



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

**DEBATES
and
PROCEEDINGS
(HANSARD)**

39-40 Elizabeth II

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



VOL. XLI No. 10B - 8 p.m., MONDAY, FEBRUARY 17, 1992



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHEEMA, Gulzar	The Maples	Liberal
CHOMIAK, Dave	Kildonan	NDP
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
MALLOWAY, Jim	Elmwood	NDP
MANNESSE, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold	Rossmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary, Hon.	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, February 17, 1992

The House met at 8 p.m.

MATTER OF URGENT PUBLIC IMPORTANCE

Mr. Speaker: The honourable member for Swan River, who has five minutes remaining.

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, the members of the government keep saying that all we are doing is asking them to spend, spend and spend more money. What we are saying is that they are spending money now, but they are spending in the wrong areas. We have money going to welfare, people are on unemployment. These people want to work. They want jobs. This government is not willing to listen to the people and address those concerns and redirect those dollars.

There are specific areas that I would like to raise. The Minister of Northern Affairs (Mr. Downey) is, I believe, quite aware of one of them. In my constituency the people in one of the communities, where there is an extremely high unemployment rate, have come up with a proposal for a tourism development because they want to work. They want to come off welfare. They want to have the opportunity to develop their community. That is a positive suggestion.

I hope that the government will look at this suggestion as well as other suggestions that have come from the people as ideas on how we can create employment, how people can start to have faith in their own communities and have some economic growth. For the government to say that all we are talking about is just throwing money away, there is a way to redirect the money and this government should seriously look at some of those. As I say, I would be very pleased if they would look at the idea that has come forward from my constituency.

Another area that has asked for some economic development is the community of Rock Ridge, and again the Minister of Northern Affairs is aware of this. These people want to complete a subdivision. The government would be required to put \$12,000 into it in exchange for a fairly substantial amount of money from the federal government, which again

would give economic growth to that community. Maybe some of the jobs would be short term, but there would be some training involved and a growth for the community. Again, look at those ideas.

Government also has to look at what they are doing with our education system and opportunities they are taking away from our children, particularly in the rural area, when they cut back on programs that allow our children to get the technological skills that are required to meet the opportunities of the challenging world facing us ahead. When you take away the opportunities, cut back on programs, our rural children are not having the same opportunities as urban children. I would hope the government would be willing to invest and provide the proper training so these children—our rural children—can take the same place in society in the technological jobs that other children are having the opportunity to do.

These are not wasted dollars. It is not the theory of spending for nothing. These will help our children and help Manitobans. By training these children, we will have the real opportunities to have the people trained to take those jobs if we ever have the opportunity to attract them to this province.

We are losing far too many of our—the government also talks about not wanting to spend money on creating jobs. We are losing our most precious resource. Our young people are having to leave this province because there are no opportunities here, very few. You look at the number of people who have left from here and gone out to Alberta and the Northwest Territories or other areas where there are opportunities for work. Once they put down their roots there, they are not going to come back to Manitoba, or very few of them will. We have to be prepared to invest in our young people, give them the opportunity to work so they can become part of our future communities.

* (2005)

Over the last week I met with LPNs and I met with daycare workers who are extremely concerned with what this government is doing with cutbacks in training again. The cutbacks in these areas of training impact more on women than they do on

men, and it is having a worse effect on rural people. When the courses are not being offered out in the rural area, you are setting people back. [interjection] My goodness, we can just about blame everything on that, can we not?

Mr. Speaker, the other area that I am extremely concerned about is the housing authority, this abandonment which this government has said that they are doing to—

Thank you, Mr. Speaker.

Mrs. Shirley Render (St. Vital): Mr. Speaker, I really looked forward to this discussion this afternoon when the honourable member for Flin Flon (Mr. Storie) rose earlier today and suggested that we have an emergency debate on the economic situation in Manitoba. I thought, what a good idea. Here will be a chance for this side of the House to be listening to what members from the other side of the House have to say.

I am afraid that I was not impressed with what the members opposite have said, with the exception of the members from the second party who have made some suggestions. Although I am not too sure I agree with all their suggestions, I did like the fact that they said let us work together.

I am afraid I am not impressed with the members opposite, the official opposition. It seems to me that the member for Flin Flon (Mr. Storie) said that the government said there was no problem. Mr. Speaker, I do not remember this government ever saying that the economic situation in this province was no problem. In fact, when this government took over we knew we had a problem even before the recession came, because we knew that this province had higher taxation than any other province in the country.

Then I listened to the Leader of the Opposition (Mr. Doer), and it seemed to me that he spent most of his time literally gleefully talking about how wrong we were in forecasting the end of the recession. It seemed to me that he was more concerned with telling us all the negatives instead of saying something about what we should be doing. In fact, when I listened to all the members on the opposite side of the House, I did not hear a single, solitary suggestion as to what this province should be doing. All I heard was a lot of whining, a lot of "you should not do this" and "you should not do that." I did not hear a solid suggestion as to what we really should be doing.

Since they cannot give us any suggestions, I think maybe it is up to this side of the House just to reinforce and to remind the members opposite just what this government has been doing. Since 1988 when we took office, this government has been laying a foundation for growth. We have kept taxes down. We have worked to control the deficit. We have kept spending under control. I think it is interesting to note that the federal government and seven other provinces in Canada have followed our lead and that they have also introduced measures to limit public sector wage increases.

I think it should also be pointed out to members opposite that we have, and by we I am saying this government has worked hard to build a solid foundation for economic growth. Some of the things that we have done have been to repeal final offer selection which, I think, was a real blot on the fair collective bargaining system. We also brought in legislation to revise The Workers Compensation Act, and as all of you know, that was first introduced in 1916 and there have been no major revisions since then. Our revisions have provided for a return to a balanced financial position and a more competitive assessment rate, while at the same time helping the workers.

* (2010)

Now a little closer perhaps to home in what we have done is the Workforce 2000 program. This is the first year that this program has really been in operation, and I think it should be noted by all that the Workforce 2000 program will be offering Manitobans up to \$8 million in private sector training initiatives as well as training advisory and brokerage services. I do not have any hard and fast figures with me today, but I understand that the program is up and running and has trained hundreds of students.

I think one of the things that we have to remember in this province is that we have to make our students and our employees competitive, and that is what Workforce 2000 is doing. It is a way of government and employers working together to provide Manitobans with a good variety of skills. Of course, that is the only way that Manitoba is going to keep its competitive edge not only within the community but on the national scene and on the international scene.

