): Mr. Speaker, my question is for the Acting Minister of Northern Affairs.

On Tuesday, this government transferred responsibility for operating loans to fishermen to the CEDF program, without consultation, leading many of the fishermen to believe no loans would be available. The staff of CEDF were informed of this decision only yesterday. With three weeks to go before fishermen have to be on the lake, Mr.

Speaker, CEDF is not accepting applications and do not know how the program will be administered.

I want to ask the acting minister: Can he ensure this House that the fishermen of Manitoba can apply today for the loans that are supposedly available?

Hon. Glen Findlay (Acting Minister responsible and charged with the administration of the Communities Economic Development Fund Act): Mr. Speaker, the member asked questions about CEDF and the minister is not in the House today, but he gave assurance to the House two days ago that CEDF would be looking after new loans for fishermen in due course. I can guarantee the member that the existing loans that are in place will continue to be administered by Manitoba Agricultural Credit Corporation.

Mr. Cliff Evans: Mr. Speaker, the president of the Manitoba Fishermen's Association tells me that more than 1,000 fishermen throughout this province have relied on these loans in the past years.

An Honourable Member: The existing ones are in place.

Mr. Cliff Evans: The existing ones are in place, Mr. Speaker, the existing ones totalling 30 to 40, approximately 800 up until December 31. For the upcoming season, they do not know what is available. Is the money available that was available at MACC, and can these fishermen apply for the loan today or tomorrow or Monday?

Mr. Findlay: Mr. Speaker, the member was given that assurance two days ago by the minister responsible, and in due course, they will be able to apply for the loans to CEDF. Again, I will respond to the member saying existing loans will continue to be administered by the Manitoba Agricultural Credit Corporation, the loans that were in place previously.

Mr. Cliff Evans: The fishermen need the money today. They are going on the lake in three to four weeks.

* (1030)

Civil Service Layoffs Impact Environmental Protection

Mr. Cliff Evans (Interlake): My final question is for the Minister of Natural Resources.

How can the minister justify his government's rhetorical commitment to environmental protection when he has closed three Natural Resources offices, laid off Natural Resources officers in

Steinbach, Selkirk, Dauphin, Beausejour and other parts of this province, as well as limited three Fire Tac crews in northern Manitoba, Swan Lake and Thompson?

Hon. Harry Enns (Minister of Natural Resources): I apologize to the honourable member. I will ask him to repeat the question.

Mr. Cliff Evans: My question was for the Minister of Natural Resources.

How can he justify his government's rhetorical commitment to environmental protection in this province when he has closed three Natural Resources offices, laid off Natural Resources officers in Steinbach, Selkirk, Dauphin, Beausejour as well as eliminated three Fire Tac crews in northern Manitoba, Snow Lake and Thompson?

Mr. Enns: Mr. Speaker, I have every confidence in my colleague the minister responsible for the Department of Environment that the environment of Manitoba is in good hands, in constantly improving hands, left with the record that the previous administration had with respect to environmental matters.

The question with respect to changes in the Natural Resources officer role, that is a continuing one, and we will move staff around from time to time where we believe it is prudent to do so.

Budget Health Promotion Programs

Mr. Gulzar Cheema (The Maples): Mr. Speaker, my question is for the Minister of Health.

Health promotion and prevention programs are one of the best ways to save health care costs in the long term. This budget the Finance minister tabled on Tuesday cut health public policy programming by over \$1 million.

Can the minister tell us how this short-term pain for no gain at all, their policy, their major decision, will go with the policy of the Minister of Health, which he has persistently announced in this House, that they are for health promotion and prevention? How can he justify his own policy today?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, I am pleased my honourable friend asked this question, because some of the initiatives that we have undertaken will continue within my ministry, but one very successful initiative that I think has received widespread accolades as being a very

successful partnership between government and employees and employers in the workplace, namely the Workplace Health Promotion Program, which saw modest contribution by the taxpayers through my ministry of \$150,000, became a half-million-dollar health promotion program in the workplace.

That program, which my honourable friend endorsed last year, is not part of my ministry this year and will continue in the ministry of workplace health and safety in the same successful format that has been developed. That in part is one of the reasons why the apparent change in my ministry.

Health Care System Mammography Screening Program

Mr. Gulzar Cheema (The Maples): Mr. Speaker, as part of the health public policy, the minister announced that in 1988 they would establish the breast cancer screening program in Manitoba. Given that they have cut their own funding by more than \$1 million, how are they going to establish the program? Are they going to follow up on their own commitment?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, we dealt with this issue last Estimates process, and I am prepared to deal with it again as the implementation committee has more advice and recommendations to present to government in terms of the direction and the implementation of a mammography program in Manitoba.

Canada Health Act Violation

Mr. Gulzar Cheema (The Maples): Mr. Speaker, under the Canada Health Act, accessibility for health care in the North is a fundamental right, and we know that there are a lot of shortages of services in northern Manitoba.

Can the minister justify today, adding a \$50 fee that the Premier has confused with the ambulance services is not the way to approach the issue? Can he tell us how many patients for the last three years have come to Winnipeg for elective surgery? Now they are going to punish them to come here to receive the basic services. It is basically against the Canada Health Act.

Hon. Donald Orchard (Minister of Health): Mr. Speaker, lest my honourable friend be under the

same confused logic of the official opposition, I want to correct him fairly quickly.

Mr. Speaker, there have been approximately 13,000 northern patient transportation warrants issued last year. The \$50 contribution that we are asking in this year's budget applies to elective transportation warrants. It does not include any emergency transportation, which is fully covered by the \$2.5-million Air Ambulance Program that we have in place. It does not apply to any northern Manitoban who must access chemotherapy or dialysis and be transported out. Those are excluded. It is for referrals to specialists not present in northern Manitoba.

Mr. Speaker, that is why we have co-operated with Thompson General Hospital to increase the number of physicians to 20 to provide more services in Manitoba, as many have said over the past number of years, and that is why our initiatives have been directed in that exact direction.

Civil Service Layoffs Selection Criteria

Mr. Steve Ashton (Thompson): Mr. Speaker, it has been quite the week in terms of the Civil Service of Manitoba. Tuesday, people were handed pink slips in a very shabby manner. Wednesday, the Premier says, I am sorry. Friday, we learn that what the real reform of the budget process is leading to in the Civil Service is \$10,000 motivational surveys to improve the morale of the Civil Service, changes to the Labour department that are going to run it like a business, to use a terminology that the Premier might be familiar with.

I would like to ask the Premier: Under what basis are these changes being made? Whatever happened to the merit principle, to the seniority principle in terms of the Civil Service? Why is this Premier destroying the Civil Service and the integrity of the Civil Service of Manitoba?

Hon. Darren Praznlk (Minister of Labour): Mr. Speaker, the member for Thompson uses the word "business" with respect to the Department of Labour and the Civil Service. I believe he is quoting himself in his observations.

He asked about the merit principle. He asked about The Civil Service Act. The Civil Service Act is in place. We have a collective agreement. We have always respected those things. We respect them now and we will continue to respect them.

Quite frankly, I have no idea where he is getting any of his information from, because most of it is inaccurate.

Mr. Ashton: Mr. Speaker, I am getting it from a document prepared by the minister's department that has been adopted by that department. I have the document available. I am sure the minister is aware of that.

Civil Service Layoffs Selection Criteria

Mr. Steve Ashton (Thompson): I have a follow-up question. It is in terms of the criteria used in terms of the layoffs, Mr. Speaker. Many people who have been laid off are saying they are being targeted because they filed grievances, they expressed their rights as union members. Many people are being laid off not on the basis of seniority. I would like to ask the Premier: On what basis were many of these individuals given their pink slips on Tuesday?

*(1040)

Hon. Gary Filmon (Premier): Mr. Speaker, the layoffs that have taken place were as a result of programs and functions that are no longer going to be provided by government. So a person who is in an area of programming that is no longer going to be delivered by government is the person being laid off, not somebody else somewhere else. That service, that program that no longer will be provided by government, is the one for which obviously there is no longer a need for the individuals who were there.

I have said before that this is a very, very difficult process. These are not things that we want to do. We are faced with economic reality, with the necessity, in order to keep the taxes down, to be able to examine every program and find out if there are ones for which there are other alternatives available, find out if there are services that government no longer has to provide or government is not uniquely qualified to deliver those services. Those are difficult choices.

We have asked the senior managers of the Civil Service to do that, to work with us. The only people in this province, Mr. Speaker, who want to go back to the old ways, which is to raise taxes as they did time after time after time when they were in government, are the New Democrats.

We only have to look at the history of New Democrats between 1981 and 1988—139 percent

increase in personal income taxes in this province, put on the backs of the middle-income earners. Raise taxes—

Mr. Speaker: Order, please.

Civil Service Layoffs Impact Affirmative Action

Mr. Steve Ashton (Thompson): My final question, Mr. Speaker, once again is to the Premier.

We have already seen the impact in rural communities, northern communities, of these layoffs. I would like to ask in terms of another impact of these layoffs, in terms of affirmative action.

Many of the people who were laid off on Tuesday were people who were hired recently under the Affirmative Action Program. Can the First Minister indicate what impact that has had in terms of the Affirmative Action Program, because many, as I said, of the people laid off on Tuesday are being directly affected because of that?

Hon. Darren Praznik (Minister of Labour): Mr. Speaker, to answer the question for the member for Thompson, certainly that was a concern to all of us involved in this process.

As the member well knows, as the Leader of the Opposition (Mr. Doer) well knows, we live within a collective agreement that has certain requirements for seniority within classifications and within departments, Mr. Speaker.

In reviewing the numbers as they were compiled—and I put this caveat that these numbers are not complete, because there are a series of options available to public servants who wish to voluntarily leave the public service, which will create a pool for those who have been laid off. So our numbers are still incomplete.

I can tell him today that on our preliminary numbers, the layoffs represented about two men for every one woman laid off. In terms of the other groups under our Affirmative Action Program, they are represented in the preliminary numbers of the layoffs in about the same percentage as a group as they are across the Civil Service.

School of Psychiatric Nursing Selkirk Closure Delay

Ms. Judy Wasylycia-Lels (St. Johns): Mr. Speaker, the Minister of Health says he is committed to good mental health public policy. I

believe he is. In that context I believe he knows that his decision on the closing of the Selkirk psychiatric nursing education program is contrary to his best intentions and that he was ill-advised by his own deputy minister.

Given the outpouring of concern these past two days, I would simply ask the minister if he would agree to put his decision to close the Selkirk psychiatric nursing education program on hold until a proper consultation and planning process has been undertaken.

