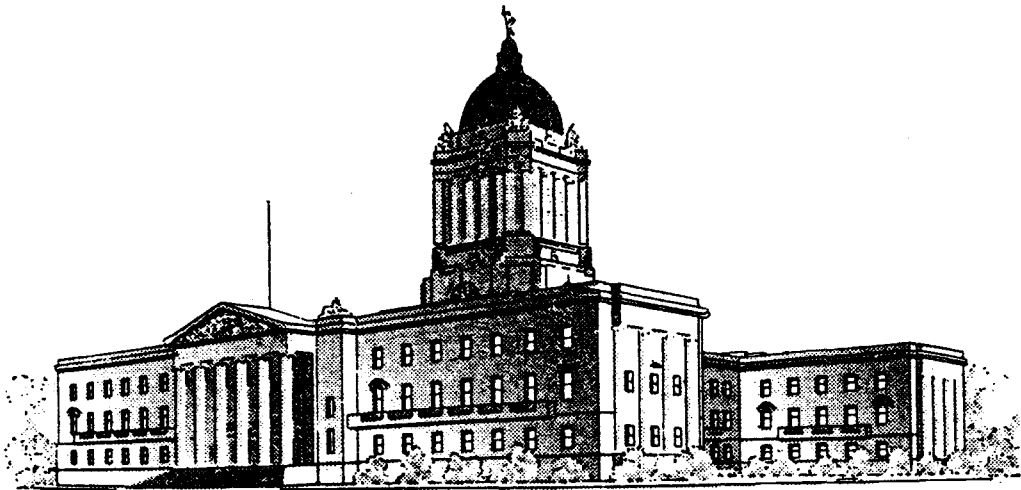




Sixth Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS
(Hansard)

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

<u>Name</u>	<u>Constituency</u>	<u>Party</u>
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BARRETT, Becky	Wellington	NDP
CERILLI, Marianne	Radisson	NDP
CHOMIAK, Dave	Kildonan	NDP
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<i>Vacant</i>	River Heights	
<i>Vacant</i>	Flin Flon	

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, March 20, 1995

The House met at 8 p.m.

ORDERS OF THE DAY

(Continued)

BUDGET DEBATE

(Eighth Day of Debate)

Mr. John Plohman (Dauphin): Before the supper-hour break, Mr. Speaker, I was reviewing my concerns about the deception that this government was practising with regard to their budget just prior to an election, and I advised those members present in the government side that I was not about to make this strictly a speech of niceties. I certainly wanted to deal with the issues. I will, and perhaps close like a lamb but certainly open like a lion. That is what I did the first 15 minutes prior to the supper hour.

I did save some things, though, for the member for Morris (Mr. Manness), particularly as it applies to the stories he told about the budgets and so on, the things he did not say and the credit he did not give during his early years as government and the surplus that he inherited in 1988, of course.

This is always important, because the government is using the other side of it now and saying they have a surplus budget for the first time, but somehow it did not count, it was a matter of creative accounting. They were able to set up a rainy-day fund, Mr. Speaker, and therefore there was no surplus, but in fact there was. It was legitimate, I might add, as the surplus that exists today, certainly as legitimate, perhaps even more so.

I encourage the government to come clean with the people and certainly to ask the people for forgiveness, to tell them the facts, not to try to distort the facts but to tell it like it is and ask for their vote and hope that the people will in fact give them reconsideration. But, no, they want to present a phony budget, certainly a

phony forecast for the next couple of years in this province and well into the future, and I am just simply asking them to be honest in this way and in many other ways as well.

One of the ways they might choose to be honest is in their comparison of the record during the NDP years with the Filmon government's years, and my colleague, the member for Brandon East (Mr. Leonard Evans), has always done an excellent job of providing honest and straightforward comparisons by way of graphs to demonstrate precisely how the NDP years stack up with the Conservative years or vice versa. He has done this very well, and I have noticed a cycle that takes place, in that, during the Conservative years, we have very difficult times—the graphs show it very dramatically—and during the NDP years, these same indicators are very positive. They are ignored by the Conservatives, and they try to somehow leave the impression with the people that they have done better economically than the NDP, but it is not a fact.

Look at the index of employment growth, Mr. Speaker. During Manitoba's New Democratic years under Premier Pawley, Manitoba's employment growth index exceeded Canada's in every year but one under the New Democratic government.

Conversely, under the Filmon Conservatives, we have been below the national average on every year without exception. Now, I think that they should talk about that during the campaign and bring that forward to the people of Manitoba, and they will get credit for being straightforward with the public.

Now if we look at total investment growth, that is private and public investment, we see that during the NDP years, Manitoba's percentage increase in total investment nearly doubled that of Canada's during the Pawley government, but under the Filmon government, Manitoba

experienced a decline in total investment, an actual absolute decline, compared to a very small increase in Canada, a decline of 3.8 percent, and this is Statistics Canada information. So I think they want to bring that out. Of course, we have graphs that they could use to depict that, and it might be interesting to put that out in the pamphlets and certainly the billboards and to their friends who are investing in the billboards.

Speaking of their friends investing, we have private investment growth and they are trying to bring up the private investment growth during this period of time. During the Filmon years, the private investment growth declined compared to a small increase for the rest of Canada, but during the NDP years, Manitoba's private investment growth rate far exceeded that of Canada. So it is quite obvious why they are trying to get their investors to buy these billboards just to bring up their private investment during that period of time. There is the growth. I say to the member for Morris (Mr. Manness), use it, give it to the candidate that is going to take over for him in that particular constituency so that he can put it out in his pamphlets. We want to see it out there. It is an excellent graph and you can always attribute it to the member for Brandon East (Mr. Leonard Evans). He does an excellent job and these are factual. As an economist he only presents the truth and the facts. The member for Brandon East only uses Stats Canada information. That is all he uses.

An Honourable Member: They do not believe it.

Mr. Plohman: Well, they do not want to believe Stats Canada. The population loss is another interesting one because during the NDP years, we have to admit, there was a small loss of population, 7,000 during the NDP years due to interprovincial migration, but during the Filmon Conservative years the net outward migration was 50,000, seven times as many people fleeing this province as they did during the Sterling Lyon years in government. It

happens every time whenever the Conservatives are in government, people flee the province. It tells a story. It tells a story and it cannot be ignored.

I want to ask the government to also provide some straightforward positions with regard to the Dauphin constituency, for example. They might want to tell the people of the Dauphin constituency that they have been picked on over the last four years, four and a half years, because they voted NDP instead of Conservative. I think the government should in fact come clean with that. They should be straightforward and tell the people that that is the reason, because they know it anyway. They know it anyway. They have cut jobs. They have frozen investment in the community. Certainly, none of the decentralization that was supposed to take place took place.

What is so interesting is, the Premier has advised me recently, when we were discussing who might win the nomination in Dauphin for the New Democrats, that he will not be coming up to Dauphin as often in this election. So maybe his candidate will have a chance. So I am glad to see that he has finally recognized what was causing the problem, at least one problem.

But what he did say, where he has not got any credibility, he said the reason that decentralization was not as successful in Dauphin—as quoted in the Dauphin Herald—was because they had to fight the MLA every step of the way on decentralization, working against it all the way.

Now, is that not something, Mr. Speaker? Can we really believe—I thought that was so absurd. You know, I laughed when I read it, because it was very serious, but I just laughed at the absurdity. Has Premier Filmon not learned yet that they are not going to buy this kind of garbage? Here is an election coming, all of a sudden the MLA was fighting it every step of the way, and he was powerless to do anything about it. Is that not interesting?

You know, I want to tell the members opposite that if they are going to go up there and campaign for their Conservative candidate in the next election, please give the people of Dauphin a little more credit for some intelligence with regard to making their decisions on their candidates. Do not try to feed them this kind of nonsense prior to an election. They are just not going to buy it, and it is not going to work. That is some advice, and I am not even charging the members opposite for that advice. I am on the verge of being a private consultant, private citizen.