This government has also identified strategic business and industrial developmental opportunities; I am thinking mainly of the aerospace,

environment, health, and information technology sectors. This province soon will be introducing industrial requirement initiatives to help stimulate the expansion of the province's industry and, of course, to attract new business.

I think something that we have shown right from the very start is that we do remain committed to economic development. That commitment, we are focusing on innovations in the science and technology areas, such as the expansion or reactivation of the Churchill research range. Moving a little farther afield, we will be introducing a new oil and gas act shortly.

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

Something else that we are going to be tackling is a very aggressive tourism-marketing program, and this will be done, in partnership with industry and corporate sponsors, and this, of course, will improve our position in the marketplace. In fact, I think we will soon be announcing—I expect that we will be announcing—a new Canada-Manitoba tourism agreement, which will stimulate the development and promotion of new tourism products with international market appeal.

Many, many months ago, our Premier travelled to Russia and we signed, I think, a very significant agreement with the Russian republic. The Russia-Manitoba agreement on the economic, environmental and cultural co-operation, I think, could be termed a milestone in our government's efforts to strengthen Manitoba's economic relations with key markets around the world. Manitoba is the first province to secure an agreement of this kind with Russia. Of course, some of you may be aware of the terms, some of the priorities of this agreement, which are: Increased trade, scientific and technical exchanges, along with agricultural research and forestry and mineral development.

Now, something that we hear quite often from members opposite is to create jobs. Put money out there and create jobs. Well, since May 1988 to October of this year, we have seen hundreds and hundreds of business expansions and relocations here in Manitoba. That activity has created, or is creating, or will be creating, well over 5,000 full-time, permanent jobs in Manitoba.

I just happen to have some figures here in front of me. The government has participated in some of this with repayable loans and grants, and they will total

just over \$41 million. Now, if this had been done under the old NDP Jobs Fund—which the NDP, of course, continues to suggest that we do, this is the way to generate economic growth—the creation of those 5,000 jobs would have cost the provincial treasury over \$181 million, instead of the figure that I quoted just before. Of course, the problem with that is, it really is just short-term jobs with a long-term debt attached to it, and that is not what this government is interested in.

We have begun to put in place a new structure for economic development in Manitoba. We have created a new committee of cabinet responsible for economic development, and because we consider this committee so important, the Premier will be the chair of this committee, and the Minister of Industry, Trade and Tourism (Mr. Stefanson) will be serving as the vice-chair.

* (2015)

Now, this economic development board will be serving as the key focal point of our government's efforts to encourage entrepreneurship, economic growth, and job creation. This board will be supported by a second element, I guess you could call it, the Economic Development secretariat, and the third part of this partnership is the formation of the Economic Innovation and Technology Council. This council, as some of you are aware, will include representatives from the academic, business and labour sectors, as well as appointments from the community at large. The first priority of this council will be to review and evaluate current government and private sector expenditures on innovation. Of course, there are also a myriad of other things that the council will be doing.

Just to sum up really the strong point of this council, I will simply say that the Economic Development Board will be working to ensure that it is both the private and the public sector that the economic development efforts of each of these areas is complementary to each other, that neither will be working in isolation, that neither will have tunnel vision. It is the development of a solid working partnership or relationship between the private and the public sector, which is what this government is promoting, and which will allow this province to react quickly and effectively to capitalize on the economic opportunities as they begin to develop.

Thank you, Mr. Acting Speaker.

Mr. Paul Edwards (St. James): Mr. Acting Speaker, it does give me pleasure to rise as we recommence or continue this session for the first time. I want to say that I find it particularly important and particularly gratifying to be speaking so early on these very important economic issues which face our province. Indeed, the province is in a deep recession that has plagued the country, but we do not see the leadership from Manitoba, which I think Manitobans expect and desire. Pointing fingers at other jurisdictions really is not an answer. We are looking for leadership, not only from this government but of course the federal government.

We had hoped we would receive more leadership from the provincial government quite frankly, because they have always distanced themselves from the federal government as they should and have talked of being an innovative government. We have been sorely disappointed in the lack of innovation, the lack of free thinking on the part of the government. How ironic, however, that this comes forward in the form of a matter of urgent public interest from the New Democratic Party.

I heard in the preamble, it was mentioned some 57,000 jobs; well, that may be. My question is, have they factored in the however many are out on the street, as we speak, at their headquarters? There are a few more people out of work—[interjection]. It might be 57,009 or 10. I do not know that their figure is accurate and I would like a verification of the exact figure, because they know it. Believe me, they know it. Even out of power, the NDP have a knack for putting people out of work. It is unbelievable. Is there any more telling tale of why they are not in power and never should be in power, Mr. Acting Speaker? For members' benefit, I was at the site of the pickets and I want to just put on the record some of the horrendous employer abuses of authority which are being called to the attention on the picket line—the withdrawal of maternity benefits.

Some Honourable Members: Oh, oh.

Mr. Edwards: Yes, they have decided to move away from 100 percent funding and fall back on the UIC regime, the UIC regime which they have roundly criticized does not represent 100 percent compensation. No. 2, contracting out. Of all the employers' sins, they are contracting out it appears, Mr. Acting Speaker. It is frankly hard to believe. Hypocrisy has reached new highs, I am afraid. Wait, there is a third, and quite possibly the most damning, cutbacks in wages. Those are the allegations which

are being made. I am not at the negotiating table, but who am I to question those who picket and know the issues best and who raise those three issues on the signs as they picket right here in this city.

* (2020)

Mr. Acting Speaker, I want to know who is negotiating for the NDP. Is it Eugene Kostyra out of retirement? I think he knows the skills. Is it perhaps the former member for Churchill, perhaps the Leader of the NDP himself. He knows all the tricks and has certainly got the skills. He has indicated many times he has been at the negotiating table. Well, he is at it now.

Mr. Acting Speaker, this is the party that runs to join every picket line in the province wherever it is. Whatever the issue, the New Democratic Party has consistently run for the picket line. Where is the reporter? Where is the picket line? I am in. Well, as I say, we have learned of the new heights of hypocrisy to which the New Democratic Party will go, and so while I am not surprised, I am a bit surprised at the shamelessness with which they come forward today and complain entirely and put the blame entirely on others for the loss of work in this province. Having said that, there is no question that the government deserves much of the blame for the current state of affairs in this province.