Hon. Donald Orchard (Minister of Health): Mr. Speaker, let me indicate to my honourable friend that any time government makes decisions on program around budget time, there are those who will disagree with those decisions. I accept that.

Mr. Speaker, the larger issue with the education of registered psychiatric nursing has been subject of a two-year working group review with the registered psychiatric nurses of Manitoba part of that review. That review has given us an agenda as government to focus on improving and expanding the excellence of the registered psychiatric nursing training program in Manitoba in two fashions, first of all, by strengthening the baccalaureate, the degree program, the Bachelor of Nursing program at the Brandon University as well as strengthening the diploma program through consolidation of Brandon. Those are not decisions that everyone agrees with, but they are not made in isolation of reform of the mental health system and are very much part of the reform of the mental health—

Mr. Speaker: Order, please.

Ms. Wasylycia-Lels: Mr. Speaker, but it is the association itself, the psychiatric registered nurses, that have said they have not been fully consulted on this report. The minister has not yet received their views on this report.

I want to ask the minister, since yesterday he said that he did not believe he was breaking his own law because he was not cutting all the programs, he was only cutting one program under psychiatric nursing education, given that in our view the legislation is very clear using the word "programs" in this legislation, and we have asked Legislative Counsel for a legal interpretation of this government's position vis-a-vis that legislation, would the minister himself ask Legislative Counsel for an interpretation of whether or not this government is in contravention

of its own legislation and reconsider their position on this matter at the present?

Mr. Orchard: Mr. Speaker, I appreciate my honourable friend's sincerely expressed concerns on behalf of the Registered Psychiatric Nurses Association of Manitoba.

I want to tell my honourable friend that the decision-making process that we went through was substantially different than the decision-making process by previous administrations, because we undertook in partnership with the Registered Psychiatric Nurses Association of Manitoba to identify goals in education and training, and within those goals there is an agenda which will make registered psychiatric nursing a greater educational opportunity in the province of Manitoba, not a lesser opportunity.

Mr. Speaker, that involves consolidation of two teaching programs. If we were to eliminate registered psychiatric nursing training in the province entirely, yes, we would contravene the law, but that is not the case. We do not believe we are in contravention of any law.

Point of Order

Mr. Steve Ashton (Opposition House Leader): Yes, Mr. Speaker, Beauschesne is very clear in terms of answers to questions relating to the matter raised. The minister continued on for about a minute and a half, did not deal with a very straightforward question. Will he refer it to Legislative Counsel or not? While ministers do not have to answer questions, I do believe that this minister is wasting Question Period time when he does not deal directly with the questions raised.

I would ask you to bring him to order, Mr. Speaker.

Mr. Speaker: Order, please. On the point of order raised, I would remind all honourable members that answers to questions should be as brief as possible and should deal with the matter raised.

* * *

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

ORDERS OF THE DAY

BUDGET DEBATE

Mr. Speaker: On the adjourned debate, fourth day of debate, on the proposed motion of the honourable

Minister of Finance (Mr. Manness), and the proposed amendment of the honourable Leader of the Opposition (Mr. Doer), and the proposed subamendment of the honourable Leader of the Second Opposition (Mrs. Carstairs), standing in the name of the honourable member for Kildonan.

Mr. Dave Chomiak (Kildonan): Mr. Speaker, I am very pleased to have the opportunity of rising to deal with the budget.

You know, my review of the budget indicates that this could be a great budget as long as you were not a senior citizen or a young person or someone in public schools or in a community college or an aboriginal person or a Northerner or someone in rural Manitoba or had a child in day care or had a child requiring family services or were a university student or a university prof or a teacher or if you paid property taxes.

If you were none of those things, this would be a great budget. I have to add, unfortunately, those groups deal with pretty well the vast majority of all Manitobans. What it leaves out is maybe a few dozen, a few hundred major contributors to the Tory party of Manitoba, and that is tragic.

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

You know, Mr. Acting Speaker, there is the old axiom that governments defeat themselves. This government has alienated more groups and more individuals and more people in six or seven months in office than even probably Sterling Lyon did in his four ill-fated years. It makes Sterling Lyon look like a tempered pussycat. They have done more in six months, more damage to the fabric of this province than Sterling Lyon did in four years.

Mr. Acting Speaker, the Minister of Finance (Mr. Manness) rhetorically asked when he delivered his budget speech: How much government can Manitobans afford? I would like to say, really the message of this budget is: Can Manitobans afford a Tory government? Can the senior citizens of Manitoba, who were affected so dramatically by the 55-Plus deindexing proposal, afford a Tory government? Can the sick in the North, who are forced to now pay a user fee, afford a Tory government in Manitoba?

* (1050)

Can young people who have seen their programs cut back, who have seen student aid cut back, who

have seen 20 percent increases in tuition—can the students in public schools afford a Tory government? Can anyone in Manitoba afford this government? I am afraid the answer is overwhelmingly no. We cannot afford this government.

You know, the budget talked about new approaches. Mr. Acting Speaker, the budget is not a new approach to anything. As I have indicated in my previous comments in this Chamber, it is really a return to the old Reagan approach, this new laissez-faire capitalist approach which is not new. It is fighting inflation, it is fighting the recession on the backs of the poor, the sick and the elderly.

I do not know what kind of reality that group over there lives in, but they are sorely out of touch, in just six brief months after an election, from the vast majority of Manitobans. This new Reagan approach which is really the old approach, which is tired old answers and has as one of its hallmarks privatization of education, private schools funding, privatization of community colleges, setting up and decreasing programs so that private vocational schools can take the students and provide them, cuts to student aid, ACCESS and other programs.

This government, we accuse them very often of sounding like Michael Wilson, and you know, if you just look at what Michael Wilson did, you can see it is quite appropriate that when the Minister of Finance (Mr. Manness) looks in the mirror, he really should see Michael Wilson looking back at him.

Michael Wilson cut job training, and he cut environmental programs. He privatized Crown corporations. He threw thousands, tens of thousands, 80,000 public servants, out of jobs at a time when our unemployment rate was one of the highest in history. He froze post-secondary training. He talked about being competitive, and the Tories decreased corporate taxes from \$9.3 million in '84 to \$2.4 million in '88-89, and personal taxes went up from \$29 billion in '84 up to \$46 billion by '89, Mr. Acting Speaker.

What has happened is they have simply taken a page out of their Tory counterparts, and they are doing precisely the same thing in this province as has been done in Ottawa. This is only six months into a mandate. I fear for this province down the road several months, several years into a mandate.

I find it tremendously hypocritical and, in fact, almost laughable, if it was not so serious, the claims

that there are no tax increases, Mr. Acting Speaker. To use a term that I have heard bandied about this House, that claim is a stranger to the truth. We have seen the gas tax increase as a result of the last budget, but, more importantly, in terms of the false—the stranger to the truth or this fiction that is being perpetrated by that group across the way, Mr. Acting Speaker, is the fact that property taxes are at an all-time high in this province.

Since this government came to power, the special levy on property taxes, levied by school boards as a result of the government offloading onto schools boards and as a result of government cutbacks from the central level to local school divisions, has impacted hundreds of dollars on every man, woman and child in this province—not tens of dollars, but hundreds of dollars for every man, woman and child.

This group, this Minister of Finance (Mr. Manness), this First Minister (Mr. Filmon) actually stands up in this House with a straight face and says, no, there are no tax increases. What a myth.

I have to indicate that I believe the people of Manitoba do not believe for one moment those rhetorical comments, Mr. Acting Speaker. It is going to become clearer and clearer as we proceed over the next several months and people get their property tax forms in the mail and look at the differences between now and last year, between now and when the Tories first formed government. So this myth about no tax increases is precisely that. It is a myth.

I find it also strange that this government says they will fight for fair treatment from Ottawa, and they will consider a court challenge to the capping. I also find this hypocritical, because what the federal government has done to the province is unfair. It has been done unilaterally; it is totally contrary to the process of consensus and co-operation that has been, for the most part of our history, a hallmark of Canadian history.

Mr. Acting Speaker, what they have done at the local level is precisely what Ottawa has done at the federal level. They have capped funding for public schools. They put in place an interim funding formula that is set at a 1990 base level. What that says to school divisions all across the province is that unless your enrollments go up your funding will be less next year and the following year and the following year if that formula stays in place. Even more symmetrical with the Tory plan in Ottawa, and

which makes these Tory cousins kissing cousins, is the fact that they have eliminated equalization in terms of the funding formula.

There used to be an equalization program in the public school financing formula that equalized a mill rate around the province so that rural school divisions and school divisions in urban centres, who could not raise as much property taxes on a mill, would have an opportunity to equalize.

What have they done? They have eliminated it. They have totally eliminated it. While their counterparts in Ottawa have wreaked havoc on equalization and the EPF program, they have done the same thing at the local level to school boards. That is why I find their comments quite hypocritical.

The results of the federal government's actions toward the provinces, Mr. Acting Speaker, have been that debt and deficits have risen in Ottawa. They have not decreased since Michael Wilson and the crew came into power. What has happened is that in fact the Prime Minister and Michael Wilson promised to balance the budget. Of course, that promise has gone wayside. They continue to go on their ill-fated venture to follow the Reagan model, and they will follow it to the extreme so that we will probably be in the same debt situation despite all of this cutting, despite all of this rhetoric that they are concentrating on the deficit, as the Americans are with the \$3,000 billion debt.

The danger of that and the problem with all of that is that in the process of doing all their cutting and slashing, the well-to-do are doing quite well, Mr. Acting Speaker, and they are doing better under Tory governments, but the vast majority of Manitobans and the vast majority of Canadians who comprise this country are doing far, far worse. Statistics bear it out. That is what happened in the United States, and that is what happened in Ottawa, and that is what is happening in Manitoba.

You know, just returning for a moment to the question of taxation, the government loves to talk about how they have decreased taxes. I have in front of me some figures from, I would not say an impartial source, but I certainly would not label it a New Democratic source. It is from the Saskatchewan budget.

The Saskatchewan budget did some analysis of personal taxes and charges on families and, lo and behold, Manitobans, when you consider total taxes and car insurance and telephones, et cetera, are far

better than their counterparts in other provinces, mostly as a result of New Democratic programs that were put in place.

* (1100)

One of the other matters that greatly concerns me about the approach of this government is the lack of planning. You saw it in the budget process. I certainly have seen it in the Department of Education, the lack of the five-year strategic plan and the lack of direction. Where is the multiyear budgeting that was promised by this government? It certainly is not evident at the Department of Education.