I would like them also to say, yes, we have been unfair to the public education system. Well, pouring money into the private system, we have been unfair to the private education system. We have created great inequities from division to division in this province, from school to school. We have created divisions between teachers and school boards. We have created divisions between teachers and principals and teachers and parents. We have neglected the severely disabled and the severely handicapped in our education system by neglecting them and throwing them to the side, not providing the proper funding.

* (2010)

Mr. Speaker, today, the Minister of Education (Mr. Manness) stood up in this House and he said that my Leader (Mr. Doer) has no credibility in education, this coming from the minister who has probably the least credibility of any Minister of Education in the history of this province. He is pushing his own private agenda. He has no credibility with the education community, and he stands up in this House, as one of his final statements before he retires, and he says, the NDP Leader has no credibility.

Now, I would have to say that what he should do is try to stay in touch with reality in his relentless push to try and put forward an election timetable for education reform. Prior to this election, that is the only thing that has been

driving him, is to put forward as much of his own agenda, and that has caused chaos and confusion in the public education system, chaos that the minister is responsible for, not the teachers, not the parents, not the school boards. This minister is responsible. I give him a lot of credit in this particular case. It is true; he in fact deserves it.

I think, once he has had time to get in touch with reality—[interjection] Well, with his own feelings. Once he has had time to look at things from further back, to step back after he has been out of political life for a while, he will realize how ill conceived it was for him to try, during this short period of time that he was minister, to put in place massive changes inside of six months to a year. It was chaos for the people involved, for the students, for the teachers, for all aspects of the public education system.

This minister knows that, and I hope he will make that kind of an announcement publicly later on. Once my colleague the critic for Health has finished making his speech, then I will continue.

An Honourable Member: When do you want me to repent?

Mr. Plohman: The minister may have a chance to repent by using some of his successor's time. The Minister of Finance (Mr. Stefanson) will have an opportunity to speak, and at that time, perhaps the member would like to get up and say that he is marching out of step with the rest of the public of Manitoba, with the people involved in the public education in this province. He is marching out of step. When they say left, he goes right. When they say right, he goes left, and then he says, well, I must be doing something right. I got them all upset, so I must be doing something right. That is his reading. That is his gauge on it.

Now, I say this minister should trumpet the merits of the system, give support to the system while he encourages changes, give credit where

credit is due. Now he is doing it at the twelfth hour, and he should covet the public education system.

Mr. Speaker, I would have to ask this minister and this government whether in fact they will also put forward the facts as regard their economic policies in this province over the last seven years. We have seen, over the last number of years, phony information being put forward, and I say phony jobs. I look at the jobs that they have got—well, it is a play on words when I talk about phony jobs because they call them telecommunications jobs.

These sophisticated jobs, I say they are rather phony jobs. These are semiskilled jobs that pay below the poverty line if a person is working full time with them, and they come and go. Maybe the Liver Foundation is in today. Look, they take a look, they see and they leave, and they take a little government money with them at the same time, and of course it might be Apotex or it might be MTS or CIBC.

Now the member for Pembina (Mr. Orchard), he cannot take it so he is going to leave. That is the way he should do it. He should have realized this many years ago, Mr. Speaker. Finally, finally it has hit home. I think if they were to look at these telecommunications jobs, this is the basis for their economic growth. This is what they trumpet about economic growth and jobs, these phony jobs in telecommunications that come and go.

Mr. Speaker, I think I could go on about the kinds of misinformation that this province has been subjected to and the people have been subjected to over the last number of years, and especially as we approach an election, but I do want to spend some time taking a look at the election that is coming up in Manitoba in the next while.

I know that many people are looking at the polls and attempting to find out what is going to happen in Manitoba. I think first of all with

regard to the Liberals, I was sorry to see that Chris Walby, that Bomber football great and a substitute teacher, has fallen for the Liberal line in this election. I was really disappointed about this, because you hold this gentleman in great respect as a great football player, and somehow he got manipulated politically by some of these people over there. They think that this is somehow going to bring them in a couple of seats, maybe even one.

Well, Mr. Speaker, we see at the national level, and I say they have fallen for the Liberal line, the phony Liberal line, because in fact if we look at the national party—

Hon. Gary Filmon (Premier): Paul is looking for heavyweight candidates.

Mr. Plohman: I will let the Premier talk about his descriptions about Chris Walby. He is going to have to fight him in the election. [interjection] He is going to sic Miles Gorrell on him, he says. Okay.

We see at the national level that the Liberals have once again confirmed that they are no different from Tories. They have shown it again and again throughout history, and they have shown it again at the national level, carrying on the Mulroney policies, only on a much grander scale. They are hurrying them up, Mr. Speaker.

An Honourable Member: They played without a helmet. That was a mistake.

Mr. Plohman: Speaking of helmets, I am glad we brought them in during the time I was Minister of Highways. It saved the member for Inkster (Mr. Lamoureux) from hitting his head up against a brick wall.

Now, Mr. Speaker, it pains me to see that some of our teachers in the teaching profession in this province have even become candidates and fallen for the Liberals because they expect they are going to be something different than the Conservatives with regard to education.

Well, they should realize that, in fact, the Liberals will be no different than Conservatives and will be providing less support for public education and the private system will continue to grow under the Liberals in this province as it has under the Tories, because they will provide the funding.

The promises are there—80 percent provincial funding towards private schools in this province, elite schools that exclude special needs students, elite schools that exclude the vast majority of students who want to attend school and that go to the public school system. The same policy—Tweedledee and Tweedledum across the way.

Mr. Speaker, these members opposite in the Liberal Party have proven time and time again that they will be no different. I am very much afraid if something like that would happen, in fact, these people would be in government in this province, and I know my colleagues sitting in the New Democratic caucus and the candidates that we have assembled in this province will ensure that, in fact, there will be perhaps five to ten Liberals in this House at the most after the next election. That is a projection.

I believe that what we will have is a strong New Democratic government after the next election. Certainly, let us remember that the New Democratic Party has an excellent record in public education in this province, second to none. We have provided special support for small schools. The members opposite should support that. Many small schools are in our rural communities throughout this province.

* (2020)

A small schools grants program that was specifically earmarked for that purpose, technical support, computer support, that was just beginning at the time we were in government. Equalization funding across this province, funding for the diagnostic centres for clinicians, that has been cut by Tory ministers across the way supported by the Liberals.

And of course we have seen due process for teachers, we have seen aggressive curriculum amendments being made with the involvement of teachers and all of the professional and education community at that time, an inclusive procedure that was undertaken by an NDP government, unlike the Conservatives when in government.

We have provided great support for the universities, for community colleges during the time we were in government, so we do not have to take a back seat to anyone on public education in this province. Let there be no mistake.

Now, I believe the Liberals will lose credibility during the election. In fact there will be even fewer than they have in this House at the present time.

Certainly, the ministers opposite are going down. Some of them are hoping against hope. Others are recognizing that it is over, and they have made their decision.

I leave on this side, Mr. Speaker, at a time that is right for me personally. I can say, quite frankly, I am tired of the driving and the other kind of pressures associated—[interjection] Yes, the driving, the distance from Winnipeg by 200 miles takes its toll over the years. I can tell the members, and members opposite will know, that it is a tremendous burden and pressure on people representing rural areas.

I know that I am leaving my constituency and the New Democratic Party in the constituency in a very strong position, because we have a strong party in Dauphin. Not only that, we have a strong party, a growing party, we have a strong Leader and a strong caucus that will form government after the next election. It is a time when the New Democratic Party is on the way back and will be in government after the next election.

Mr. Speaker, I have no doubts that they will be a competent and compassionate government

in this province. The five to 10 Liberals will serve as a buffer between the beaten Tories on that side and the victorious New Democrats on this side. I know the Dauphin constituency will be represented in that government.