Mr. Acting Speaker, the challenge was put. Where are the solutions? That was the challenge that was put by the Minister of Finance (Mr. Manness). Let me take these brief few minutes to put forward a few. First and foremost, the Conservative government must abandon the trickle-down theory of economics. That is the theory by which the decisions are made here and in Ottawa. That theory says that if you allow the rich to keep the money, if you allow people to make more money, it will trickle down and create jobs. The only trickling down which is occurring of jobs is trickling down to the United States and trickling down to Mexico after that. That is the only trickling down which is going to occur under this government.

Today, as we speak, in Dallas the parties are meeting, the United States, Mexico and Canada. They are meeting in probably the most pivotal of the meetings thus far in attempting to negotiate a North American trade pact. Mr. Acting Speaker, this is a critical time in our history, and it is time for this government to stand up and say "No" to seeing jobs trickle down and leave this country and go south;

and, if it is not the United States, it seems they are not satisfied with that; they have to go further and put us into a deal with Mexico. This can only massively increase the pressure on Canadian industries and businesses, and Canadian governments to reduce the tax levels and to ultimately assist in the fleeing of business and industry south if we hope to keep the present social structure in place.

The government knows and has indicated many times the swelling of the welfare roles. Well, how is it going to help that we are going to continue to have business—ultimately, I believe, business may believe in Canada, may have some patriotism in most cases, but, you know, they are in business ultimately to make money. The truth is, the laws that are in place governing workers, the tax regime that is in place in certain states in the United States, certainly in Mexico, throughout most of the United States, we simply cannot compete on that basis of taxation and we do not want to compete.

In Canada, we made a choice, and the choice was to support a social welfare net, Mr. Acting Speaker, which we all in this House speak glowingly about and with great pride. It is time for this government to put its money where its mouth is and put some words to protecting our ability to maintain that social net.

* (2025)

Another solution, Mr. Acting Speaker, we need a labour adjustment strategy. I have talked about this for years and years. It is high time that the government started to come through on the commitments it made when we went into the Free Trade Agreement. The government said at that time, as you will recall, as they were leading us into the Free Trade Agreement: Do not worry. We understand that the average Canadian worker will have four or five job changes in their career. We wrote a whole book on it called the de Grandpre Report.

Mr. Acting Speaker, that report indicated very clearly the absolutely essential nature of a labour adjustment strategy if we were even possibly to win under the Free Trade Agreement. Have we seen it? We have seen a pittance. We have seen words and no action. There is no consistent, cohesive labour adjustment strategy in this country, let alone in this province. So that is solution No. 2.

Solution No. 3, Mr. Acting Speaker. Take another look at where this government is going. I see the Minister of the Environment (Mr. Cummings) here and I want him to take another look at Conawapa.

Mr. Acting Speaker, we have on the record now indications that the projections which Conawapa was approved by—

The Acting Speaker (Mr. Laurendeau): Order, please.

Mr. Oscar Lathlin (The Pas): Mr. Acting Speaker, I also appreciate the opportunity to be able to rise today to speak on a very critical issue that is facing all Manitobans today. I am not going to be quoting you statistics, because we all know what they are. We know what the numbers are, and this government knows very well what those numbers are as well, so I am not going to bother giving you numbers and statistics.

What I would like to, instead, talk about, Mr. Acting Speaker, is touch on the human cost that this government and its policies are inflicting on the citizens of Manitoba. The government also says give us alternatives. I think my colleagues all afternoon have articulated good suggestions, helpful hints for the government to follow, but of course the government will not listen anyway.

Recently, I had the opportunity to visit the communities in my constituency and talk to the community leaders, the business people, the workers, the elders, and the young people. I must say that the mood of the people I visited has not changed at all from the time that I last visited them, which was in the late spring. That mood is one of despair, fear, hopelessness and anger.

I also very clearly recognize the feeling of people who were wanting to give up or who, in some cases, were already giving up—people who were laid off from their place of employment, people who were forced onto UI benefits and onto welfare. I think that is an extremely sad situation. It makes me sad anyway as I travel around the North visiting the people who reside there.

* (2030)

It is extremely sad, because when people allow themselves or who are forced to get to that point, when people are no longer feeling good about themselves and feeling depressed and, yes, in some cases, even blaming themselves for being in a situation that they find themselves in. The family

unit begins to disintegrate, and the social breakdown, of course, inevitably begins to manifest itself in the community.

The crime rate goes up. I think all of us know that. You do not have to be a social worker to know that. All one has to do is have common sense. Read the police reports and the evidence is very clear. The abuse of drugs and alcohol worsens, families break up, family violence increases, as the Minister of Justice (Mr. McCrae) was trying to point out to me a while ago, and in the end the cost of the government far outweighs the cost-cutting measures that this government so steadfastly adheres to. This is an incredibly high human cost to pay, yet this government says it is proud of what it has done, it is proud of what it is doing.

In spite of what this government is doing to the North, the spirit of those people will not be broken, I can guarantee that. They will continue to survive. This deplorable situation, Mr. Acting Speaker, is, of course, not unique to the North, as a result of this Conservative government's policy.

The despair is being felt all over the province, but what I wanted to emphasize is that when this government is trying to determine the pulse of Manitoba, such as trying to determine the rate of employment or unemployment, welfare and unemployment insurance claimants, its analysis centres around southern Manitoba, and that is where those resources are usually allocated, but, Mr. Acting Speaker, the province also includes the North.

The province is not only comprised of the South; it also includes the northern part of the province. The unemployment rate, the amount of social assistance that is being issued in Winnipeg, the number of UI claimants who are in Winnipeg, I agree, are indeed at a disgracefully high level, but when you go north, I can tell you that the situation up there is much, much worse. You think it is worse in Winnipeg and in southern Manitoba, but when you go up north, and you visit some of the reserves that I visit, where the unemployment rate is as high as 80 percent—in some of the towns that I visit, the unemployment rate is 23 percent to 30 percent.

I think I can understand maybe why things are always worse in the North, and I will give you three reasons. For one thing, this government has gone on record in this Chamber that the North is to be ridiculed and belittled. The Minister of Northern

Affairs (Mr. Downey) not too long ago has told this Assembly that the North just did not know how to vote. So that shows us how much commitment and how sensitive the minister is towards the needs of the North.