The most absurd situation occurs every springtime, and I admit it happened when we were government. It certainly has reached absurd proportions at present. We have school divisions waiting for their budget projections. They get their budget projections, then they only have weeks to scramble and try to figure out what they are going to do the following year. We have the absurdity of universities trying to plan in a vacuum and waiting for the government grant announcements.

You know, Mr. Acting Speaker, we on this side of the House have called for some multiyear planning and a strategic plan ever since we assembled in this Chamber last October. If we did that, it would at least allow universities, schools divisions and school boards to plan properly.

The State of North Dakota most recently put out its education budget in January, Mr. Acting Speaker. As an aside, I might indicate the grant increase to schools was 8 percent. I do not want to draw a parallel necessarily between North Dakota and Manitoba, but it is a largely agricultural state. It does not get the large transfer payments we get, but it is interesting that their increase was 8 percent, as was the Ontario increase.

I diverged—the point I wanted to make is they at least in their planning provided not only a budget for this year but a budget for next year, to allow school boards, to allow universities and colleges to plan properly. We do not do that here. The minister has promised the five-year strategic plan for months. The annual report for '88-89 even indicates there is one existing, but somehow it has not seen the light of day. As a result, we continue to meander and flounder. That is not just the Department of Education; that is throughout this government.

I look with some humour upon the comments of the Minister of Finance (Mr. Manness) when he talks about the new approach to spending, which is the envelope approach, something that has been used by governments for years. I actually believe, Mr. Acting Speaker, that it is more—in fact, I fundamentally believe it is a public relations gesture more than anything else. They have divided up the government into four envelopes of which the vast majority, 80 percent, is all in one envelope, \$3.5 billion in one envelope; \$218 million in another; \$500 million in one; and \$222 million in another. Somehow there is going to be an allocation between those four.

Even the envelope approach does not work properly when they are weighed and skewed in that kind of a proportion. The envelope approach, the much balleyhooed reform of government planning in the Estimates process, is nothing more than, like so many things we see from the other side, a mere public relations damage control gesture.

Mr. Acting Speaker, I also find it passing strange that the members opposite—every time we catch them on a program they are cutting or a group that is being hurt by their ill-conceived actions, every time that happens—yell across the Chamber, spending, all you want to do is spend, spend. That is the problem with this government. They hold themselves out to be great planners. They hold themselves out to comprehend business in the investment climate, et cetera. You know, they do not even understand the word investment. I looked in the Concise Oxford Dictionary, and I looked for a definition of the word invest and it says “employ for profit.” I look at the word spend, and spend is “use up, consume.” That is precisely the distinction, and it is something they do not understand.

Investment in education is employing that money for profit ultimately down the road. If anyone should understand, members opposite who claim to understand those things should. Investment in our justice system or in social services is employing the money for profit because spending a dollar at the front end will save you \$10 at the back end.

Spending money to try to ascertain whether a child needs help in school before they get too far down the system will save you far, far more in the long run when they come out of the system.

Spending money for children, spending money in social services, spending money for families,

spending money in education will do far more in the long term, not just in economic terms, but I will confine it to economic terms for the purposes of this discussion. It will even save you in economic terms. That is what this government fails to understand. Those expenditures that we are talking about are investments, Mr. Acting Speaker. They are investments in the future.

I wish members opposite, if there is anything members opposite could take out of my speech, could at least make that distinction. All of the comments we have made, all of the comments that I have made about what this government has done should be taken in the context that there is a 6-plus percent inflation rate. The effect of the GST has been devastating on our economy and on our citizens. The layoffs with people in the worst recession since the 1930s is affecting us dramatically.

Let us talk momentarily about public service layoffs, Mr. Acting Speaker. They are paying \$20 million in severance and other packages to save \$30 million. What they are losing is valuable experience. What they are losing is seniority. What they are losing is good will. It is typical Tory rhetoric.

Can the 54,000 unemployed—probably the highest ever in the province of Manitoba—afford the Tories? Can the 28,799 citizens who left last year, the 24 per day, afford a Tory government? Private investment is 10 out of 10 in this province. Even that, even their great hopes of the private sector coming in and saving them and regenerating the economy has not worked, because they fail to understand the fundamentals of our economy and our province. They adhere hopelessly to their ideology perpetrated by the federal Tories and by their direction or their mentor Ronald Reagan.

It is not very cheery prospects to be a youth in Manitoba these days. I am sorry to say that. Youths are supposed to be our future, supposed to be our hope for the future, and I am afraid that things are not seen that way by our young and by most parents in this province.

Our youth unemployment rate is over 20 percent. The future is bleak. What has this government done for the young? Tuition fees in universities are up by 20 percent. Student loans are eliminated. Mr. Acting Speaker, they have even eliminated the bursary program that was provided to adult and

disadvantaged high school students. Is that not typical of this Tory government to attack those least able to help themselves, to hurt the young and the sick and the elderly?

Rents are up. Summer job programs are cut. Worst of all, I think is the psychology that is pervasive amongst the young, and that is basically that things are becoming hopeless and there are no jobs and perhaps no future. That is probably why, Mr. Acting Speaker, we have 24 people a day leaving this province, voting again with their feet.

ACCESS programs are cut. ACCESS programs were recognized as probably one of the best programs ever undertaken and introduced to help our aboriginal peoples and others, and those programs have been reduced.

Public school funding we have discussed many times in this Chamber, but this government's attack on the public school system is probably unparalleled in Manitoba history. It is coming back to haunt them, and it will come back to haunt them.

The only thing that I can say positive about their approach to schools is, I actually fundamentally believe that they changed their budget when they saw the tremendous outcry out there in the public from what they had done to public schools. I actually think they gave more than they had planned to universities, albeit it was not enough. I think they backed off even worse cuts at the community college level, Mr. Acting Speaker, based on their response.

(Mr. Speaker in the Chair)

I think the public of Manitoba should take credit, and I will give credit to the government for backing off on the ESL program when they found out that the ESL program was so effective. When Manitobans stood up and said, do not take away our English as a Second Language program, the government was forced to listen. The government, to a limited extent, very limited, I must add, listened to Manitobans protesting about the public school funding and about what they had done to public schools in Manitoba, Mr. Speaker.

I only hope that community colleges and the students from community colleges can gain a little bit of recognition from this government as to what they have done to trample one of the finest programs in the country.

Mr. Speaker, can the senior citizens of Manitoba afford a Tory government? I am afraid not. Nothing is more illustrative of the approach, the lack of foresight and the hardhearted approach of this government than their basic indifference to the 55-Plus deindexing. The government is saving \$450,000. That is half a million dollars, but where is that saving coming from? That is the question the government fails to ask.

*(1110)

Is it coming from the Tory corporate friends? No. Is it coming from those who are able to afford it? No. It is coming from the weakest and those least able to afford it, and that is the problem with this Tory approach and this Tory ideology, this nonreality.

What is it saving, Mr. Speaker? It is saving \$20 a year for each of the 24,000 senior citizens receiving it. That may not seem like a lot of money to members opposite, but it certainly means a lot to each of those 24,000 senior citizens who has to exist. It might not seem a lot of money for the member for Pembina or to the member for Tuxedo, but it means a lot to someone who can barely afford it.

It is not a discretionary decision for many of these people to decide whether they are going to have canned soup or something like that. What the cutback has done is hurt senior citizens at the most basic level by taking away their opportunity to purchase food and to purchase basic necessities of life. We are not talking about steak and eggs, Mr. Speaker. We are talking about canned meat and the very basic necessities of life.

All of this is in place and all of this is in force while their federal counterparts have introduced the GST and are involved in the federal clawback program that drastically affects senior citizens. What they have done to the senior citizens in the 55-Plus deindexing is totally illustrative of the Conservative approach to problems and the Conservative approach to the economy, fighting the recession and fighting the inflation on the backs of the poor and those least able to afford it.

Many of my constituents, Mr. Speaker, have asked what we can do about the GST. I myself have written several letters to Michael Wilson, because I have seen that the comments in the House to members opposite have had no effect. This government has been completely spineless when it comes to the GST. They are completely spineless,

because they believe in the GST, and no matter what they may say now because they know it is very, very unpopular, they supported the GST, they support the GST, and they are doing nothing to protest that insensitive and harmful tax on the backs of others.

I do not have the letter here, the most recent letter, the most recent grandstanding and pap that I got from Michael Wilson regarding the GST, Mr. Speaker, but I can tell you it amounts to nothing. It amounts to more Tory rhetoric and Tory rationalizing about the effect the GST has on the citizens and the public of Manitoba.

I wish members opposite would take a stand, but they are not. They are not, because they believe in the GST. I can see it, because they have introduced the GFT, which is the Gary Filmon tax, which is the greatest tax increase on property that has occurred in this province since this government came to power. It is affecting every single Manitoban, hundreds of dollars per man, woman and child, but I wish members opposite would say something about GFT.

Mr. Speaker, I am going to deal with something, hopefully in a nonpartisan sense, for a few minutes in my comments, because I think it is very important. Recently, in fact yesterday, I attended at Forest Park elementary school in my constituency. I read, in fact, to a Grade 3 class, and I read to a Grades 4 and 5 class—pardon me, I think it was 5 and 6.

These students provided me with something I did not expect, and I think it is useful for all members of this House to hear some of the comments from these students. They provided me with a book from the Grade 3 students entitled, "Our Community." In this book they illustrated for me things they would change in our community if they were government.

I have marked some of the comments, and I want to read into the record comments out of the mouths of babes, because it is very illustrative of many of the problems in our society. It is very interesting the comments and the concerns expressed by these students. I am going to read some of these letters into the record, because I think we all could learn from our children.

Tanya G. said to me, if I can make—and I am reading from the comments of the Grade 3 students—changes in my community, I would stop the drugs that people take.

Jason said, if I can make a change in my community, I would make sure there is no littering, and I would stop people from taking drugs. I would make sure that less trees get cut down.

Matthew said, I would make changes in my community. I would cut the GST, and I would stop drugs. I would recycle things like cans, paper and bottles.

Jennifer Dmytruk said, most of all, I would help people living on the streets by giving them food.

Tom said, if I can make changes in my community, I would cut taxes and I would give money to poor people.

Jerry said, if I can make changes in my community, I would stop drugs, and I would also make machines so that you could recycle everything.

Simon said, changes I would make: when I saw poor people, I would give some money to them. When I saw people whose houses were broken, I would take them to new homes.

Marikris said, I would also make people recycle more, because a lot of things can be reused and most of it is going to waste. Most of all, I would really like this all to happen and if it could, I would.