I want to thank the people of Dauphin for the support they have given me, for the wonderful experience that they have provided over the last number of years. As the Premier said, perhaps only 500 persons in the history of this province have had the opportunity and privilege to serve in cabinet in government. I have had that opportunity and I appreciate that I have had that opportunity. I want to thank the people of Dauphin.

I want to thank my wife Pat, and Rychelle, Jodi and Robert, our children, and all of my colleagues who have been so understanding and supportive over the last number of years. I especially want to thank our next Leader—our Leader right now—our next Leader. While he is not here I can get away with that right now. I want to thank the next Premier of this province, who is going to be the next Premier, for the support that he has given me and our government, and the member for Morris (Mr. Manness), I want to thank him for his wisdom that he has brought to this House on every opportunity.

Thank you, Mr. Speaker.

Mr. Filmon: As I mentioned earlier today, I am suffering with what is a deadly disease for a politician, laryngitis. So I am sure, to the great disappointment of members opposite, I will not be speaking for very long tonight.

I will leave the final remarks on the budget in the capable hands of the Minister of Finance (Mr. Stefanson) who has done such an incredibly good job in introducing the first balanced budget to be introduced in over 20 years in this Legislature, one that is built on a foundation of no major tax increases for eight straight budgets.

I certainly wanted to put my comments on the record of enthusiastic support, of tremendous pride and satisfaction in the work that has been done over seven years to get to this point, Mr. Speaker. I know that all Manitobans feel very strongly about the long-term positive impact of the balanced budget on their futures, particularly the young people in this province who recognize how important this is to their future to finally once and for all have governments commit to live within their means instead of leaving a legacy of debt and a huge burden for them to repay.

Mr. Speaker, I really am tempted to address some of the falsehoods that come forward from the member for Transcona (Mr. Reid), but I would just say that members opposite will have a chance to spread their falsehoods in an election campaign later this year. Manitobans know the impact on the tax freezes and decreases that we have brought in over the past seven years and how much better off they are as a result of those tax changes and improvements that we have made.

The member for Dauphin (Mr. Plohman), in what I assume was his swan song, Mr. Speaker—I know that I am going to have an opportunity at a future time, perhaps even in this session, to pay tribute to the member for Morris (Mr. Manness), the member for Pembina (Mr. Orchard), the member for Riel (Mr. Ducharme) and, of course, the member for Turtle Mountain (Mr. Rose). So I will not go into any detail at all about the tremendous contributions that they made.

But since the member for Dauphin is obviously ready to empty his desk and vacate the building I want to just say to him that I have rarely agreed with him, but I have always enjoyed his enthusiasm. I certainly will wish him well, and I certainly will say to the member for Dauphin, to his wife Pat, and to his children, who I have met over the years, sometimes riding in cars next to each other in the Dauphin Ukrainian Festival, that I wish them all the very

best of success in all of the endeavours that they choose to pursue.

I just want to tell him that I have enjoyed listening to him from time to time. His sense of humour, his one-liners have indeed added to the camaraderie around the House here from time to time. [interjection] Now that we are leading, I am not going to take that risk.

In any case, I just want to put on the record my strong support for this budget, my strong support for all of the elements of fiscal responsibility, long-term planning and, I believe, making government much more effective and much more efficient that has gone into bringing us to this day.

I certainly thank and congratulate the Minister of Finance (Mr. Stefanson) for all of his efforts, and I look forward to his presentation this evening in concluding the Budget Debate.

Hon. Eric Stefanson (Minister of Finance): I would like to start, as well, by acknowledging the contributions of members of this Chamber with all the speculation about the impending provincial election. I would like to express my best wishes, as well, tonight to the member for Dauphin, but in particular I would like to acknowledge the outstanding contributions of members of our caucus who have already indicated they are not seeking re-election, whenever that election might be called.

* (2030)

The member for Morris (Mr. Manness), the member for Pembina (Mr. Orchard), the member for Riel (Mr. Ducharme) and the member for Turtle Mountain (Mr. Rose) each have brought their own style to serving their constituents and indeed all Manitobans. Each one has served with honesty, with integrity and with dedication. They will be missed. I want to wish each of them all the best in their future endeavours and thank them on behalf of our caucus and, indeed, on behalf of all Manitobans.

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

Mr. Acting Speaker, before I begin my response to what was said about the 1995 Manitoba budget over the course of this debate, I must say that preparing the Budget Address was a thoroughly enjoyable experience.

In preparing the budget I was confronted with a wealth of encouraging, positive and uplifting facts, figures and examples of Manitobans leading and surpassing the nation in just about every category that matters.

In a real sense, that is what the 1995 budget speech is. It is a culmination of the efforts of far too many people to thank, even if I were still on my feet from March 9.

Without diminishing in any way the contribution of my colleagues in government, let me make it absolutely clear that none of the accomplishments outlined in the 1995 Manitoba budget would have been possible if the people of Manitoba had not worked together the way they did for the last seven years. There are too many contributors, too many success stories, too many Manitoba businesses, too many volunteers and citizens who worked together for the last seven years to thank individually. Sifting through this embarrassment of riches was the biggest challenge of writing and delivering the 1995 Manitoba budget.

Sadly, Mr. Acting Speaker, the challenge I faced in preparing this response to the criticism of the budget was an embarrassment of another sort. The rhetoric from the benches opposite was pointlessly negative, confused, repetitive, tired and riddled with errors. The contrast with what we are hearing from individual Manitobans could not be greater.

I am not so naive as to expect the Leaders of the two opposition parties to praise the accomplishments of my colleagues or the government, even though a sincere compliment

here and there is certainly well earned and would be a pleasant surprise, but if members opposite want some lessons on how to offer positive and constructive advice, they would do well to go out and listen to the people of our province.

I consulted with many hundreds of Manitobans before the budget and heard balanced, thoughtful and useful critiques of government policies. We were able to incorporate many of these suggestions into our 1995 budget. Nor should it be completely unreasonable to expect members opposite at least to acknowledge the efforts of the hundreds of thousands of Manitobans who have contributed to the dynamic turnaround in Manitoba over the last seven years but who have not received the public recognition they deserve.

This is not what I heard from members across the way, not at all, so my task tonight is to correct the most blatant errors I heard from across the Chamber, setting the record straight and trying once more to give members opposite a more positive perspective on Manitoba and on Manitobans.

Let me start with Lotteries, Mr. Acting Speaker. The Leaders of both opposition parties went on and on about the government's decision to use lottery revenue to balance the budget a full year ahead of the schedule we set out in last year's budget. They were extremely critical of our decision to make a special Lotteries transfer to eliminate the deficit and to stop the growth of debt

Both opposition Leaders suggested that Manitoba was becoming overly dependent on gaming revenue. Such criticism is simply not in accord with the facts, yet in our prebudget consultations, Manitobans told us that they wanted us to eliminate the deficit and that we should use lottery revenues to do so.

It does not mean that we are dependent on lottery revenue. In future years, we expect to take \$220 million annually in lottery revenue,

which is approximately 3 percent to 4 percent of total revenue for the provincial government.

Manitobans told us that the bleeding must stop and that we should use lottery revenue to accomplish that very important goal. Both Leaders were especially careful not to say what they would have done, but they certainly implied that they would not have used this revenue to eliminate the deficit. Of course, that means they would have spent it elsewhere; they would have ignored the expressed wishes of Manitobans, Mr. Acting Speaker.

I would urge both Leaders and their parties to come clean on this issue and to tell Manitobans precisely what they would have done. Manitoba's medium-term fiscal plan, which has drawn praise from many independent commentators, projects continued balanced budgets with significant surpluses of \$201 million in 1997-98 and \$348 million in 1998-99.

The magnitude of this latter surplus in particular, which is \$128 million higher than estimated gaming revenue in that year, confirms that there is no ongoing reliance on lottery revenue. Hopefully, members opposite now clearly understand this issue and the fact that we have the capacity to deal with any adjustments that may occur with lottery revenue.