The other reason that I can think of is that the majority of the approximately one million people live in the South, and that is where the vote is. That is one reality that the people from the North have to live with, unfortunately. The other reason, my final reason, for this apparent neglect for the North, which I often think about, Mr. Acting Speaker, is that in the Northern Affairs area the majority of the population comprises of aboriginal people.

Now, Mr. Acting Speaker, I happen to know where the aboriginal people stand in this government's agenda. This government has never had the intention to enhance the growth and development of aboriginal people. All we have to do is look at its track record. The other thing that one has to do, besides looking at this government's track record and its dealing with aboriginal people, is to look at all those programs which were funded by way of federal-provincial agreements. Programs, such as ACCESS, the Northern Development Agreement, just to name two, were done away with while this government stood idly by saying absolutely nothing.

As if that were not enough, Mr. Acting Speaker, this government proceeded to cut the budgets and lay off workers at KCC, Natural Resources and other employment and training programs in the North. The other thing that this government always does is: It is the federal government, it is the international situation, it is what is happening in other provinces, but you know, who is the government of Manitoba today? Who is supposed to be providing leadership?

When George Petty flew into town some time in the spring of 1989, there was much hullabaloo about all the benefits that Repap was going to bring, jobs and wealth. Today, after three years, Repap has yet to deliver anything in the way of additional jobs, and worse, it has nothing in its forecast in the way of additional jobs for the next three or four years. This is what Repap officials tell me when I visit them in The Pas. What we have instead is a reduced work force at The Pas and workers who are being laid off every two or three months, yet this government will stand here and tell this Chamber that it is proud of what it has been able to do through Repap. The Northern Economic Development Commission—

The Acting Speaker (Mr. Laurendeau): Order, please. Time is up.

Hon. James Downey (Minister of Energy and Mines): Mr. Acting Speaker, I rise to participate in this debate which, by the appearance today, caught the opposition somewhat by surprise, I think. To hear the speeches, either they were not prepared or they are not serious about the emergency debate which they brought before this Assembly.

I want to just touch briefly on a couple of issues. First of all, I want to acknowledge the hard work and effort of the previous Minister of Energy and Mines, who is in the House tonight, and his sincere effort to put forward policies and programs to encourage the mining industry in this province and to deal with the energy issues.

I realize that 10 minutes goes very quickly, so maybe we should go for a rule change and give us a little more time when we are on matters of such importance to the province. Our message is good; it is clear. I want to talk particularly as it relates to two areas. One is a brief one on history, and the other is what we are doing and where I think we should be going as a province.

First of all, let us look at the whole energy question and Manitoba Hydro. I think that each and every one of us in this Assembly and every Manitoban should be proud of the fact that we have one of the cleanest, environmentally friendliest forms of energy that is available in the world.

Let us just take a look at the history of it. We had a Premier who, I believe, had a lot of vision and foresight in the development of rural hydro-electrification, and that was in the person of D.L. Campbell. Why did D.L. Campbell develop rural electrification? Because it was the right thing to do. It was the right thing to do to help the economy of rural Manitoba and to generate power in the North to transfer to rural Manitobans.

What followed that was the vision of Duff Roblin, with the further development of hydro-electric power on the Nelson River, continued by Walter Weir, continued by Ed Schreyer and his government, who in fact accelerated—[interjection] The members are cheering that, and I respect them for it—followed by the Sterling Lyon government who proceeded to continue to develop the hydro system, but to encourage the use of that hydro-electric power, but to use the power in Manitoba to do what? To create jobs.

* (2040)

That was thrown out by the NDP government of Howard Pawley, the creation of jobs due to the electricity development in Manitoba—followed by the Howard Pawley government who said what? We should build more dams in the North, we should build Limestone, we should speed up the development of the Limestone Generating Station, supported again by the people of Manitoba.

The election of the Filmon government: What has changed, Mr. Acting Speaker? I think the people of Manitoba want to see the continued development of hydro-electric power, but what has also been added are two processes. We said it is not going to be made solely on political judgment. It will be supported by a third party, on the economics of doing it, the Public Utilities Board, which by the way, endorsed the wholesale of hydro to Ontario and the development of Conawapa.

Secondly, we said it should go through the most extensive environmental process available and known today, federally and provincially. Yes, Mr. Acting Speaker, and that is a process that is in place. What has changed are two processes.

The theme of the Leader of the Opposition (Mr. Doer) today was this: We need to do something about the economy and create jobs, jobs, jobs. His words, Mr. Acting Speaker, his words in 1989, and notice how he has shifted. The Leader of the New Democratic Party said in 1989, this is what he said, he was supportive of Conawapa project when it was first announced in 1989. In fact, he claimed Premier Pawley's NDP government had signed an agreement between Ontario and Manitoba Hydro on August 28 of 1987. They had set this great thing in motion. That is what he said. They had signed the agreement, a Letter of Intent. Here is what he said as well: The idea is good for the province—and said the contract will create jobs, major jobs.

In fact, he projected 30,000 to 35,000 person years of employment over its 10 year construction schedule. This is the Leader of the New Democratic Party. Here is what he said as well; this was on April 6, 1988: Hydro is one of the greatest resources, and we will continue to be committed to the orderly development of our Manitoba resource for Manitoba's future—

An Honourable Member: Who said that?

Mr. Downey: The Leader of the New Democratic Party. Again, he reiterated in the Budget Debate of

1988, and this is partially what he said: And we will fight the mothballing of our Manitoba Hydro program right down the line this session and the next session of the Legislature.

He would fight the mothballing of Conawapa. That is what he was going to do. He further said: The economic realities are very important, but we must consider the environment.

Oh, there is something starting to change here. We must consider the environment as also very important in our deliberation and make it the No. 1 priority.

That is a change. We started to feel a little shift coming in the New Democratic Party position, from mothballing now to saying the environment is No. 1. There must have been some shifting in the political winds. It must have been something for the opportunism of the Leader of the New Democratic Party. Here is what he further said, and this is November 15 of 1990. He is asking the minister: Will the government assure us that there will be no construction until all licences that are necessary are issued provincially and federally?