Cory Kapkey said, another rule is, whoever speeds gets, or is caught speeding, and whoever steals has to go to jail for a long time.

Vince said, if I can make changes in my community, I would cut taxes and I would stop drugs. I would give garbage cans on every street.

Andy said, I would make changes by putting recycling boxes by every trash can, and I would stop the GST. I would bust drug dealers.

David said—and this is directly for the Minister of Natural Resources (Mr. Enns)—if I could make changes in my community, I would stop poaching, and I would stop them from killing animals. I would recycle everything, and I would stop pollution.

I should indicate that the environment was probably the No. 1 issue amongst these children.

Jassi said, if I can make changes in my community—

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, I wonder if the honourable member would permit a question.

Mr. Chomlak: After my time is complete, Mr. Speaker.

Mr. Enns: I would just simply ask him what age group these children are.

Mr. Chomlak: Oh, I thought I indicated earlier to the member, these were Grade 3s that I am reading from now.

Jassi said, Mr. Speaker: If I can make changes in my community, I would make taxes go down and I would help poor people who live on the street.

Marikris said: I would give money to the poor. Why should we have poor people dying? That is crazy. I think we should give more money to the poor.

Jennifer said: I would stop drugs. I would put a garbage can on every street. I hope you are happy in doing whatever you are doing—I think that was directed to all members of this Chamber.

Crystal said: I would make Canada a better place, and I would make it a big place for poor people to live in. I would really hope that no one would die from drugs.

Mary said: I would stop drugs for ever. I would recycle things like cans, newspapers and bottles, and I would stop kids from dropping out.

Ricky said: I would put garbage cans on every street, and I would help poor people who live on the street.

Roger said he would encourage energy recycling.

John said: I would also have people recycle such things as cans, paper and clothes, and I would clean up places that are dirty. I would stop people from selling illegal drugs.

Daniel also said: I would stop drugs and I would recycle and ask other people to help.

That was the Grade 3 class. This was unexpected, Mr. Speaker. I did not expect these comments and I did not anticipate reading them into the record, but when I looked through them I thought they were significant enough that I should.

* (1120)

I am going to read now from, I believe, it is the Grades 5 and 6 class at Forest Park. They presented me with a book as well called "If I Were In Charge." They put the Manitoba emblem on the front and it is a directed letter—pardon me, it is Grades 4 and 5, Mr. Speaker.

If they were in charge—Joy said: If I were in charge, I would help animals who are getting pollution from oil in the water. I think that fish die from pollution. -(interjection)-

I hear comments from members on the opposite side. I have been tempted to keep this nonpartisan, and I would hope they would accept these comments in the same light.

Zanita said: The other thing I would do is I would give money to the poor and buy them a house to live in, except it would not be such a nice house. I would also tell all the stores not to sell cigarettes and drugs because drugs just gets you into trouble.

Jonathan said: If I were in charge, I would have a Winnipeg baseball team, and I would also have a big stadium for baseball.

Gilemma said: If I were in charge, I would help the environment by cleaning up the Red River and having recycling trucks to pick up garbage and bottles on the ground.

Lori-Ann said that, if she were in charge, she would make sure that animals would not die and she would recycle.

Jonathan said: If I were in charge of the Manitoba government, I would give back money to public schools instead of taking money away from them. It is not quite right to take money away from public schools.

Point of Order

Mr. Kevin Lamoureux (Second Opposition House Leader): Mr. Speaker, under the rules of the House, if you are quoting from a letter, any member can request in fact that it be tabled. I would ask him to table it after he is done.

Mr. Chomlak: Mr. Speaker, I have no problem with tabling the letters. In fact, I think we might all benefit from having an opportunity to read these comments of the children.

Mr. Speaker: I would like to thank the honourable member for Kildonan.

* * *

Mr. Chomlak: Robert said, Mr. Speaker, if the people want to cut the taxes completely, the school kids are not going to have a good education. The schools will have no math books and other reading materials. Our Premier would lower some prices of food, tools and other family supplies.

Nicky said, I would also take bad movies off the air, because it does not help a child. Also, it could give a child nightmares. She also said she would give public schools and private schools equal share of finance.

Dino said, I would put drunk drivers in jail if they are caught by police, and they would stay in jail for five long years. I would keep Quebec part of Canada.

Andrew said, if I were the Premier I would expand old age pensions at least enough to pay all the extra GSTs that seniors have to pay.

Chris said, if I were in charge I would lower taxes. Some people cannot afford to pay their taxes and do not have jobs. If people lose their jobs, it is hard to get a new one. He also said, I would also put more money to the public schools. Children are the future of Canada. It is important to get a good education today and to have teachers who are concerned about a child's education.

Leanne stated, if I were Premier I would lower taxes but still have some taxes for hospitals and for the sick.

Brian said, if I were in charge I would give more money to universities and colleges so kids can get a good education and get a good job. He would also lower the prices of cars, houses and a lot of other things that cost money, because people might not have enough money to buy a place to live in.

Melanie said, if I were in charge of the government I would like to clean up Manitoba, for instance, graffiti on the walls.

Danalea said, if I were in charge of the government I would give all the homeless homes and all the poor people jobs.

Ryan said, if I were Premier I would give public schools the same amount of money as private schools. Otherwise, public schools will not have trips or the ability to bus.

Andrew indicated, Mr. Speaker, that if I were in charge of the government I would not cut bus money, because we need bus drivers to take kids to schools.

Abby, I believe, said if I were Premier I would build a new sidewalk for bikes only. Most people get grouchy when you are on the sidewalk or on the road and yell at you.

Victoria said, I would not allow cigarettes to sell in the stores, because people get cancer and die. I would not allow drugs to sell in the streets, because it is bad for people. I would not allow littering, so Manitoba can get clean.

Paul stated, another thing is, I would not let kids go on field trips to McDonald's. I only let them go to educational places. All McDonald's shows you is that you do not want to work there.

Mary said, if I were Premier of Manitoba, I would talk to the Prime Minister of Canada about the GST. We already have 14 percent—PST and GST.

Colin indicated, if I were in charge of Manitoba I would change everything so it would be right. I would make sure everyone has homes and food, so if there was a storm everyone would be protected from freezing and they would not starve to death. I would make sure there are enough jobs for everyone so they could afford things.

Mr. Speaker, there is no name on this last letter: If I were in charge of the government, there would be no more alcohol. Alcohol makes too many people get into accidents. The only alcohol should be wine. Some people think that the only way you can have fun is by drinking alcohol. Some people get crazy with alcohol and drink too much and start driving. Alcohol is not good for your health. I think alcohol is bad.

Those are my comments from the students of Forest Park School. I had not intended in my budget address to deal with these particular comments until I got them yesterday and started paging through them and noted, as indicated in the record, so many of those comments were offered on a nonpartisan basis, so many of those comments reflect some of the issues that we discuss in this Chamber and in this House on a regular basis. If I might just add—how much time do I have, Mr. Speaker? Pardon? Twenty seconds.

I thank you for this opportunity, Mr. Speaker, and I look forward to the continuing weeks, particularly the Education Estimates.

Mr. Enns: I wonder if I could have leave to ask the honourable member a question?

Mr. Speaker: The honourable member's time has expired. Is there leave of the House to allow the honourable minister to ask a question, and does the honourable member wish to respond to the question? Is there leave? Leave? It is agreed.

Mr. Enns: I thank honourable members.

Mr. Speaker, I want to compliment the honourable member for bringing those concerns of these youngsters to the Chamber. I have heard a lot of other speeches put on the record and in the Journals of this House. I think the concerns expressed so directly from Grade 3 students, as I understand, Grade 6 students, have indeed been extremely worthwhile.

My specific question, Mr. Speaker, is that it deeply disturbs me, as I am sure it must disturb others, that particularly from the youngest of the students, the Grade 3s, so many of them identified drugs as being a principal concern and a problem to them at that age.

I just wonder, I assume that has struck him in the same manner, whether or not the honourable member would suggest or would encourage our various agencies to deal more aggressively with that problem. It is frightening, quite frankly, Mr. Speaker, that as the member said, out of the mouths of babes we hear this reference, this repeated reference to this very serious social problem.

Mr. Chomiak: Mr. Speaker, I thank the Minister of Natural Resources for those comments and the question.

I can indicate that in my quick review, and I did not have a lot of time to review the letters prior to coming into the Chamber today, a quick review, that the three major issues, in my opinion, that were raised by these children were drugs, the environment and the plight of the poor. Those three seemed to be the preponderance of issues raised by the children.

There is no question that all three of those issues are predominant on their minds and on many of our minds in this Legislature here. I think what they are saying to us in this Chamber is, you legislators, you elected officials of Manitoba must do something on all three issues for us as we come up and as we enter adulthood.

* (1130)

The three issues are: You must do something about the drug problem. I might add, there were several comments in terms of cigarette smoking and alcohol as well as, I suspect, the hard drugs.

The environment, as well, was a major concern, something frightening to conceive of that our children at that tender age would be both hopeful

and frightened, hopeful on the basis that they are aware of the problem, but frightening to think that they are coming into a world where the environment can be in such great difficulty.

The third issue was the question of poverty and the poor and their recognition of some of the serious difficulties we are facing as a society. So I applaud all government efforts and all efforts by all members of this House to deal with all of these fundamental issues as they affect our society, Mr. Speaker.

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, it gives me pleasure to have the opportunity to rise and put a few comments on the record with regard to the Minister of Finance's budget presented this week.

Mr. Speaker, these are not easy times for us in this province. They are not easy times for Canada as a whole. I guess, reflecting just for a moment on what the previous member said about Grade 3 children and reflecting on drugs, it clearly shows that at a very young age we have some very difficult problems in the minds of young people, the kind of problems that clearly should not be there.

It is going to be a tremendous challenge to society as to whether we can create an environment for our young people to grow up with the health, the conditioning and the opportunity that we had when we were in Grade 3 as members ourselves.

Mr. Speaker, the Minister of Finance (Mr. Manness) on Tuesday really spoke from the heart when he presented that budget, because he was reflecting the serious considerations that every member on this side of the House had to give to the realities that are in front of us, both today and in the years ahead. He talked about a process of economic renewal, the fact that we do face some very serious fiscal challenges.

I am very disappointed to this point in time in hearing the comments coming back from the other side of the House, where members clearly have not yet understood what the public is saying out there, how the public is reacting to the attitudes of government and the officials in government over the last number of years that have brought us to this position.

Mr. Speaker, the people do not like the situation that 10 years ago the portion of provincial taxes that go to pay interest was 19 cents and through the NDP years it rose to 48 cents, two-and-a-half fold

increase in the percent of provincial tax that goes to pay interest. When the NDP government came into power, they were paying less than \$100 million a year in interest. They left us with a legacy of paying \$550 million for interest.