I want to move to our fiscal plan, Mr. Acting Speaker. The Leader of the Opposition (Mr. Doer) made much of the fact that the medium-term fiscal plan does not explicitly accept the latest federal cuts to health, education and social programs as an accomplished fact. He also suggested that our revenue projections were optimistic, to use his words.

The revenue forecast is not overly optimistic. Rather it is quite conservative. The economic projections that underlie the revenue forecast utilize the most conservative of the two major forecasting agencies the Finance department subscribes to, Informetrica and the Conference Board of Canada. The opposition Leader has

several times referred to a quotation from a Mr. Paul Darby of the Conference Board which appeared in the Winnipeg Free Press to the effect that our fiscal projections were too rosy. I must say that we were very surprised to read Mr. Darby's comments since the economic forecast underlying our fiscal projections is more conservative than the forecast published by his own organization.

However, Mr. Darby's comments were made before he had actually seen the budget document. Mr. Darby has since written a letter to the editor of the Winnipeg Free Press and he was kind enough to supply us with a copy.

I would like to read to members opposite from Mr. Darby: I am writing in order to clarify remarks attributed to me in an article by John Douglas entitled *A Daring Blueprint*, which appeared in the Winnipeg Free Press on Saturday, March 11, 1995. Following further analysis of Manitoba's provincial budget released on Thursday, March 9, I have concluded that the underlying economic assumptions contained in the budget are realistic and that the revenue projections are attainable. Indeed the real economic growth forecast for Manitoba in the budget document over the next three years is lower than the most recent Conference Board outlook for the Manitoba economy over the same time period. I trust that the results of my further analysis of the Manitoba budget will be of interest to your readers. Please do not hesitate to contact me if you have any further questions regarding the economic implications of the budget. From Mr. Paul Darby of the Conference Board.

The new federal transfer cuts announced in last month's 1995 federal budget are not factored into the revenue projections for the medium term, 1996-97 and '97-98. However, Mr. Acting Speaker, the Manitoba government is not alone in raising deep concerns about the federal government's reckless cuts to its contribution for health, education and family services. Most other provinces share that concern and so do

Canadian citizens all across our country. Manitoba will work with other provinces and citizen groups to ensure that the impact of these cuts are understood by the federal government and reversed or mitigated.

The federal government has set up a \$3-billion contingency reserve in its financial plan. The Manitoba government feels strongly that supporting health care for Canadians is very important. While the government is optimistic that the case for reversing the federal cuts is overwhelmingly persuasive, it should be noted that there will be almost \$50 million in Manitoba's Fiscal Stabilization Fund, and in a worst case scenario, this could be used to mitigate the impact of the federal cuts.

Finally, Mr. Acting Speaker, the revenue projections for 1996-97 and 1997-98, as already outlined, are very conservative. For example, it is perfectly plausible what the Conference Board of Canada's more bullish forecast on Manitoba's performance may prove correct. In that case, we can expect revenues to exceed the targets set out in the budget plan.

* (2040)

Mr. Acting Speaker, across the floor, the opposition benches appear unable to respond rationally to the recent federal budget. The Leader of the second opposition party has hitched his wagon to the federal Liberal's Trojan horse. The federal budget cuts cash transfers to the provinces for health, education and social services. By 1997-98, they will be 40 percent lower than when the Liberals took power in Ottawa. The Leader of the second opposition party claims he will have no problem defending the federal budget and its cuts to funding for these services. At the same time, he attempts to criticize this government for failure to recognize the priorities of Manitobans toward health, education and family services.

Mr. Acting Speaker, let us contrast the record. Since this administration took office, we

have increased the priority placed on protecting these services by increasing the share of each program dollar spent on these programs from 66 cents in 1987 to 72 cents in our 1995 budget. However, the federal Liberals will have decreased their proportion of their spending on those services from 14 percent to 10 percent by 1997-98. It is pure hypocrisy for the Leader of the second opposition party to defend the federal budget which sharply decreases funding for health, education and social services while feigning a desire to protect these same services. He supports the federal \$32.7-billion deficit and opposes our balanced budget here in Manitoba. His logic is very hard to understand.

The Leader of the official opposition (Mr. Doer) is just as confused about the federal budget. He rails at the cuts and the unfairness to Manitoba but presents no plan for dealing with the reality presented to us by Mr. Martin's budget.

In contrast, Mr. Acting Speaker, this administration, under the leadership of Premier Filmon, has worked tirelessly to provide Manitobans with health, education and family services through more efficient and effective programming.

We have restored fiscal health to this province and will record a budgetary surplus of \$48 million in the upcoming year. This puts us in a position to be able to respond to circumstances in a way which was never possible when the NDP administration in Manitoba was running up the red ink on the province's books.

In the budget, we have clearly outlined that the 1994 federal budget measures, as they impact on Manitoba, have been built into the 1995-96 estimate and the medium-term fiscal plan.

The budget clearly outlined the further impacts on Manitoba of the 1995 federal budget. Should there be no reconsideration of these measures by the federal government, Manitoba

must have a plan to address the full implications of the 1995 federal budget by the time they start to impact us in 1996-97.

Our improved fiscal position and our track record on dealing with issues should inspire confidence that we will protect vital programs despite the federal budget measures. We will act after consulting with Manitobans and will not simply indulge in hysteria, as the Leader of the official opposition and certain media personalities have done in response to the federal budget.

Mr. Acting Speaker, one of the innovations in budgeting introduced by my predecessor, the MLA for Morris, was the medium-term fiscal plan. We feel that it is necessary to go beyond budgeting for just the next year and to plan for several years ahead.

Our current medium-term plans call for a balanced budget next year and surpluses of \$201 million in 1997-98 and \$348 million in 1998 and '99. For this year, we are making—

The Acting Speaker (Mr. Laurendeau): Order, please. Could I ask the honourable members wanting to carry on their conversations to do it in the loge. I am really having a hard time hearing the minister. I would really like to hear this. The honourable Minister of Finance, to continue, please.

Mr. Stefanson: Thank you, Mr. Acting Speaker.

This year we are making a special Lotteries draw of \$145 million. This has allowed us to balance our budget in spite of an \$80-million increase in interest costs due to higher interest rates. It has also allowed us to run a \$48-million surplus, which will be put into the Fiscal Stabilization Fund.

I want to talk for a minute about the fiscal record. During his comments, the Leader of the Opposition (Mr. Doer) raised the old chestnut

about how his government left office with a surplus.

Let us look at the facts. In fact, and I know the member for Dauphin is very interested in this, during the New Democrats' period in office, deficits were so large that the province's debt more than tripled. As a result, annual interest payments on the debt rose from \$80 million to almost \$500 million. Embarrassed as they are by this sorry record, New Democrats are always quick to argue that there was really a surplus in the 1988-89 fiscal year, the year that the Filmon government took office, and that they deserve credit for the surplus.

The facts are these: In 1988 the NDP government presented a budget which projected a deficit of \$334 million, and when one of the NDP's own members voted against the budget, it was defeated and the voters elected the Filmon government in the ensuing election.

The key point is that the fundamental fiscal situation of the province was extremely poor when the NDP left office. This, by the way, is why the Leader of the Opposition's glib suggestion, that the balanced-budget legislation go back to 1988, is so totally absurd.

In contrast to the NDP, the Filmon government has worked hard to restore balance to the province's finances. The job was made very difficult by the hundreds of millions of dollars we have to pay in interest on the debt left behind by the NDP, by the punitive tax environment they created, by higher interest rates and by the national recession.

Without the inherited debt, we would have had budgeted surpluses in each of the past seven years. Without the dead weight debt accumulated under the NDP, we could have reduced taxes and provided more for priority services which Manitobans might need.