What licences did the New Democratic Party have in place for the building of Limestone, for the building of the any of the dams that he was involved with? Absolutely none. We have now seen again, in the Interlake Spectator in August of 1991, in response to the Cree seeking an injunction to block the Conawapa project, NDP Leader Doer replied that he favoured a comprehensive review of all Hydro damages now, in the last 30 years. As well, as thorough an assessment of Hydro projects that could be constructed in the next 30 years. He totally changed his attitude. We do not disagree with the environmental process. In fact, we put it in place, but when you say you want jobs and economic development, you are denying the people of Manitoba and the North those jobs, if you do not start to realize the importance of Hydro and its development if we follow the proper process.

I challenge the member for Thompson (Mr. Ashton), The Pas (Mr. Lathlin), Rupertsland (Mr. Harper) and Churchill. I challenge the member for Flin Flon (Mr. Storie) and also the member who used to live in Churchill. What is his position? Well, I will tell you what his position was. Let us go to the position of Mr. Hickes. This was the position of Mr. Hickes: I want to ask the Minister of Energy and Mines, considering his personal views on affirmative

action, what consultation and planning is now going on to ensure northerners get these opportunities again with Conawapa.

He wants his people to have—the question was put directly, NDP MLA Mr. Hickes, who is the NDP Energy critic who voiced his support for Conawapa during the 1990 Budget Debate. He said, when the question was put: yes, I do support it. You see, an honest man. The member for Flin Flon (Mr. Storie), what did the member for Flin Flon say in July 1988? I hope that the new Minister responsible for Hydro, meaning Mr. Neufeld, and the new chairperson of the Manitoba Hydro will not let the opportunity pass to continue to develop our hydro resource.

The bottom line is this. The members from northern Manitoba had the opportunity to stand up and be counted. If they want jobs, if they want people working, this is their opportunity. Let the member from the Interlake (Mr. Clif Evans) stand up. Let them come before the environmental process and have their concerns be known, but let them be people enough to stand up and say, there are jobs, it is the right thing to do if we want our economy growing.

It is time to challenge their Leader. Are they going to take the side of the northerners and the Natives for job creation and economic development, or are they going to say, we are not prepared to stand up and live up to our beliefs?

Mr. Acting Speaker, I can assure you that there is a proper process in place. We expect it to be followed but we expect—

The Acting Speaker (Mr. Laurendeau): Order, please.

Mr. Downey:—the Leader of the New Democratic Party (Mr. Doer) and the members of his party to stand up and be counted when it comes to the important issues in this province.

Mr. Kevin Lamoureux (Inkster): Mr. Acting Speaker, in listening to a number of the speeches here today, I would be somewhat inclined to talk about the hypocrisy of the New Democratic Party but, as hard as it is, I am going to try my darndest to refrain from doing that, even though it is awfully tempting. I can assure you that there will be a number of opportunities in which I will be able to point out just how hypocritical members of the NDP caucus really and truly are.

Mr. Acting Speaker, I want to accept the challenge of the Minister of Finance (Mr. Manness) and, as I have stated in speaking to the motion, that this debate is necessary and it was very important that members stood up in the House and made some positive suggestions, some recommendations to contribute to try to turn things around.

The free trade deal, no doubt, has had a major impact on Manitoba. Depending on who you talk to will determine what degree of impact the free trade deal had. I do not think that there is anyone inside the Chamber who would not acknowledge the fact that the free trade deal has meant that a good number of individual Manitobans are going to have to change jobs. It is somewhat disappointing in terms of the government's approach to the whole question of retraining. One of the things that we would like to see the government do is to invest more resources into the training and retraining of these individuals so that Manitobans are better equipped to compete for the jobs that are out there and that we need to be able to attract. There are a number of things that they can do.

* (2050)

I want to talk very briefly about a program that was just brought to my attention the other day, a program that was, in fact, being cut in an inadvertent fashion, and that is called the RRAP program. RRAP stands for the Residential Rehabilitation Assistance Program. In a nutshell, it is a program that allows homeowners to improve their house through applying for grants, through applying for loans, loan forgiveness. It is a joint program that the City of Winnipeg administers and the federal government provides the funds or the loans, if you will, and the grants. The province had contributed to a core agreement in which there were individuals, assessors who were hired, who went around the city and sold that particular program.

In this particular instance, the number of inspectors are being cut back. As a direct result, there are not going to be as many applications being processed. There will not be as many applications being approved. Thereby, we are going to have: 1) jobs are going to be lost; and 2) revitalization is very important to all of our urban and rural areas, and it is not going to help out the whole question of revitalizing our older communities.

I use this as an example that the government through each and every department has a multitude of different programs, that if they were to look into each program and come up with ideas or new initiatives, because they have the resources, we know that, to look at the different programs, to enhance the programs that are already within, to possibly come up with additional programs such as one that was cut back with the Department of Housing regarding the housing co-op HomeStart Program.

These are all programs that contributed not only direct jobs, they also provided indirect jobs, and these were permanent jobs in the sense that they were training jobs. These are jobs that we have right now. Currently, a very high percentage of unemployed—the Premier (Mr. Filmon) himself has often talked about the importance of creating construction work, construction jobs. There are a good number of jobs in that area, in the housing co-ops. I have always been an advocate of converting non-profit housing into housing co-ops, wherever possible, and the government really has not acted on what I believe is an excellent resolution, that was introduced a session ago. [interjection]

By the Liberal Party, to the Minister of Health. The Liberal Party has contributed in many different ways by bringing forward resolutions, as we have seen today, with bills, coming up with very positive ideas and, to the government's credit, they have actually adopted a couple of them. I believe that there are some other resolutions that are out there that would provide the jobs, that would not necessarily cost money.

We talk about the housing co-op. By having the non-profit housing turn into housing co-ops, you are giving an individual the opportunity to own their home, to have better—I would suggest that home-owners, co-op members, take very good care of their premises, will do more work inside their premises, creating more demand for different products, and so forth.

When I think in terms of the Minister of Health (Mr. Orchard)—because the Minister of Health quite often asks for positive suggestions and ideas in terms of how he might better be able to spend our tax dollars—I believe, and I know the Minister of Health is taking advantage of the leader of the Liberal Party's comments out at Minnedosa in regard to personal care homes. There is a demand

for personal care homes in the city and in some areas in rural Manitoba—

An Honourable Member: What did she say? I forget. What did she say?

Mr. Lamoureux:—and this might be an opportune time for the government to invest into expanding their personal care homes.

The Deputy Premier (Mr. Downey) asks, what is it that she said? Well, in fact, I was there, and the Deputy Premier—

Point of Order

The Acting Speaker (Mr. Laurendeau): Order, please. .