In this budget this year, Mr. Speaker, the public has been saying: Do not increase taxes, live within your means, because we as Canadians have to do it on a day-to-day basis. It is not possible that governments can live beyond the economic realities.

Mr. Speaker, the member for Brandon East (Mr. Leonard Evans) obviously does not read the editorials in his own paper in Brandon. Some two weeks ago, this editorial appeared in the Brandon paper. I would like to read a few excerpts from it, because it clearly represents the thinking that is going on definitely in rural Manitoba, and I would suggest in the vast majority of Manitoba's minds right across this province.

Mr. Speaker, I will read excerpts from the editorial: "Manitoba's, and particularly Winnipeg's, industrial base has had a rough ride of late. . . . Jobs leave the province, the people go with them in an effort to find work elsewhere." He goes on to say: "But the provincial government will be making a big mistake if it dumped money into temporary job creation initiatives that eventually create more problems than they solve."

That is what the NDP did. That is what the member for Brandon East (Mr. Leonard Evans) has constantly been talking about, dump money into short job creation programs that have to be paid for later. We are paying yet for the NDP's Jobs Fund of many years ago, and where are the jobs that it created? I dare we cannot find one.

I will read on from the editorial:

"The only long-term solution to Manitoba's woes is to create an atmosphere that is attractive for investment In many ways, the province is taking the correct long-term approach to the problem by keeping its spending under control and by not raising provincial tax rates."

A very clear statement, and I never heard the NDP on the other side of the House get up and refute this. They must have accepted it. They kept very quiet about it.

"And government won't be doing anyone any favors by creating expensive short-term job

initiatives that must eventually be bankrolled by financially strapped Manitobans. That is how this province got into an economic mess in the first place."

A clear reflection, a clear analysis, of what the NDP did through their term in office, why they were thrown out so unceremoniously by one of their own members and have lost two elections since then.

I dare say, if they continue with the kind of attack they have been carrying on in the House this week, they will not be in the favour of any or many Manitobans in the distant future, Mr. Speaker. Manitobans have given a very clear message to their government in this province and are going to continue to give that clear message to their municipal governments and their national government. They are sick to death of taxation. They have all the government they can afford.

I think some members over there forget some historical statements that have been made. Thomas Jefferson once said, the best government is least government. That is not what the NDP practises.

An Honourable Member: That was not Jefferson.

Mr. Findlay: That is who it was, Thomas Jefferson.

Another little gem from south of the line by the late John. F. Kennedy: Ask not what your country can do for you, ask what you can do for your country. A pretty simple statement. I think most people believe in that kind of principle. They have to practise it every day. They want to see a strong, healthy economy in this province, in this country, and they like the standard of living in this country. It is the best standard of living anywhere in the world, but there are—

An Honourable Member: It is going down.

Mr. Findlay: The member over there said, it is going down. Well, let us talk about why it is going down. The question is, can we afford it? That is a critical, critical question. Can we afford the standard of living, all the social programs, all the government amenities we have in this country? I will ask that member, how do we pay for that? Through taxation. That is how we pay for it, and those people who are paying those taxes are saying, I have had enough, I cannot pay any more. There is not a clearer message about a tax revolt than what is going on by Manitobans right now,

today, and it has escalated over the past three years.

I will just start with this statistic. In 1987, in the July to September period, 5,200 people crossed the border at Emerson. In the same time period three years later, in 1990, 33,747 crossed that border. Unbelievable! Six times as many Manitobans going south. Why are they going south? Because they can see that they can buy more with their dollar. That is why.

An Honourable Member: And the Americans are staying home.

Mr. Findlay: Why are the Americans staying home?—the member for Crescentwood, and he asked a question today about tourism. Because the cost of things is too high in Canada. We are living beyond our means. Is the member for Crescentwood saying, we will block the border in Manitoba so you cannot go south? Is that what he is suggesting?

An Honourable Member: Do not be silly.

Mr. Findlay: That is right, it is silly. So you have to create an environment, a cost structure, in this country that keeps Manitobans here, keeps them interested in spending money in Manitoba, and it will bring the tourists into this country. The atmosphere of tax, tax, tax, spend more, spend more, keep every job in place is an unsupportable principle. Manitobans are telling that to us loud and clear.

Members over there refuse to hear that message. They know that the public likes to be lavished with in terms of expenditure, give them easy answer; when somebody challenges, to give them what they want. The tough question is to say, no, we cannot afford it, but we have to cut back in certain areas we have already been spending.

Manitobans do respect an honest attempt to keep this government, this province, in the same position it has been for many times, in the position of strength. I say to the members that is under severe challenge in the present time, the months ahead and the years ahead, because Manitobans vote with their feet, they vote with their dollars. When they are spending their dollars in the United States, that is destroying the ability of the economy in Manitoba to be strong.

* (1140)

North Dakota has published a statistic that said they had \$300 million spent in their state by

Canadians, \$300 million last year. Well, I ask you, where did most of them come from? I do not know, but I would dare say it is 90 percent to 95 percent from Manitobans. I cannot imagine too many people from Saskatchewan or Ontario going into North Dakota. That is our money, earned in this province, spent down there, and not giving us the economic activity we need in Manitoba. That is why our revenue base growth is zero, basically zero, at 0.5 percent. It is virtually zero, that is why.

Those Manitobans are doing that because they know they can get more for their dollar down there. If there is no message clearer, there is no more dilemma for us as a country than this one. It is not only in Manitoba, it is right across the country.

An Honourable Member: Worse here.

Mr. Findlay: Well, I would suggest it may be worse in Vancouver, to the member, because they are closer to the border. Windsor is not a very good spot right now, but you know, Winnipeg is—what is it?—70 or 80 miles from the border, 90 miles, whatever it is, that is a fair drive. When Winnipeggers are now going down there on a regular basis, we have a serious problem.

I will relate another episode to the member that came up on Monday. My wife was shopping in a grocery store. The person behind her had a few items on the counter and was not speaking to anybody in general. She did not know who my wife was. She just started to talk out of frustration. She laid down three things and she said, oh, the price, the price is terrible, it is ridiculous; I cannot buy here anymore. She went on to say, and I bought \$300 worth of groceries last weekend, and I only paid \$100 for them because I went down south of the 49th parallel. She said I am going back next week and the weekend after. She has given up on supporting the economy of Manitoba. She is frustrated because things cost so much. They cost so much because we have to support the infrastructure of our social system which we all dearly want to keep.

We have a cultural difference with the United States, a significant cultural difference in our social program approach. It is important that we be able to maintain that, but the question in front of us all, how do we pay for it? How do we maintain the economy of Manitoba and Canada in a context that we can afford?

As the editorial clearly said, keep taxes down. We have to attract investment. The Minister of Finance (Mr. Manness) responded in a very significant way to that cry from Manitobans. He did not increase personal income tax. He did not increase retail sales tax. He did not increase general business tax. He did not increase corporation income tax. He did not increase corporation capital tax or the payroll tax. That is responding to what Manitobans want.

I have been out on three elections the last four or five years, the last two of them the message was never clearer. Keep those taxes down, keep them under control. We have to live within our means. That means if you are in there, you have to make some tough decisions, and clearly we have.

It is very discouraging to hear from across the other side of the House no understanding whatsoever of that principle, none whatsoever. I would like to hear one member stand up and say, I understand. I have some appreciation of the problem we face, and I want to be part of the solution instead of part of the problem. I will tell members over there, the citizens I have talked to in the last few days, the statement is repeatedly, good budget but not tough enough. It did not go far enough.

We are on the right track. There is absolutely no question about that. The problems created in the past because of tax, tax, tax, tax—and the member for Kildonan (Mr. Chomiak) talks about GF tax. That is absolutely ludicrous. He must look in the mirror and laugh at himself—from a government that all they did was increase taxes, increase taxes, 16 tax increases while they were in place, doubled the interest charges that our province has to pay by sixfold. I mean it is ludicrous what they are saying over there. They have no respect for common sense or understanding or honesty or any of the principles that make Manitobans the good people they are. I am very disappointed in the kind of approach that he brings to the House. If he went out on the stump today, he would get laughed off those doorsteps.

Now, Mr. Speaker, it is extremely unfortunate that people have to lose their jobs. It is extremely unfortunate. I find that the most distasteful thing we have ever had to do, anytime in my life but particularly in the last few days. It hurts me, but I do respect those people who did lose their jobs, who phoned back to my department and say, we

understand, we hold no malice; we will get on our feet and we will carry on and we will be back applying for jobs when the vacancies emerge, or where people may take the option of voluntary release or early retirement. I say to them, absolutely, come back and apply for those jobs for which you qualify, because they have a proper attitude.

When members over there keep asking the kinds of questions and make the kinds of statements they want, they will confuse those people about the real realities of life. Some things do come to an end. Some things become lower priorities than others. I will tell you we have had a depression, a recession—I better use the word recession—in agriculture for three or four years. What is happening in the rest of the economy in the last few months is no surprise to us. We have been going through it. We do not see ourselves getting out of it either in the short term because of the situation I have talked about many times here about the economic situation of the grain prices, grain trade war and all that.

Mr. Speaker, while I am on my feet I want to just dwell a little bit about some of the issues that we do face in terms of being able to, in agriculture, come out of this recession that we have gotten ourselves into. I say the grain prices, that it is a good thing to use as an excuse.

Agriculture in Manitoba, the gross income—for the member for Dauphin (Mr. Plohman) since he does not know the figures—is roughly \$800 million to \$1 billion in the livestock sector and about the same kind of relative income over a period of time from the grain sector.

The majority in the livestock sector is in fairly good shape right now. Cattle prices are good; they are strong. They have been there for a while. Hog prices are relatively good, could be better, have been better, but in a relative sense not all that bad.

Supply and management, as traditionally is the case, does get a good return from the marketplace and they are looked after quite well. That only helps those people in the dairy industry, the poultry industry or the milk industry, Mr. Speaker, and that is a small number of our farmers.

The member for—well, before I get into that issue—Mr. Speaker, in this province overall, whether you are talking grain or livestock, we have to export 50 percent or 60 percent of what we

produce, so we have to have market access somewhere, and we want fair prices when we sell into those markets.

Over the past few years, two or three years, our world exports outside North America have gone down 11 percent. Our exports to the United States have gone up 13 percent. They are a good buyer, they can pay cash, they respect the quality we have, and they want to buy our products, whether it is wheat or durum or pork or beef. They want to buy it, and that is a growing market opportunity for us, particularly in Manitoba, since we are in the middle of North America. That is a direct access south that we need to maintain.