Nevertheless, we have reduced or eliminated government spending in many nonessential areas

while preserving and even enhancing the essential services which Manitobans depend on, such as health and education. The Leader of the Opposition (Mr. Doer) talked about support to local governments, and he criticized the record of our government in supporting local governments. In fact, since 1987, we have increased provincial support to local governments by 56 percent, more than double the growth rate of all other expenditures combined. That shows clearly our priority and our commitment to local government. It is not clear if the leader is suggesting that such a major increase is somehow inadequate. If he is, he is dead wrong, and he should tell Manitobans which taxes he would raise or which expenditures he would cut or how much he would raise the deficit to fund higher transfers to local government.

Mr. Acting Speaker, I want to make some comments about the economy and some of the selective and somewhat misleading statements made by both opposition parties during that discussion.

Our focus on jobs is clearly evident in our long list of economic development and capital spending initiative. Thirty million dollars was lent to help the management and staff of Pine Falls Paper Company purchase the former Abitibi-Price mill. Through repayable loans, we helped Motor Coach Industries establish a product development centre in Winnipeg. Examples of repayable loans also helped Loewen Windows, D.W. Friesen Printers of Altona and Palliser Furniture undertake major expansion of Manitoba facilities.

Grow Bonds have raised \$6 million in rural Manitoba for investment in local enterprises, leveraging \$20 million in investment and creating 430 jobs.

Business Start has assisted 400 Manitoba entrepreneurs to create over 1,100 new jobs with \$3.4 million in loan guarantees, which has leveraged more than \$7 million in total investment.

The Rural Economic Development Initiative, REDI, has used \$19.6 million in lottery funds to help over 165 rural businesses, triggering \$160 million in investment and creating over 1,000 jobs. The youth component of REDI has generated 2,100 part-time positions for rural youth since 1992-93, and a further 1,100 are planned for 1995. The Manitoba Call Centre team has helped to track numerous call centre operations to the province, with 1,253 jobs being created in 1994 and a further 1,600 projected in coming years, including the recent announcement of 600 jobs by AT&T Transtec Canada, Mr. Acting Speaker. An innovative agriventures initiative will assist producers, processors and rural entrepreneurs considering the establishment of new, unique or value-added production ventures. We are providing support to help bring the Pan Am games to Winnipeg and both the World Curling Championships and the Canada Summer Games to Brandon, events which will generate many millions of dollars of economic activity and over 2,000 jobs, as well as providing an enduring boost to our tourism industry.

* (2050)

The Infrastructure Works Program has led to \$188 million in funding to 370 projects, creating more than 3,321 jobs in the first year. The Canada-Manitoba-Winnipeg Development Agreement will see a total of \$75 million invested in economic, physical and social renewal of Winnipeg; \$11.6 million in funding, including \$7.1 million in Lottery revenue, has been allocated for construction of the new downtown education and health research centre. Two million dollars has been earmarked to expand the sewer and water program in rural Manitoba. One million dollars has been allocated to the Community Places program to fund additional projects.

Our investment in the construction and upgrading of highways will rise to \$96.9 million. There is a \$23.7-million capital program for schools; a \$679-million capital program is

underway in support of Manitoba hospitals and personal care homes. Crown corporations and other entities will spend \$680 million in capital works in 1995-96. Mr. Acting Speaker, the most recent survey of investment intentions from Statistics Canada also shows the robust health of the Manitoba economy today.

In 1995 Manitoba is expected to have the second highest level of private capital investment among the provinces and the highest level of total investment. The increase in total investment in 1995 is expected to be 12 percent, almost four times the national increase. Total investment in 1995 will be 7 percent above the pre-recession peak, and for Canada, total investment will still be 1 percent below the pre-recession peak.

Investment in manufacturing is particularly exciting. Over the six years, 1989 to 1994, real investment in Manitoba manufacturing averaged 63 percent higher than the preceding six years. In 1995 manufacturing investment is expected to increase a further 48 percent, setting a new all-time record, Mr. Acting Speaker; 1995 will be the second time in three years that manufacturing investment growth has exceeded 40 percent. Over those three years, manufacturing investment growth in this province has been almost triple the national rate of increase. Investment is the key economic indicator because it reflects the level of business confidence and the ability of business to expand. That is the only way that real lasting and productive jobs are created.

Mr. Acting Speaker, other current economic indicators are giving the same message. Manitoba's real economic growth last year was the strongest in a decade. The number of unemployed dropped by almost a third over the past twelve months as 12,000 jobs were created. We had the third strongest growth in labour income in 1994. Foreign exports surged 29 percent in 1994, the largest increase in Canada. Exports to the United States rose 32 percent, bringing the cumulative total increase since 1990

to a remarkable 86 percent. Growth in retail sales last year was the strongest in nine years. Manufacturing shipments surged 11 percent in 1994, the strongest increase in 13 years.

Furthermore, eight of Manitoba's 16 manufacturing industries enjoyed double-digit increases in shipments. Growth in manufacturing employment was the strongest of any province in Canada. In fact, Canada as a whole has recouped less than half of the manufacturing jobs lost during the recession, while Manitoba has recouped 86 percent of the lost jobs.

Housing starts rose 32 percent in 1994, exceeding the national average for the third straight year.

The farm community had another excellent year in 1994 as farm cash receipts held steady at a record level after rising 19 percent over the previous two years.

In short, Mr. Acting Speaker, the Manitoba economy is firing on all cylinders, and I am confident that the next few years are going to be very prosperous for the people of Manitoba.

Mr. Acting Speaker, I want to touch on health care, because I listened carefully to hear the advice of both opposition Leaders on what our government views to be the highest-priority program for Manitobans, and that is health care.

As always, the Leader of the official opposition had little of substance to say. He criticized the government for working with the Manitoba Medical Association on health care issues. Evidently, the NDP would continue its old confrontational ways and ignore the help and advice of people delivering the service on how services could be made more effective and less costly for the taxpayer while maintaining full quality for Manitobans.

The Leader of the second opposition party made a futile attempt to walk the tightrope of defending the federal budget approach to

protecting social programs while attacking the Manitoba record. It was futile because he attempted to defend the indefensible.

Since 1987 our government has increased the share of the budget allocated to health care, education and family services from 66 cents of each program dollar to 72 cents today. Last year Manitoba allocated a higher share of the budget to health care than any other province in Canada. Our record is clear and in accord with our priorities.

But the Liberal Leader, however, sought to defend the federal budget, with its draconian cuts for health care, higher education and social services. The cutbacks actually reduced the federal share of each program dollar devoted to these services from 14 cents today to 10 cents in 1997-98, when the federal proposals mature.

Manitobans and Canadians should think about that decline. It means that Ottawa has concluded that these vital services for Canadians are of lower priority than all other federal program spending combined. For while the share of the federal budget for these services is declining, the share for all other purposes is actually expanding. I might add that the decline in the federal commitment for health care, education and family services is taken directly from the federal budget documents.

When the Leader of the second opposition party defends his federal colleagues, is he really telling Manitobans that he agrees with his federal leader that funding to health care should be cut by 10 percent? In an attempt to have it both ways after defending the federal cuts, he has the audacity to suggest that Manitoba is reducing the priority we attach to health care.

Again, Mr. Acting Speaker, he is utterly wrong. Our record speaks for itself. The 1995 Manitoba budget allocates \$1.3036 billion more for health care, education and family services compared with 1987. Over 90 percent of the

entire increase in resources has been devoted to these three areas.

Mr. Acting Speaker, I want to touch on education. Both opposition leaders made some comments about education. In fact, the Leader of the Opposition (Mr. Doer) claimed the overall increase in support to the public education system since we were elected was 5 percent, which he contrasted with a 17 percent increase in the inflation rate. Again he is wrong. He is wrong again. Government funding from Consolidated Revenue has increased 27.3 percent. He is wrong by a factor of five. He claims a 5 percent increase, when in fact the increase is more than 27 percent.

An Honourable Member: Why would he do that?

Mr. Stefanson: You would have to wonder why he would do that.