Hon. Harold Gilleshammer (Minister of Family Services): Thank you, Mr. Acting Speaker. I think the people of Minnedosa would really like to have some clarification of that comment on turfing 50 percent of the people out of the personal care homes. They certainly felt she meant it.

The Acting Speaker (Mr. Laurendeau): Order, please. The honourable minister did not have a point of order.

* * *

Mr. Lamoureux: Mr. Acting Speaker, I hope that time will be taken off and that I will be given back another two minutes anyway. I would like to make quick reference. The Leader of the Liberal Party (Mrs. Carstairs) does not believe that you should hold seniors in a health institution if you do not have to, unlike the government. If the government says to the seniors that they have to stay in a health-care facility, whether it is the Seven Oaks General Hospital, whether it is the hospital out in Minnedosa, well, that is fine.

If that is the message that they want to send out to Manitobans, that is fine, but I will tell you that is not in the best interests of our seniors. If the seniors that are in the health-care institutions feel that they would be better served in a personal care home and the minister does not want to open his eyes to realize and to listen to what the seniors are in fact saying, well, that is his problem. It is a very valid suggestion that the Leader of the Liberal Party (Mrs. Carstairs) had brought forward. Unfortunately, members and ministers have attempted to take advantage and to blow it out of proportion and misquote. They were not there, and I am telling you

I was there. I did listen to what the Leader of the Liberal Party was saying, and that was the gist of it.

Mr. Acting Speaker, there are things that the government can do that will improve the lifestyles of all Manitobans and creating jobs is one of the major issues in my riding. I had a survey that went out just about eight-nine months ago, and in tabulating the results—every Premier wants me to table it. The Premier (Mr. Filmon) likely already has a copy of it. He had a copy of my previous ones, and if he does not, the Premier can ask me, and I will be more than happy to share with him the results. If the Premier or the Deputy Premier (Mr. Downey) wants to come and sit down with me, I would be more than happy to review it, because I do not mind sharing the concerns of my constituents if I feel that the government is in fact going to take them very seriously.

I see the light is flashing, and I do want to just conclude by saying—[interjection] If there is leave I will be more than happy to. To conclude, the government's ideas in the past two, two and a half years have not been working in attempting to get the economy in Manitoba working. It is time they listened to what the opposition parties or at least the Liberal Party is saying and adopt what they believe are the good ideas. You do not have to adopt—[interjection]

The Acting Speaker (Mr. Laurendeau): Order, please.

Mr. Edward Connery (Portage la Prairie): I think it is a very appropriate subject that we are debating today, the economy of Manitoba. When the NDP put forward the resolution to have this emergency debate, I honestly thought that we would be getting some sincere suggestions as to how to make the economy improve in Manitoba, and all we have had so far is rhetoric on numbers. I would consider it strictly political talk and nothing concrete as to what we should do.

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

Madam Deputy Speaker, when they were in government, they were void of any ideas as to how to create jobs except through the Jobs Fund, which cost us something like \$250 million and really did not create—maybe a handful of full-time jobs.

Madam Deputy Speaker, that is not the way to go. We have to talk about long-term jobs that are going to be paid for by the purchasers of those goods. I

respect the member for Inkster (Mr. Lamoureux), but what he was talking about once again were government-funded programs with no long-term jobs. Not that the money spent is spent poorly, but it is not in a way that this economy is going to recover.

The member for Lakeside (Mr. Enns), I thought, made so far today the best speech of this Legislature. He had three specific items of job creation. I am not going to go back through them, but he was absolutely right. He pleaded with the opposition to help us as a government to make sure that those megaprojects come to fruition to create the jobs that we require and a good substantial portion of those jobs in the North where the northern members are saying they do not have jobs.

* (2100)

I would also like to point out the upgrading of HBM&S at Flin Flon, which the NDP had not moved on, but now we are funding. It took quite a while of negotiation, and I have to say to the department, thank God, we have got it. Now it is going to do something substantial for Flin Flon. It is going to ensure that the North survives. The member for The Pas (Mr. Lathlin), I guess, does not want to hear these comments, but he should, because those are jobs for the northern people. I think that was a major thrust, costing a lot of money, Manitobans' money, and I think it was in the right direction.

Madam Deputy Speaker, job creation is many faceted, and I agree with what our government has done in trying to bring in place the deficit to get our spending under control to create an environment that business will want to come to this province and invest. When you have a runaway deficit, a runaway inflation, you are not going to have businesses come to this province. Ontario is going to experience some real serious problems with business creation. I do not say that with glee because it is an NDP government, because that is one of the provinces that funds the equalization rates. If we do not have them doing well, we will also pay the price for their demise or their downturn in the economy.

We talk about little job creations, and the member for The Pas (Mr. Lathlin) was complaining about they did not have enough tree planting at their project at The Pas. I want to say, through the NDP years, the Dakota Plains Reserve just southwest of Portage had greenhouses sitting empty through the NDP years because they would not give them a

contract to grow trees. These are Natives, and the member for The Pas should be listening to this.

The NDP would not give them a contract to grow trees. When we got into government, I worked with the department, and I want to thank the member for Lakeside (Mr. Enns) who gave that reserve a contract to grow trees. They are going to have another contract again this year. We went out to the reserve and to the greenhouses and saw the pride that those people had in producing those trees. Those are the kinds of make-work projects that, I think—not make work because they are trees that are required for the reforestation unless people like the member for Radisson (Ms. Cerilli) say, thou shalt not cut another tree, and then, of course, all of those jobs go.

Madam Deputy Speaker, I have not heard one word mentioned today about tourism. Tourism can be one of the greatest generators of job creation that we can have. I am not going to be critical of the minister who has tourism, because I have said many times in this House already, that the minister is an excellent minister, he has too many portfolios to look after, and he cannot do them all well. I see him here at seven o'clock in the morning when I come early, and he is here late at night, and he is here on the weekends, so members opposite do not need to say anything. That minister is working as hard as he can.

We do need, I believe, a separate department for tourism, where we can have some emphasis put on it, where people can go out and work with the industry and have the time to listen to them and to create something that, I think, is well worthwhile, but you can remember the thrust of the NDP when they were in power. Do you remember the World Expo in Vancouver? All of the provinces had a pavilion at Expo in Vancouver, except Manitoba. We were the laughingstock—

An Honourable Member: Not all the provinces.