Mr. Speaker, I have heard members over there stand up and talk about the Free Trade Agreement. They are against free trade. The member for Flin Flon (Mr. Storie) stood up the other day and asked a question of the member for Emerson (Mr. Penner) after he had given his speech. He said, are you in favour of supply management or free trade?

Supply management is in place for about 10 percent of our producers. The rest have to trade on the competitive market. If we close our access to other countries or have our access closed, we have no market for 50 percent or 60 percent of what we produce. So, yes, we believe in supply management, and if we do not believe in free trade, we have a problem.

Over the past two years, as I put the figures on the record a few days ago, in durum we went up one and a half fold over the last two years to the United States. For other wheat, we went up twofold over the past two years; oats, we went up twofold over the last two years; canola, we went up fourfold in our market access to the United States. That is for canola oil. That is the processed product; that is not the raw product.

An Honourable Member: How did free trade account for that? How did free trade help that?

Mr. Findlay: I will tell the member in a moment, if he will just hang on to his britches there. I will get to that point, because that is where I am headed. For flax we went up twofold. Market access, sales to the United States, and that is cash coming back to this province.

For beef, we went up from \$170 million in 1988 to \$373 million in 1990, basically a doubling. So here I go down the list: one and a half times, two times,

two times, four times, two times, two times. Market access to the United States without any duties or countervail getting in the way.

* (1150)

Now, I want to talk about pork where a duty is in place, where countervail is in place, designed to keep our product out or to hurt our market access. What has happened to pork? We have gone from 209,000 tons down to 174,000 tons in exactly the same time frame, the two-year period. So where there is free trade and all the commodities I have talked about we have increased market access. We have to have it. In the one where there is no free trade or there is restricted free trade where countervail is in place, our market access is declining. That member is in favour of getting rid of free trade, getting rid of countervail.

An Honourable Member: The agreement had nothing to do with the increase in those products. You just admitted it.

Mr. Findlay: That agreement had nothing to do with it. Over the two-year period the Free Trade Agreement has been in place, this has been the history, Mr. Speaker. The only commodity we lost market access to the United States is the one that they have countervail against us on, the only one of all those commodities. How is the agriculture going to stimulate the economy in the province of Manitoba if we cannot sell our products somewhere? If we are going to live on just selling to Manitoba, we will shut down half the farms.

Oh, the member for Dauphin (Mr. Plohman) probably approves of that, but I can tell him the farmers of Manitoba do not approve of that. The farmers of Manitoba want to have opportunity to produce a quality product and get their return from the marketplace on a continuous basis, and they want fair prices, Mr. Speaker, fair prices for that opportunity.

Mr. John Plohman (Dauphin): Correct the record or I will. I do not approve of shutting down farms.

Mr. Findlay: Okay, I will accept that. The member does not approve of shutting down farms. At least on that basis, we are on the same wavelength, and the absolute essential ambition of the Department of Agriculture is that that will not happen.

It is distressing that we do have economic problems in the farm community of some fairly significant magnitude. We have gone through

processes that are, hopefully, alleviating that and will help farmers be able to reach their position of being able to put a crop in and receive a fair return for that in 1991 and the years beyond.

Mr. Speaker, in the process of looking at our budget, we tried to use some basic principles in dealing with agriculture. No. 1, we wanted to maintain all our front-line extension activities that we could afford to keep, and we have done that. We wanted to put in place as many dollars of risk protection for the farm community in Manitoba as we could. We have kept all the tripartite programs in place. We have crop insurance in place, and we have added a \$43-million expenditure on a GRIP program to help farmers fight the grain trade war by giving them a fair price for the bushels they produce.

Mr. Speaker, the farm organizations in the province of Manitoba have continually given me representation that they want GRIP, and they want opportunity for NISA. They are saying they do not require that the province accept the federal government's initial approach on NISA. Alternate funding operations will be accepted.

Mr. Speaker, we have also, in the Department of Agriculture, not only kept our front-line extension in place, kept our risk protection programs in place and added to them by a tune of \$43 million. We have also maintained our basic expenditure of \$112 million. We have had to make some reductions in activities, and we tried to amalgamate where we could to create efficiencies.

We have tried to reduce where we thought there was lower priority in terms of need by the farm community in certain functions like policy analysis, statistics, not essential for helping the farm community at this time. We have tried to keep services in place that we could no longer afford to fund, and we have done that through attempts at privatization, of feed analysis, soil analysis, drug lab and semen centre. It will save the government about \$8 million expenditure to do that, and all those services will be delivered to the farm community by alternate providers of those services, and I would dare say at a minimal increase in cost, and probably in some cases no increase in cost.

I will tell you, Mr. Speaker, that the various proposals that are coming in now, interested parties in delivering those services are very encouraging, very attractive and statements are being made. We can do it more efficiently, take government out as a

middleman. The policy of the drug centre particularly, will be maintained, improved, streamlined and more responsive to the farmers and veterinarians' needs. Those are the commitments that are coming forward.

Government can be in place for a period of time to set up services that are seen to be necessary, find out how those services are being used by the producers. When the system is up and working well, you have the opportunity to put it in other hands and get on with other jobs in government. Where a service is no longer required by producers, then get out of that service.

The semen centre is one of those services. We only had 40 percent of the business. Farmers are buying 60 percent direct from the commercial suppliers already, so we were not serving a basic need there. All we were doing is buying from those same private sources and reselling it to the farmer. -(interjection)- Oh, it was costing us money acting as a middleman, and the farmers are using the direct-access route.

Mr. Plohman: Lots of competition you have, eh?

Mr. Findlay: The member for Dauphin (Mr. Plohman) talks about competition. We are buying from same supplier that is already here in the province, so how are we creating additional competition? We are selling at the same price, buying from the same supplier, the same semen. All we are is the middleman getting in the way of a direct sale, and the farmers want the direct sale opportunity, the direct access opportunity. They have used that process now, in an escalating fashion, for the past few years.

The soil lab, as an example, also of the similar situation. We would like to think we were doing all the soil analysis that farmers wanted in the soil lab that is out at the extension services at the university. The truth of the matter is, we were getting maybe 50 percent of Manitoba farmers' business. They were sending the other 50 percent out of province, basically in the United States. They are voting on the issue, right clearly as saying, the service we are getting out of the states, it seems to be better.

So hopefully whoever takes it over will be able to meet that competition, be able to give them exactly what they want—the value for the dollars they spend on the service. We have attempted to improve it. It has not seemed to have worked so we will get it into

other hands that may be more responsive to be able to meet that need.

Mr. Speaker, in the course of being able to deliver the \$43 million for GRIP, I have talked about having reduced our expenditure by some \$8 million through privatization. We have reduced expenditures in crop insurance by \$4 million, and I would like to tell the member for Dauphin (Mr. Plohman) that is because the market price is lower so the call on the government for premiums will be lower, even though the uptake on crop insurance will be exactly the same. So it is a \$4-million saving because the market price is down and the increased support to the farm community is reflected in GRIP rather than in crop insurance.

The MACC reduction of \$3.5 million in allowance for doubtful accounts, that means that the budget in the previous year for allowance for doubtful accounts has been cut in half because there is going to be less call for doubtful accounts in this next fiscal year, and that is good news. The farm community is able to pay their bills without having to call on the government to write them off. That is good news.

Mr. Speaker, in the other area, of course, the Interest Rate Program, \$23 million allocated last year. This year there is no longer a call for reducing interest rates. Last year interest rates for the farm community were going to be 16 or 17 percent. We reduced their interest rates by 7 percent and directed every dollar directly to the farm community in that program. This year, right now, farmers can get interest rates at 10, 10.5, 11 percent, basically about the same as they got last year, without the need of government interfering.

An Honourable Member: Do you know now how much you spent out of the \$23 million?

Mr. Findlay: You will find out the figure when we get to Estimates; get into Estimates and we will get into it.

It is not an easy time for the taxpayer, it is not an easy time for the economy because the recession is clearly here. I would like to think that we are going to get out of it in a few months, but I am realistic in saying that it is going to take more months than we would like think of right now, because the attitudes of people are down. They see a problem in terms of their ability to compete in the world market in our industry. If we are out of it at this time next year, I guess I will be very happy. Hopefully in the budget process next time around, we can get back to being

able to do more of the things that we would like to do, but in the intervening period of time, it is unfortunate that we have to lay people off.

In my department we have had to give notices to 30 people. It is unfortunate, but of those 30 people, 12 of them are in the drug centre and the feed lab and those jobs may well be able to be carried on by the new provider. There is a window there for them or certainly for those jobs to be continued in place in the province of Manitoba. So now we are down to 18 jobs that are going to be lost, but the window of opportunity for early severance or voluntary severance will hopefully open some opportunities for those 18.

Mr. Plohman: There are 51 positions.

* (1200)

Mr. Findlay: The member for Dauphin (Mr. Plohman) says there are 51 positions, but there were 21 of those positions that were vacant so that does not reflect in terms of a job loss directly. They have been vacant for some months, some of them for many months, so it is not a direct-hurt impact on a person at this time. I cannot help but say that I regret these things had to happen for those people, but I do respect them calling and saying they appreciated the process by which it was handled. They kind of expected it, and they are not down on themselves. They will be back on their feet, and they will be applying for the job opportunities that come along. I respect their honesty. I respect their integrity, and I wish them well. I know that they will be back applying, and many of them will be back in the department or in other departments of government. I do have that confidence.

We have to, and we did, respond to the requirement of the public at large that taxes not be increased, the deficit be kept under control and that we prioritize the services we are delivering. In the Department of Agriculture, the requirement for GRIP was mandatory. The representations have been continuous to it that we must deliver that program, and we responded by numerous changes to facilitate requirements of producers that we do a better job in terms of giving them an opportunity for a higher level of coverage this year.

Mr. Speaker, we have given them a 5 percent reduction in their premium if they take crop insurance. We have given them the Superior Management option. We have allowed them to raise their coverage by 25 percent in 1991 if they

can produce that kind of yield. They have asked for individualization; Superior Management gives them that opportunity. The productivity enhancement index over the next three years will give them a rapid movement to individualizing their old coverage crop by crop relative to their performance. They have wanted that individualization for a long time, and in the last two years we have had coverage adjustment in place, which has moved people up above the so-and-so on average, or below. Naturally, those who have moved above are happy. Those who fell below for circumstances sometimes in their control, sometimes not in their control, we have allowed them now to have the area average back again on the revenue side.