The Leader of the Opposition asserted that there were 3,800 fewer people teaching in Manitoba than there were in 1990. In fact, the number of full-time equivalent positions has decreased by about 3 percent or 363 teachers since 1990. The Leader of the Opposition is out by a factor of 10 or 1,000 percent.

The modest decline in Manitoba is also in keeping with the decline in public school enrollment of about 2,500, or 1.3 percent over the same period. And, Mr. Acting Speaker, according to Statistics Canada, Manitoba has one of the lowest pupil-teacher ratios in the country, 15.13 compared with the national average of 15.58.

* (2100)

The Leader of the second opposition party suggested that youth programs received a substantial cut despite salary increases. He went on to suggest that the total on page 43 of the Estimates is up because the federal contribution is up. In fact, the recoveries identified on page

43 of the Estimates relate to recoveries from other provincial government programs, not recoveries from the federal government.

As well, students and youth served and placed in employment have increased significantly in recent years from 14,300 in 1993-94 to 15,700 in '95-96, an increase of 1,400 or 10 percent.

The Leader of the second opposition party also claimed our government is cutting the ACCESS program. In fact, he is wrong again, but he may wish to redirect his criticism to his federal colleague. Since 1988-89 federal program funding support for the ACCESS program totalling \$14.3 million has been eliminated, and to date the federal government has refused to reinstate any funding support for these programs in response to provincial requests. Despite the federal withdrawal, student enrollment under ACCESS is expected to increase from 780 last year to 850 this year, and if the federal funding had not been eliminated we may have been able to do more than that.

Mr. Acting Speaker, another area both opposition Leaders were critical of was our record in supporting education. Manitoba has an enviable record in support for education. As announced in the middle of January, \$760 million has been directed to support the public school system, up more than \$100 million more than when we came into government eight budgets ago. We have also made it clear that our goal is an education system where success is determined not by how much we spend but by how much our children learn.

What about the opposition Leaders, what is their alternative? Well, the Liberal alternative is very clear. One only has to look at their full support for a federal budget which is cutting massive amounts from support for health care, education and family services. The cuts are well documented in the federal budget, and all the Leader of the second opposition party is left with is a shell game for different audiences, defending

the cuts on the one hand and arguing that more money is required on the other. But his support of the federal budget means he is supporting less, not more, for these important public services.

Mr. Acting Speaker, I want to talk about taxation for a minute. This is the eighth consecutive budget without increases in the major taxes in Manitoba, and while we do acknowledge that there have been some modest tax increases over the eight budgets, they are more than offset by the tax reductions introduced by this administration. When the Filmon government took office, Manitobans bore just about the highest burden in the country. In fact, it was one of the highest tax burdens in North America. Today our taxes are amongst the lowest in Canada. Leaving more money in the pockets of consumers is a key element of our economic strategy. Increased disposable income creates more demand for the goods and services sold by Manitoba businesses.

Mr. Acting Speaker, we have successively raised the threshold for the payroll tax so that today 90 percent of Manitoba businesses do not pay that tax—90 percent. We have doubled the capital tax exemption. We reduced the small business income tax rate. We introduced targeted tax reductions or tax credits for manufacturing investment, research and development, and employer-sponsored training. We applied the retail sales tax alongside the GST, not on top of it. We provided exemptions from retail sales tax for 1-800 telephone numbers, electricity used in mining and manufacturing, and direct agents used in manufacturing and mineral exploration.

I am sure the member for Inkster (Mr. Lamoureux) is interested that the reduced tax burden, together with Manitoba's other cost advantages, such as inexpensive housing and lower labour costs, have made this province an increasingly attractive place to do business.

Since 1987 Manitoba's personal income tax rates have moved from amongst the highest in

Canada to amongst the lowest. In 1995 a senior citizen with \$15,000 income receives a refund that is almost \$300 higher than it was in 1987. A Manitoba family of four earning \$40,000 enjoys the lowest personal cost and taxes in all of Canada.

The Globe and Mail Report on Business magazine selected Winnipeg as one of the best cities for business in the last two years. The Boyd Company of New Jersey ranked Winnipeg as the second-least expensive of 45 manufacturing cities in all of North America. Let me be clear that we are not claiming all the credit for this. Manitobans deserve the credit, Mr. Acting Speaker.

I want to touch on a couple of other issues related to social programs. The Leader of the Liberals demonstrates an astonishing degree of hypocrisy when he criticizes this government's commitment to family services. It is the federal Liberals that have just reneged on their commitment under the Canada Assistance Plan to cost-share social assistance. It is the federal Liberals who have refused to accept responsibility for providing social assistance for Status Indians living off-reserve. In this context it is especially galling that the Leader of the Manitoba Liberals cannot even get his facts right when he attacks our government as reducing funding for Making Welfare Work.

Here are the facts, Mr. Acting Speaker: \$9.9 million is provided for Making Welfare Work in the 1995 budget. This is more than triple the \$3 million allocated in 1994-95. Nevertheless, the Leader of the Liberal Party presses on with a complete and total disregard for facts or logic. The Leader of the Liberals attacks the funding for the \$30-million loan to the 1,100 Pine Falls paper company employees to purchase the former Abitibi-Price mill. He attacks the assistance for Motor Coach Industries to help maintain its competitive edge by developing new bus technologies. That is the 50 percent increase in grants and subsidies that he says the business community told him they do not need. Has he

consulted with the workers of those two firms? Maybe he should explain to them how he would spend less on supporting jobs and more on welfare. That is the difference between his outlook on economic policy and our government's. We have increased resources to get people off welfare, and we have increased resources to keep people employed.

His criticism of our agricultural policies also shows the Leader of the Liberals' capacity for gall and hypocrisy. Instead of rambling on and on and only showing how little he knows about the situation facing Manitoba farmers, he should listen and learn what his federal counterparts are doing to Manitoba's agricultural community.

Mr. Acting Speaker, I want to turn to the issue of balanced budgets and balanced-budget legislation for a minute. When the Leader of the NDP (Mr. Doer) takes cheap shots at the balanced-budget legislation that was just introduced, he shows that he does not believe in a disciplined approach to managing taxpayers' dollars. He shows that he does not believe in making governments accountable to voters when they want to raise major tax rates.

The Leader of the Liberals, on the other hand, says that he will not reject the balanced-budget legislation out of hand, but everything else he says shows that he does not understand what it means to manage taxpayers' money in a disciplined, responsible manner. We have put Manitoba in the position of having a balanced budget by the way we have managed spending. Current program spending is a good measure of our success in managing expenditure because it includes all the services government provides but excludes debt service costs, which can be reduced only by reducing the debt, and it excludes capital spending, which is about 6 percent of total spending and fluctuates, depending on the needs for roads, schools and so on.

For five years, we have held over all program spending nearly constant, and we intend to hold

it constant for at least three more years. Today, on a per capita basis, we have one of the lowest-cost governments in all of Canada. At the same time, we have established priorities, health care, education, family services and justice being the main ones.

Mr. Acting Speaker, our eight budgets had average deficits of less than 1.3 percent of gross domestic product, the best performance in all of Canada. To put this in perspective, the federal government has a deficit target of 3 percent of GDP in 1996-97, or a \$25-billion deficit. They obviously still have a long way to go to reach that target, but that is the budget that the Leader of the Liberal Party (Mr. Edwards) supports. Yet he has voted against seven budgets in Manitoba that have controlled spending and not increased major taxes. That logic boggles the mind.

Our economy is doing well now, but there is no question that maintaining a high level of job creation, investment and economic growth into the future depends on balancing the budget, holding the line on taxes and paying down the debt. Manitobans now pay over \$600 million a year to service the general purpose debt of our province. That is money which Manitobans could otherwise use to buy goods and services from each other and invest in productive enterprises. Servicing the debt also takes away resources that could be invested in education, training, health care, security and infrastructure, all of which are important ingredients in the recipe for economic growth.