Mr. Connery: Well, the western provinces did. We were the laughingstock at Expo. We were ashamed to tell the people of the world what we had. Members talk about the beauty of the North. We had people from all over the world coming to Vancouver, to Expo, and we did not have anything to tell them. There was some little booth, I think, in the Alberta display, and there was a lot of fun: Manitoba pavilion this way. We did not do anything.

Madam Deputy Speaker, the greatest thrust that I think we can do as a province for job creation is to

divert water from the Assiniboine River to provide water for southern Manitoba. Now there is a hooker in there. There is a catch. Before we divert the water, we need to impound additional water to ensure that there is sufficient water for all of the users on that system and for those who want to have it diverted to their area.

It is also going to require support from your party, the NDP party, to allow us to do that. I would hope that the member for Radisson (Ms. Cerilli), who is the environmental critic, would listen, because she did canoe down the Assiniboine River to take a look at all of the places that water was withdrawn. I bet you she has a map that shows every pipe, and probably the size of it, and the type of motor that was running that pipe—[interjection] She says that she has photos of them.

Madam Deputy Speaker, if we divert water to that very rich southern Manitoba, the Pembina Valley, and also impound water so that those can expand off the Assiniboine River that are expanding now, we can create thousands and thousands of jobs. The member for Lakeside (Mr. Enns), in his speech, said 18,000, and I think that is very conservative, because the 18,000 would be in southern Manitoba and I can guarantee you that there would be an additional 10,000 jobs in the city of Winnipeg because of the economic spinoff that goes with it. [interjection]

The member for—where is he from?—Reverend Blackjack from Burrows—

Point of Order

Mr. Steve Ashton (Opposition House Leader): I would like to ask you to call the member to order. It is one of the clearer customs in this House and as part of our rules that all members refer to—as honourable members, they are referred to as the honourable member for a particular constituency. It is not in order for members to get up and use terms such as that when referring to a member. I would like to ask you to have the member withdraw that and resume with a more normal way of addressing members in this House.

Mr. Connery: I would be glad to withdraw the comment in the context that they are objecting to, but the phrase "Blackjack" came because he was walking with the casino strikers, and he is supposedly opposed to gambling. That is the only reason we use that, Madam Deputy Speaker.

* * *

Mr. Connery: I would hope that members opposite would support this government when we come to bring proposals forward for the diversion of water, not only for the Pembina Valley area, but we also want to take a look at the Souris area, the areas up through Russell. There is a lot of room for more production, which brings me to the point that in agriculture, we need more diversification. We are having trouble selling our wheat, oats, barley, oil seeds. We need to be able to diversify into other crops, and as the member for Emerson (Mr. Penner) has said potatoes are grown in abundance in that area, but the contractors have very explicitly said that, if they do not irrigate, they are going to lose those contracts, because they have to be guaranteed a supply of quality product.

If you look in Carberry and see the number of people working in that plant in rural Manitoba, you recognize how vital irrigation is to it. When you look at the jobs in Portage la Prairie, not only in the fields that are being irrigated, but in those plants that are processing, once again in the McCain's plant in Portage la Prairie, we see hundreds of jobs that are there.

So, Madam Deputy Speaker, I would absolutely beg of the members opposite, when we do bring something forward to divert water and to create a dam to hold additional water, that they will support us and not run off on some crazy tangent because they are going to say it is environmentally hazardous. Everything we do has some effect on the environment, I agree. The fact that the people drove here to this Legislature today had a greater impact on the environment than a dam is going to have, but we do it because we have to come here.

Madam Deputy Speaker, another area that I think we have to take a look at from the point of job creation is some of our labour legislation. We withdrew FOS, which was a serious deterrent to job creation. I think we may need to take a look at a couple of other items, and I say that sincerely because they are deterrents to bringing business here to Manitoba. Having said that, if it was not for our Conservative government, the jobless rate could be 67,000 or 77,000 under an NDP government.

Mr. Dave Chomiak (Kildonan): Madam Deputy Speaker, it is indeed ironic that we heard comments several speakers ago from the Deputy Premier, the

Minister responsible for Northern Affairs (Mr. Downey), about the developments in northern Manitoba when this government, in fact, has probably done more to devastate the economic landscape and the environment of northern Manitoba than any other government in Manitoba history. If a death-bed confession has ever been in effect, that is in fact what we have heard from the member for Arthur-Virden, the Deputy Premier.

I am not an economist, and quite obviously members opposite are not either. Madam Deputy Speaker, I have always been a firm believer that the best advice one can receive is from one's constituents. Frankly, you cannot be a better representative than to reflect the opinions of the people of Manitoba, the constituents whom we represent. In the last several weeks in particular, my constituents have told me a lot.

* (2110)

Last week was particularly interesting, and I will quote to you some of the comments because I am on the doorstep every single week. It is clear to me that the No. 1 issue on the minds of the constituents of Kildonan, and I suspect all of the people in Manitoba—and I have been in the North recently and rural Manitoba—is the economy and the devastating effect that the recession and the lack of government action is having on the economy of Manitoba.

My constituents know that this stand-aside government has done nothing, has done zero, to help the economy. We do not blame the Filmon government of Manitoba for all the problems in our economy. It is quite clear there is a world-wide recession going on, and it is quite clear that there is a downturn in the economy; but, Madam Deputy Speaker, this government has done virtually nothing to help the people of the province of Manitoba.

My constituents, the people of Kildonan, are not fooled. They know that the government privatization initiatives, like those of the federal Tories, have been a failure. They know that you do not help the economy by putting hundreds and indeed thousands of people out of work.

In fact, if you just look at the fiascos occurring at the Department of Education, you can see the difficulty in unloading hundreds and hundreds of jobs in the Department of Education, hurting rural Manitoba, hurting equity in terms of the education system in the province, and not being able to deliver

the programs that the former minister touted as being milestones of his government, things like reform in terms of a strategic plan, reform of The Public Schools Act, and on and on and on.

The devastation that has occurred in rural Manitoba, the concern in rural Manitoba, the concern in the North as a result of the elimination of the infrastructure of the Department of Education has had a dramatic effect on the accessibility of education to the children of Manitoba. How can they deliver on those initiatives, Madam Deputy Speaker, when they have eliminated jobs and put people out of work?