Mr. Plohman: An inch of rain is all that makes the difference.

Mr. Findlay: I am pleased to report to the member for Dauphin, who may not travel this province very much, that we have a snow cover. We have had a snow cover right across this province all the way up to just about Dauphin, which will create an inch of moisture for the rural community. That is well received by the farm community at a time when it is critical for pastures and getting the land ready for seeding. I only hope that the member for Dauphin will support me in my prayers for more rain in the latter part of May, all of June and the early part of July. -(interjection)- Well, he knows as well as I that nobody is going to manage that request.

Mr. Speaker, the farmers of the southwest have experienced several years of significant difficulty with regard to drought, and then you put a price situation on top of that, it is a difficult burden for them to bear. We have had phone calls from the southwest in the past few days, particularly since we had made the announcement that the area average option is available to them, saying, yes, we wanted that, that is what we needed. With Superior Management, it will give us a major opportunity to allow us to cover our cost and get the kind of coverage we want, and we can individualize ourselves over time. We will be able to make the farm adjustments we will need to make over the next few years to get a fair return for what we produce.

Many people are starting to understand that diversification into livestock, into other crops, as necessary, because the world outlook for wheat, in terms of price, is not a pretty picture. There is no question that there is demand out there. There is

need, because production for four of the last five years has been below consumption. There is need out there, but the grain trade war between the United States and Europe has totally destroyed the principle of supply and demand setting price, unfortunately.

As a country, we thought that the GATT process would give us resolution in that regard. At this point in time, the talks are now starting to get back on track a little bit, but until I see some concrete conclusion on the table, accepted by all the countries, I will continue to be somewhat pessimistic that that process will give us the kind of resolution that we need for the export grain sector, particularly for wheat and barley.

Mr. James Carr (Crescentwood): Give us hope.

Mr. Findlay: I am always an optimist, to the member for Crescentwood, but I will tell him, as I have said before, having gone to Europe and heard their analysis of why they are doing what they are doing: for food security and the social program of keeping people on the land as opposed to having them come in the city. It has been an ongoing policy for many years, well accepted by the urban community, which is paying the 1.4 percent VAT tax to support that program. When you have 380 million people paying that, now that they have added on East Germany, they have a public policy in place for food security and keeping farmers on the land that they are going to stay with. They want free trade in every commodity, in my mind, except food products, and that is a reality.

They are a very powerful group of countries now that they have gotten together, and as they—to the member for Crescentwood particularly, I will say—have given up sovereignty across their borders, they will do more of that in the next 18 months to have strength of a large economic base in combination. They are also talking about adding on additional countries.

Mr. Plohman: . . . what about the U.S.? I mean, can you say the same thing, what you just said about the Europeans, about the U.S.? No.

Mr. Findlay: Europeans started the process, the U.S. responded, and they are both to blame today. I will tell the member for Dauphin (Mr. Plohman), they are both to blame today because, as long as they carry on that trade war, we are caught in the crossfire, as well as Australia, New Zealand, Argentina, Brazil—many of us we call smaller

exporting countries that depend on exporting grains in order to make a reasonable income on our land base.

I do not see a light at the end of the tunnel with regard to their commitment to give up on that process. In fact, I see more allocations in the U.S. budget for the Export Enhancement Program. They went from \$250 million to a \$500 million allocation last year; now they have \$900 million allocation. That keeps an escalating trade war in certain commodities. I am also concerned that they may go beyond the commodities they now put that in place on. And, yes, it violates elements of the Free Trade Agreement—clearly.

They are violating, I would say, the essence of the Free Trade Agreement in the hog countervail, particularly when we won the panel. We won the binational panel under free trade. We won the panel under GATT. Now they have launched this extraordinary challenge, but I do believe that on May 15, when those judges do report, that will be the end of the road for the ability of the Americans to launch frivolous attempts to keep our products out of their backyard. If we did not have that agreement, that countervail would be there forever and a day, and we would have no method of fighting it.

We have to have that market access in the pork industry, in which we have doubled production in the last 10 years, 1980 to 1990, and I think we have the opportunity to double it again in this province, because we have low-cost feed grains and we have a market there. There is a willing buyer. Thirty percent of our production in Manitoba goes to the United States now, and I think that the opportunity for escalating that is fairly significant once you get rid of that countervail, because it is a deterrent, naturally. But I will tell the member for Dauphin (Mr. Plohman), I have had hog producers tell me that even today, with the countervail in place, they can sell their hogs in the United States, finished hogs, and make \$8 a hog more than selling in Manitoba. That is the essence of the problem that exists, and the reason why that happens is the cost of processing down there is less than here. Labour costs are less, taxes are less.

Mr. Plohman: They are less in Mexico too.

Mr. Findlay: Well, the member just scoffs at that, says, oh, forget it.

Mr. Plohman: No, but—

Mr. Findlay: I have had several people who are in the processing sector in this province say: If I left, my smart money would be placed in a plant in North Dakota today, and not in Manitoba, because the costs are too high here—the costs of labour, the costs of taxes—to support our social system.

That is what the problem is. That is why if we want to continue to have it, we have to make some structural changes in how we run our system with regard to taxation, or we will not have the economic base to pay for the system. Now you say it is the chicken or the egg, I am sure. Well, I will tell you, we have a problem, we had better start finding a way to analyze it.

What I read out of the editorial of the Brandon Sun of some two weeks ago should give the members cause to reflect. Everybody knows we have to have a competitive environment to attract the business, to create the jobs, to be able to create the revenue to pay the taxes to run the social system that we are in government to run.

Mr. Plohman: What does that mean though? Cut the social programs, cut the jobs. What do you save?

Mr. Findlay: I am telling the member for Dauphin (Mr. Plohman) the reality that exists. That we have to be able to live within the means of our people's ability to pay. If that member says just tax and tax, tax the corporations, tax the jobs, that was their approach in government. Wherever they saw money, well, we will just jump in and tax it. Had they stayed in power, we would probably be buried in taxes today where we would have an exodus of Manitobans that would just be unbelievable.

An Honourable Member: Well, we have got them now.

Mr. Findlay: We have got them now, Mr. Speaker, because that member was part of a cabinet that did that sort of trick. They built bridges that were only half long enough that wasted \$30 million, instead of helping any part of the economy that could stimulate the ability to pay for these social systems.

Mr. Plohman: He still does not have that price right.
* (1210)

Mr. Findlay: I think I have got it fairly right, to the member for Dauphin (Mr. Plohman). I recall him standing right here and standing up and saying, well, it was only half long enough, Mr. Speaker, and that brought the House down that day.

Mr. Plohman: You are 50 percent wrong. It was \$20 million total for everything including the—

Mr. Findlay: Well, after the access roads are in, I think you will probably agree with closer to \$30 million, but even if it is \$20 million, \$30 million, it is every dollar wasted. Why did they build that bridge there? Why did they not replace the Lockport Bridge? Why did he not replace the Lockport Bridge where there was need for a traffic flow across that Red River?

An Honourable Member: I will talk about that sometime.

Mr. Findlay: Well, the member wants to talk about it. It will be interesting to hear his analysis. I will ask the member when he gets on his feet and he does talk about that, if he would just do the House a little courtesy.

The members across the way made some comments in their questions today about rural Manitoba and what we were doing or not doing for rural Manitoba. There is a fair list of things that are happening in this budget that relate to rural Manitoba.

Decentralization continues. The vast majorities of jobs will move to rural Manitoba this year, Mr. Speaker, and my department will be a major participant in that process.

The GRIP program, \$43 million of premium contribution, in this budget, and the deficit liability we will have to absorb, starting in the next budget, will start this year with the money flowing to the farm community late—

An Honourable Member: Federal offloading.

Mr. Findlay: The member can call it federal offloading, and that is right. There has been a lot of that. It is unacceptable, but when you are at the negotiating table and the final analysis is this is it, that is it, take it or leave it, you have got to get something for your producers.

Mr. Speaker, \$100 million in the Highways budget. Most of it will be spent in areas that are going to service rural Manitoba, and that helps Manitobans to be able to get from community to community to haul the products in, haul their grain and their livestock out.

We are maintaining the health care system throughout Manitoba. We are not doing like Newfoundland did and closing 360 beds, but unless

we get our budgets in line, that may be something that Manitobans may have to think seriously about in the future. We have to be able to live within our means to be able to stop short of doing that, for other provinces are doing that. They are doing it for the same reason, economic reality.

We are maintaining our educational system throughout Manitoba and increasing the expenditure in education, increasing the expenditure in health care. We are helping rural Manitobans through Family Services, increasing the expenditure. Increasing the expenditure at a point in time when clearly many Manitobans have said, hold the line, hold the line, and we have increased in order to respond to those needs in rural Manitoba.

Mr. Speaker, how much time do I have left? Zero.

I would just like to conclude by saying these are difficult times. I would ask all members to reflect on the reality of trying to be responsible to the citizens of the province of Manitoba who pay the taxes for their salaries and the running of government.

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

Mr. Carr: Mr. Speaker, this is the fourth budget that I have spoken to since first having been elected. It is remarkable how quickly in this business one becomes a veteran, or at least how one feels one is becoming a veteran.

An Honourable Member: Because you are getting greyer.

Mr. Carr: As my friend the minister of government says—I want to tell him that I am not greyer because of politics. I am greyer because I have three young children. That is another story.

Oddly enough, the lighthearted quip at the beginning of this speech really drives at the heart of the meaning of this budget, Mr. Speaker, because as we look at the elements of it, we do not ask the question so much, at least those of us who are young parents, how does it affect me, but you ask the question, how will it affect our children? Then, in order to answer that question in proper focus, I would like to pose another one on this the fourth budget since at least I was elected to this Chamber: Are we better off as a province, as a society today than we were when this government was first elected in 1988?

Let us pose that question with a focus on some individual sectors and communities in Manitoba. Is

the farming community better off today than it was more than three years ago? All objective answers to that question would yield the same result. The answer is no. Are rural communities better off today than they were when this government first took office? Well, the answer is obviously no, because the rural communities are in decline. There is a crisis in the farm economy. More and more people on the farms are having to work in the small towns or in the cities, and there are fewer and fewer farm operators—more large ones. People are leaving in record numbers from the agricultural economy to the city, so the rural communities are not better off.

Are the tourist operators better off today than they were three and a half years ago? Obviously not. In our questions to the Minister of Industry, Trade and Tourism (Mr. Stefanson) today, we saw in stark reality that there are far fewer people coming across the border into Manitoba now than even last year, and it is a trend that promises to continue. As we will see later on in a more thorough analysis of the budget, the government has not done a single, solitary thing to bring people into the province.