* (2110)

That is why, Mr. Acting Speaker, we introduced The Balanced Budget, Debt Repayment and Taxpayer Protection and Consequential Amendments Act with this budget. It is no exaggeration to say that this is an historic bill. It closes the door on two decades of deficit financing, and it ensures that governments of this great province will only spend as much money as the citizens have

provided. There are responsible but strictly limited exceptions for times of disaster, war, or sharp one-year declines in revenue exceeding 5 percent. The balanced-budget requirement is backed up with financial penalties which will be paid by all members of cabinet if a deficit is ever incurred.

As a consequence, this legislation will give governments of Manitoba a strong incentive to provide services as efficiently and effectively as possible. The days of measuring the success of government programs by how much money is spent are past. Future governments of Manitoba will have to do what this administration has done these past seven years: develop spending priorities, seek out and achieve economies and efficiencies, and provide the services Manitobans really need and want in the most cost-effective way possible.

This bill is also historic because for the first time it enshrines in law the principle that has guided this administration. Manitobans already pay all the taxes that are necessary to fund the services they expect from their government. There have been no increases in the major taxes for eight straight budgets, and this bill ensures that there will be no increases in the foreseeable future. If a future government believes that tax increases are necessary, they will have to convince the taxpayers, and the taxpayers will have to give their approval in a referendum. [interjection]

I am sure the member for Dauphin (Mr. Plohman) is interested that finally this bill is historic because it goes beyond just halting the increase in the debt; it sets out a reasonable plan to repay the debt in no more than 30 years and thereby reduce the huge burden of interest payments.

By the time a child born today reaches middle age the annual burden of interest payments will have dropped from \$600 million to zero. With that kind of saving the government of the day could eliminate the sales tax or cut the income

tax in half and still provide quality services to the public. That is what it means to manage taxpayers' hard-earned funds responsibly.

Mr. Acting Speaker, unlike the naysayers and doom-and-gloomers across the Chamber, thoughtful observers outside the Assembly have been more objective and therefore more positive. Headlining its review, *Harvesting an Era of Fiscal Stability*, Nesbitt Burns noted Manitoba's eight consecutive budgets with no tax increases and called the budget a remarkable turnaround: Manitoba has made remarkable progress in getting its fiscal house in order. Manitoba now joins the elite group of provinces who have not only curtailed the growth in outstanding obligations, but also plan to pay down the debt.

Salomon Brothers of New York entitled their commentary on the budget, *A Path Toward Fiscal Stability*, and said: We believe that Manitoba's significantly improved fiscal situation will lead to a more positive credit reception.

The March 11 issue of the *Financial Post* headlined its editorial, *Manitoba Shows the Fiscal Way*: It is also noteworthy that Manitoba has once again held the line on taxes. In fact, this marks the eighth straight Manitoba budget without increases in major provincial tax rates. This level of consistency is of vital importance to business.

The editorial goes on to quote Dan Kelly of the Canadian Federation of Independent Business: Tax stability is the No. 1 issue for Manitoba small business, and the government has given us that.

Mr. Kelly is also quoted as saying: We got a triple-S budget. We asked for and got stability, selective stimulation and sustainability.

It is probably too much to expect that the pessimists on the opposition benches would take their cue from *The Financial Post* and celebrate this historic, groundbreaking budget.

The Financial Post, and I quote: Premier Filmon and his government deserve full marks for proposing a balanced-budget law with teeth and for recommending legislation that would make major tax increases contingent on approval of the people.

Peter Holle of the Manitoba Taxpayers Association said: It is an historic budget for the taxpayers of Manitoba and the taxpayers of Canada. This sets a fabulous precedent or standard for other governments.

Lance Norman of the Manitoba Chamber of Commerce said: We give it an overall A. It will be well received by the business community.

John Granelli of the Winnipeg Chamber of Commerce: We now have a sound, reasoned, sustainable program for fiscal responsibility. Well done.

I would hope, Mr. Acting Speaker, after this analysis of the two nonconfidence motions, that both opposition parties would see the error of their way and the inaccuracies in their judgment, and when it comes time to vote tonight, vote on behalf of this budget and on behalf of Manitobans.

Mr. Acting Speaker, in this budget, we have stood strong for the values and ideas that Manitobans have told us were important to them. Indeed, this has been the hallmark of our government's approach from the time we first took office in April 1988.

This budget clearly shows that, as we approach our seventh anniversary as government with fresh ideas and bright new initiatives, we have still never lost sight of the basic values and ideals that Manitobans have told us were truly important to them. We continue to honour the sacred trust that Manitobans have placed in us: to work harder and to spend smarter.

(Mr. Speaker in the Chair)

Mr. Speaker, before any government in Canada, we recognize that to protect our vital social services and revitalize our economy we had to get spending under control without increasing taxes. Despite going through the second worst recession in this century, our government has not increased any major taxes for eight consecutive budgets. Almost every additional program dollar has gone to our spending priorities of health care, education, and family services. Capital spending on assets, such as highways, schools and health care facilities has increased to record levels. Deficits were substantially lowered, and now Manitoba will balance its budget this year and thereafter. More Manitobans are working. This is the Manitoba model, a truly remarkable achievement that we are very proud of.

Mr. Speaker, I would like to thank all the honourable ministers and their staff for the great job they have done. Every area of the government has made every attempt to work harder and spend smarter. I do not believe that any of our ministers will be receiving any pay cuts for running a deficit under the balanced-budget legislation, not if we keep the same level of dedication, and we will. We will redouble our efforts to ensure the success of all the measures we have laid out in the budget. The reason is that we understand that success is not something that comes searching for you; you make your successes. The people of Manitoba understand that, and so does this government, its ministers, and its caucus.

We, like the Manitobans we represent, all come from different backgrounds and different regions of this great and beautiful province, but we all share one common goal: to ensure that Manitoba is the best place in the world to live, to work, to invest, and to raise a family. We will speak in one strong united voice for the future of Manitoba. Our government will stand strong first and foremost for the people of Manitoba. We will continue to work with Manitobans to create jobs, new wealth, and a balanced strategy

to protect our health, education, and essential public services, while keeping taxes down.

Mr. Speaker, given the massive negative impacts of the federal budget on our economy, people have asked if we can balance our budget, not increasing taxes while at the same time maintaining our vital social services. It will be difficult, but we managed our way through the second worst recession in Canada's history without raising taxes, and we will continue that kind of model as we move forward. However, the federal budget will have some long-term impacts on us, an estimated 15 percent reduction in transfers for health, post-secondary education, and social services, \$147 million less in 1996-97; \$228 million less in 1997-98.

The Western Grain Transportation Act subsidies were wiped out in one year, plus there is a 30 percent cut to farm safety nets. Western grain farmers received a hundred percent cut, while dairy farmers' subsidies received a 30 percent cut. These federal Liberal cuts are sudden and drastic. The federal budget is estimated to cost us about 2,500 Manitoba jobs: 500 jobs in aerospace, 940 at Air Command, and about a thousand more across the board, plus cuts to transfer payments. However, we are providing the environment and tools that are creating thousands of jobs for Manitobans.

* (2120)

Where is the federal Liberal government? What does the Leader of the Second Opposition (Mr. Edwards) have to say about the federal budget? He said: It is tough but fair. He said that he will not have any trouble defending it in the provincial election campaign. What does Lloyd Axworthy have to say about the federal budget? When people point out that our cuts in the military were twice any other province and disproportionate transportation cuts to Manitoba farmers, stop your whining, Axworthy tells province. That is the headline in the paper. That is not the kind of elected representation that Manitobans need. Manitobans need someone to

stand strong for their interest and show leadership on behalf of a proud and strong Manitoba, Mr. Speaker.

The federal government can learn something from what we have done in our newest budget and how we have governed since 1988. While our provincial government has made a commitment to Manitobans to spend smarter and work harder, I think that every one of us also knows that every decision that we make has a human impact. There is a human face on the consequences of every single choice we make.

Our government's eighth budget has increased funding for education, family services and health by over \$1 billion or 42 percent more since entering office in 1988. Our government has led the way nationally in renewing health care. We spend more than one-third of our budget on health care, the highest proportion devoted to health care of any province in Canada. We are working to maintain and enhance the best health care system in the world by a process of continuous improvement and change. We have to recognize that if we do not accept the need for change, then the system will deteriorate and none of us want that to happen.

We believe that our education system is ultimately the place where we build our society's future. We recognize that Manitoba children have to be able to read, write, compute and problem solve at a high level. It is a competitive world out there. That is why in education we shifted the focus to core subjects and reintroduced standards and tests. We brought in distance education across Manitoba, and we empowered Manitobans and we empowered Manitoba parents for our kids' sakes, and we are committed to safer classrooms.

We have shown leadership at home and across Canada on law and order. We believe criminals must face serious consequences for their actions, and we believe Manitoba must feel safe in their homes, in their neighbourhoods and on their playgrounds. We have taken the

toughest stance in Canada on youth crime and violence, introducing boot camps for serious and repeat offenders, and we have introduced the toughest drinking and driving laws in all of Canada.

We have also taken the toughest stance to protect women from domestic violence and stalking. We have developed a community process to notify the public about dangerous sexual offenders in the community, especially those who prey on citizens.

Mr. Speaker, we have the opportunity with leadership and the right decisions to make this one of the most exceptional times of progress in our nation's history. This latest budget with its continuation of our seven-year tax freeze, a balanced budget a year earlier than expected, the \$48-million surplus, the largest planned surplus in our province's history and the balanced-budget legislation, sets the stage for unprecedented opportunity and growth in our province.

Mr. Speaker, I want to share with you part of our vision for our province. Our Manitoba is a Manitoba where there are jobs and economic security for everyone who wants to work and who values the dignity of that work. Our Manitoba is a Manitoba where health care is high quality, it is accessible and it is fair.

We will continue to make patient care our No. 1 priority. Our Manitoba is a Manitoba where the quality of the education system is determined not by how much we spend, but by how much our children are learning. Our Manitoba is a place where we must all feel safe. We will not tolerate increasing crime and violence. We will work to bring it to an end.

The last seven years, we have proven that we can lead and that we can create an environment for people to succeed. We have laid out our vision and our plans for the future. There is no plan of action from either of the opposition parties, not surprisingly.

We will continue to work with integrity and dedication on behalf of all Manitobans. We will continue to support positive change in all sectors of our society. We will continue to put the tools in place so that Manitobans can dream their dreams and achieve their own successes. We will continue to ensure that Manitoba is one of the best places in the world to live, to work, to invest and to raise our families.

It should come as absolutely no surprise whatsoever that I will gladly and wholeheartedly be voting for this budget, as I would encourage every single member of this Assembly to do for the good of all Manitobans. Thank you, Mr. Speaker.

Mr. Speaker: Is the House ready for the question? The question before the House is the proposed motion of the honourable Leader of the second opposition party (Mr. Edwards):

THAT the amendment be amended by adding thereto the following words:

And further regrets that:

- a) this government has failed to meet its own health reform agenda by decreasing home care funding, healthy communities development and other community health programs resulting in fewer community health services for Manitobans; and
- b) this government has failed to give hope to Manitoba young people who want to improve or acquire new skills by cutting Access and Youth programs; and
- c) this government's poor economic performance will continue as a result of their steadily increasing reliance on revenues from video lottery terminals rather than focusing on getting Manitobans back to work; and
- d) this government has failed to recognize the priorities of Manitobans by cutting spending to health, education and social services while at the

same time increasing grants and loans to businesses by 50 percent.

Is it the pleasure of the House to adopt the motion?

Some Honourable Members: Yes.

Voice Vote

Mr. Speaker: All those in favour of the motion, please say yea.

Some Honourable Members: Yea.

Mr. Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Speaker: In my opinion, the Nays have it.

Formal Vote

Mr. Kevin Lamoureux (Second Opposition House Leader): Yeas and Nays, Mr. Speaker.

Mr. Speaker: A recorded vote having been requested, call in the members.

* (2130)

The question before the House is the motion of the honourable Leader of the second opposition party. Is it the will of the House to have the motion read again?

Some Honourable Members: No.

Division

A RECORDED VOTE was taken, the result being as follows:

Yeas

Ashton, Barrett, Cerilli, Chomiak, Dewar, Doer, Edwards, Evans (Brandon East), Evans (Interlake), Friesen, Gaudry, Gray, Hickes, Kowalski, Lamoureux, Lathlin, Mackintosh, Maloway, Martindale, McCormick, Plohman, Reid, Robinson, Santos, Schellenberg, Wowchuk.

Nays

Cummings, Dacquay, Derkach, Downey, Driedger, Ducharme, Enns, Ernst, Filmon, Findlay, Gilleshammer, Helwer, Laurendeau, Manness, McAlpine, McCrae, McIntosh, Mitchelson, Orchard, Pallister, Penner, Praznik, Reimer, Render, Rose, Stefanson, Sveinson, Vodrey.

Mr. Clerk (William Remnant): Yeas 26, Nays 28.

Mr. Speaker: I declare the motion lost.

* * *

Mr. Speaker: The question before the House is the motion of the honourable Leader of the official opposition party:

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

Therefor regrets:

- a) that this government fails to protect our vital health services and has continued policies that are leading to reduced levels of services across Manitoba; and
- b) that this government's education policy has set up confrontation in our education system and continues policies that have resulted in the reduction of educational opportunities for our children; and
- c) that this government, by its own admission, is satisfied with continued economic performance below the national average resulting in the worst record of job creation in Canada in 1994; and
- d) that this government has failed to account for lost revenues in federal transfers for vital Manitoba programs of health and post-secondary education and social services; and

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

Is it the pleasure of the House to adopt the motion?

Voice Vote

Mr. Speaker: All those in favour of the motion will please say yea.

Some Honourable Members: Yea.

Mr. Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Speaker: In my opinion, the Nays have it.

Formal Vote

Mr. Steve Ashton (Opposition House Leader): Yeas and Nays, Mr. Speaker.

Mr. Speaker: A recorded vote having been requested, call in the members.

The question before the House is the motion of the honourable Leader of the official opposition.

Do you wish to have the motion read again?

Some Honourable Members: No.

Division

A RECORDED VOTE was taken, the result being as follows:

Yeas

Ashton, Barrett, Cerilli, Chomiak, Dewar, Doer, Edwards, Evans (Brandon East), Evans (Interlake), Friesen, Gaudry, Gray, Hickes, Kowalski, Lamoureux, Lathlin, Mackintosh, Maloway, Martindale, McCormick, Plohman, Reid, Robinson, Santos, Schellenberg, Wowchuk.

Nays

Cummings, Dacquay, Derkach, Downey, Driedger, Ducharme, Enns, Ernst, Filmon, Findlay, Gilleshammer, Helwer, Laurendeau, Manness, McAlpine, McCrae, McIntosh, Mitchelson, Orchard, Pallister, Penner, Praznik, Reimer, Render, Rose, Stefanson, Sveinson, Vodrey.

Mr. Clerk (William Remnant): Yeas 26, Nays 28.

Mr. Speaker: I declare the motion lost.

Voice Vote

Mr. Speaker: The next question before the House is a motion of the honourable Minister of Finance (Mr. Stefanson) that this House approve in general the budgetary policy of the government.

Is it the pleasure of the House to adopt the motion?

All those in favour of the motion, please say yea.

Some Honourable Members: Yea.

Mr. Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Speaker: In my opinion, the Yeas have it.

An Honourable Member: The jury said no, Mr. Speaker.

Mr. Speaker: On division?

An Honourable Member: Someone has got to stand up and ask for the recorded vote.

Mr. Speaker: Order, please. Is it on division? On division.

I declare the motion carried.

Is it the will of the House to call it ten o'clock? [agreed]

The hour being 10 p.m., this House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, March 20, 1995

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