Are university students and the university system in Manitoba better off today than they were three and a half years ago? Again, it is impossible to argue that they are. Universities are strapped for funds. As a result, university students are paying more and more, higher and higher tuition fees.

Are small business operators better off today than they were three and a half years ago? I do not think so, because if you look again at the statistical analysis of bankruptcies, both corporate and personal, they are at record proportions. So, by any objective measurement, small businesses are poorer off today than they were when this government took office.

Is the public school system healthier today than it was three and a half years ago? No. I guess it is—three years ago. The sporting community, the cultural community, the volunteer sector, in the wake of massive cuts announced by the Minister of Finance (Mr. Manness) three days ago, are they better off in 1991 than they were in 1988? No objective analysis will say that they are.

How about kids in crisis and those in turmoil in our families? Are they better off? No, they are not better off.

Are the inner city of Winnipeg and those who are struggling to restrain themselves as a result of layoffs

across the province, better off with the labour adjustment strategy announced in this budget that is worth exactly two cents a worker? We can call that the two-cent solution to a massive dislocation and relocation problem in our workforce.

How about the sick elderly, given the freezing of the 55-Plus program announced by the Minister of Family Services (Mr. Gilleshammer) not long ago? Are the sick elderly better off? No.

So, Mr. Speaker, what I have done in only five minutes is taken a survey of this province from north to south in the towns, on the farms, in the inner city, across all sectors, and I would defy and challenge ministers on the Treasury bench to stand up when they speak to this budget and tell us how any or all of those sectors are better off under the management of this Progressive Conservative government than they were when this government took office.

We hear every day in the House—and sure, as Liberals, we get a kick out of it. The Premier (Mr. Filmon) and other ministers rise in their places and blame everything on the NDP. Well, just as all of the travails of the Manitoba economy are not the fault of this government, nor were all the problems pre-1988 the failure of the New Democrats, although having said that, certainly they had their share of failures. The Premier is only too quick to point them out at every opportunity he has, and he seems to take them two or three times a day.

That indicates, as we listen to the bluster and the rhetoric on both sides, and as we see, that no sector of this economy or of this province is better off today than it was when this government took office. Maybe we could even get consensus in the House, among all three parties, that that is a fact. We have to look at solutions that are being proposed by this government and by members of the New Democratic Party.

It was instructive to listen to the side discussion that Hansard probably picked up during the speech of the Minister of Agriculture (Mr. Findlay) and the counterpoint that was offered by the member for Dauphin (Mr. Plohan). The Minister of Agriculture said "black"; the member for Dauphin said "white." The Minister of Agriculture said "X"; the member for Dauphin said "Y." The Minister of Agriculture said "right"; the member for Dauphin said "wrong." That in its own way is a microcosm, a symptom, an example of the kind of polarized thinking that

Manitobans have seen enough of over the last 20 years in the politics of this province. There is in the political spectrum of Manitoba a rational middle ground between the ideology of the right and the ideology of the left.

Let me refer to a couple of comments that were made over the last day by the -(interjection)-

* (1220)

Again, I heard the Minister of Agriculture say in his speech that the comment that he has had from presumably constituents and others about the budget tabled by the Minister of Finance (Mr. Manness) is that it did not go far enough. We heard in the speech by the Minister of Energy and Mines (Mr. Neufeld) yesterday, in one of the more forthright dissertations on the budget that he, too, felt that the budget did not go far enough.

I presume what they meant is that there should have been more hacks and cuts and slashes to programs and to the public service in Manitoba, that that would have been in the best interests of the province. So I ask rhetorically, to the Minister of Agriculture (Mr. Findlay) and the Minister of Energy and Mines (Mr. Neufeld) and, no doubt, the Minister of Health (Mr. Orchard) and any other, why did they not go far enough?

Mr. Ben Sveinson (La Verendrye): You are saying we did not.

Mr. Carr: No. My friend, the member for La Verendrye (Mr. Sveinson), says that I am saying that they did not go far enough. No, I am using the words of the Minister of Agriculture and the Minister of Energy to ask a rhetorical question back to them. Why did they not go further? They did not go further because, presumably, they did not think it was in the best interests of Manitobans to do so. Because if they would have thought it was in the best interests of Manitobans to do so, presumably they would have gone further.

Mr. Plohman: I think politics got in the way.

Mr. Carr: The member for Dauphin (Mr. Plohman) said politics got in the way, and I think he is right. What does he mean when he says that politics got in the way? Hopefully, what he means by that is that the will of the people and the expression of what the people want was communicated to the ministers, and they acted accordingly.

Let us not for a moment think that this budget or the situation that we find ourselves in, in Manitoba,

is isolated from what is happening globally or indeed across our country because we have seen, particularly since the Conservative government took office in Ottawa, that there has been a steady decline in our productivity, that there has been a massive outflow to the United States, that there has been a rationalization, a centralization. We have seen plant closures like we have never seen before, and we are trying to adjust, and we are trying to formulate a strategy that is going to work for our province. So what has this budget done?

I was really interested in the rhetoric of the Minister of Finance (Mr. Manness) who, in his budget address, talks about the future of our province, that this budget was aimed to lay the groundwork for the future. Can the Minister of Finance point to one measure in the budget that gives hope to our children, to university students, to high school students that it is going to be better next year or in two years than it is now? We have already proven, and I challenge the Minister of Health (Mr. Orchard) to show us statistics to the contrary, that overwhelmingly we are not better off today than we were in 1988.

There is no point over analyzing the past. We are here to project into the future and do the best we can to prepare for it. So we look at the budget and we ask the question: How does this budget prepare the future for the Minister of Health's children and mine? Where is the investment?

Let me use the tourism industry as my first case in point. As we showed today in Question Period, they are staying away massively from Manitoba. Yet we have not invested one dime to try to bring them here. Now, how does that prepare for the future of Manitoba? How is it that when 19.5 percent fewer Americans come across the border than did last year, the response of the government is to cut our investment in parks, to cut beach controls, to cut industry promotion, tourism promotion, to cut the grant to the Tourism Industry Association of Manitoba?

How does that invest in the future for tourism in Manitoba? Let us not think that that investment does not pay dividends, because we all know that tourism is the single largest industry in the world. It has been proven beyond a doubt that investment in tourism pays enormous dividends in the long run, so rather than investing in the future of the province, we are denying that future by wrong-headed budget

decisions which are short term in nature, which have no redeeming qualities and which, in the long run, will cost the Treasury of Manitoba money, not save it. Mr. Speaker, that is not spending smart; that is spending foolishly.

Another example, why is it that, in the levy of the 1.5 cent a litre tax on gasoline, the government, in its wisdom, did not choose to exempt gasohol? Now what would the effect of that decision have been? Obviously, it is in the interests of the agricultural community. Obviously, it is in the interests of the producers of gasohol. Obviously, it is in the interests of the environment of our province, yet I guess it just did not occur to the Minister of Finance (Mr. Manness). I am surprised at the Minister of Family Services (Mr. Gilleshammer), who represents the riding of Minnedosa, that he did not give this good idea. There is another example where you are investing in the future.

In some of those sectors that I referred to earlier in my speech, Mr. Speaker, which have suffered badly under this government, again in the Department of Energy, we have transferred responsibility over conservation measures to Manitoba Hydro. I get a kick out of this one. I get a kick out of this one because, along with the Minister of Health (Mr. Orchard), I sat in on the Committee of Public Utilities and Natural Resources when the government said, well, we are not going to direct Manitoba Hydro in its conservation targets. How could we possibly do that? Well, we are not directing Manitoba Hydro; we have given them the responsibility. This is really an incredible abdication of the role of government. As we all know, the track record of Manitoba Hydro to conserve hydroelectricity is dismal.

Between 1981 and 1988, when the New Democrats were in power, the conservation targets were zero. Now, what the government of Manitoba under the Progressive Conservative Party has done is said to Manitoba Hydro, we like your record so much that we are going to transfer the whole responsibility of conservation to you, therefore government taking itself out of any direct control over the whole field of energy conservation. The energy budget has been slashed, but just in order to show some balance into the equation, the government did at least one thing right. The government abolished the Manitoba Energy Authority at a saving of \$1 million.

I do not know what to do, Mr. Speaker. Maybe I should ask for your advice. We have a private member's bill on the Order Paper that abolishes the Manitoba Energy Authority, and lo and behold, the government has done it. I do not know whether that means the government is going to vote for our bill or whether I am supposed to withdraw it. Either way, the result is a good one. What they have done in that measure is simultaneously save money and rationalize government so better decisions will be made and avoid and eliminate duplication.

There, at least, is one circumstance in which the government has done a good thing. Although we see, and this is a red flag for those of us who look at the fine print, that in The Loan Act, there is borrowing authority requested of \$500 million for Conawapa and the construction of Bipole III. Why is that necessary, when the Minister of Environment (Mr. Cummings) knows that environmental approvals will not be in place until January of 1993? Why does the government need the authority to borrow \$500 million in fiscal '91-92 unless it intends to spend it?

We were somewhat reassured by the Minister of Finance (Mr. Manness) yesterday, who told us that there will be no borrowing on that authority until the environmental review process is in place, but it makes you wonder why that figure is there. What is the rationality behind that figure? The Minister of Finance said that Hydro wanted a billion dollars of borrowing authority. How did the minister snatch the figure, \$500 million, out of the air? Are there some calculations that he wants to share with the rest of us?

Maybe as serious as the cuts within departments is the quality of life that will be affected by the decisions of this government. I am talking here about the richness of our cultural life. I am talking about our natural resource potential, our parks, our forestry service, our beaches. I am talking about those kinds of qualities that we boast about as Manitobans.

The climate is harsh here. We have a diversified economy, but it tends not to grow as quickly as other parts of the country, so what we tend to grab hold of, what we tend to gravitate to, what we tend to promote, when we are talking about Manitoba, is quality of life, that this is the kind of community where we want to raise our children. This budget

really, Mr. Speaker, has a tremendous effect on the quality of life in Manitoba.

Mr. Speaker, I can see that I have 10 seconds left, but will have about 20 minutes more, so the prudent thing for me to do now probably is to sit down and continue on Monday when debate resumes.

Mr. Speaker: Order, please. The hour being 12:30 p.m., when this matter is again before the House, the honourable member will have 22 minutes remaining.

The hour being 12:30 p.m., this House is now adjourned and stands adjourned until 1:30 p.m. Monday.

Legislative Assembly of Manitoba

Friday, April 19, 1991

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