My constituents know that cutbacks in education do not improve the economy, but hurt it. They know that driving people out of work onto UIC, off of workers compensation onto welfare does not help the economy. They know that cutbacks to social services hurt in the long run, Madam Deputy Speaker. I often use the analogy, remember the Fram Oil commercial, you pay me now or you pay me later. The cost, not just in economic terms, but in social terms, as a result of the government's cutbacks in economics, in education and in social programs will cost us far more in the long run.

Madam Deputy Speaker, my constituents know that government involvement as one of the participants in the economy, not stepping aside, is a crucial factor in the economy of Manitoba. Contrast the Roblin government—and I will use a Tory government—with the Lyon government. The Roblin government took an active participation in the economy. They were involved, they participated, they sponsored new initiatives. The Lyon government acute protracted restraint did absolutely nothing. They stalled the economy. They hurt thousands and thousands of people. Unfortunately, the model adopted by this particular government resembles the Lyon government far more than it does the Roblin government.

So the message, very clearly from my constituents, is for the government to be involved, to do something. There were at least three households two weeks ago that told me the government has got to do something. That is aside from all the people who said, we have no job, we have problems, our kids are staying at home. At least three separate households said the government has got to do something.

Madam Deputy Speaker, what solutions did we in the New Democratic Party offer? We have already proposed a summit of all groups in society to begin to work together to develop some strategies and some goals, some common efforts. Unfortunately, we have been unable to convince the government opposite, nor have we been able to convince the members of the Liberal Party. It is unfortunate that they do not recognize and do not realize that by pulling together, by working in a small economy—one million people, a small economy in the context of this entire global network—if only we pull together, can we develop some future for the children of Manitoba. We are a small economy. We can only produce and get out of this mess by pulling together.

Madam Deputy Speaker, the Conservative government ideology is blind adherence to the concept of competition, greed. Total reliance on this competition factor has been one of the factors that has hurt this economy but has prevented the government from doing anything concrete to drag us out of this terrible recession, perhaps the worst since the '30s, certainly the worst in 10 years.

* (2120)

Madam Deputy Speaker, members opposite astonish me for the lack of policies and direction by this government, no plan, no strategy, just a step-aside strategy. Step aside, things will work out. Even the least sophisticated business would have a strategic plan. Even the least sophisticated business would identify priorities. Even the least sophisticated business would identify programs for training, but from this government we see nothing. We see a step-aside strategy. We see an approach that says, just let events go on, we will be a cork on the ocean.

Now we know what the effect of this has been—57,000 people unemployed. What do we tell these people? I see them every single week in my constituency. There is not a single street in the area that I represent where there are not some people who are unemployed. What do I tell these people? They say, what is happening to this economy? I say the government is stepping aside. They are doing nothing.

The only thing this government knows, Madam Deputy Speaker, is blind allegiance to its federal master to its ideology, the GST and free trade. The GST and free trade are going to drag us out of this.

The public knows; my constituents know. Of course, the government can do nothing unless it has credibility with the public. Unless they have credibility, the public will not believe even their rhetoric. What do we hear from this government? Jobs, jobs, jobs; eliminate the deficit; balance the budget; no tax increases.

What has happened in four years of Tory government? It has been elimination of jobs, the deficit has risen, the budget certainly is not balanced, and we see massive tax increases at the local level, a tremendous offloading. All of the pledges have been broken, not just by Mulroney, their supporter, but by this government. This government was elected to a large extent for an economic pledge, and it has failed miserably on that count.

I have been on the street door-to-door regularly since the election and, as I indicated, there is not a single street where people are not suffering and hurting as a result of the economic malaise this province is in, this government's lack of action. What is the government's response? Defend Mulroney, no training initiatives, no strategy to get out of the economic malaise, and no economic summit to bring together all the participants in our economy to deal with it.

Madam Deputy Speaker, the other failure by this government is its massive tax offloading. Probably one of the best boosts that you could give to our economy would be in the form of a tax break. Imagine what the removal of the GST could mean to cross-border shopping, something members opposite have cried about since the House began, and they have not done it, nor have the Liberal Party. Unfortunately, even the Liberals have fallen into the Tory trap that the GST must stay.

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

Mr. Gulzar Cheema (The Maples): Madam Deputy Speaker, I will be quite brief and will not be very polite to some of the comments. I will start by saying that, like the member for Kildonan (Mr. Chomiak), I have been knocking on doors and I did some surveying, a very accurate survey which has a lot of meaning. Most of the people in my area, do you know what they told me? That the taxes and deficit is the No. 1 problem.

The member for Kildonan has just put on the record that this government should spend money,

that they should balance the budget. You should know how much the deficit was inflated by your party from 1986 until 1988, and how much interest we are paying on that debt, close to about \$560 million per year. That \$560 million could be spent on a lot of education and training programs, so I do not think anybody has to learn from the mistake of your party. I think you are a reasonable person, so let us not go back 10 years. I think we have to talk about the problem now.

Madam Deputy Speaker, I admire the member for Kildonan, the way he is working, but you should tell exactly what your constituents are saying. Your constituents are no different from mine. They are the middle class, middle class income and they are telling us, smarten up, do not tell the lies, tell the truth, tell how we are going to pay for all the promises. All the things the NDP are saying, who is going to pay for that?

Madam Deputy Speaker—[interjection]

Madam Deputy Speaker: Order, please. Would the honourable member for Elmwood (Mr. Maloway) please refrain from the banter. I am having great difficulty hearing the honourable member for The Maples (Mr. Cheema).

Mr. Cheema: Madam Deputy Speaker, I am not criticizing the present members. I am simply telling them, please review your record and then make comments on the record, because we are wasting taxpayers' money if we are not telling the truth. The No. 1 problem individuals are saying again, they are saying higher taxes—

Point of Order

Mr. Chomiak: Madam Deputy Speaker, I have talked with over 7,000 constituents since the last election, and the No. 1 issue in my constituency is the economy. I would like to put that on the record, so the member accusing me of not telling the truth is, in fact, inaccurate.

Madam Deputy Speaker: The honourable member for Kildonan (Mr. Chomiak) does not have a point of order. It is a dispute over the facts.

* * *

Mr. Cheema: Madam Deputy Speaker, I was not accusing the member for Kildonan (Mr. Chomiak), and he knows full well. I was simply telling him what the constituents are saying. They are simply telling

us—I was simply telling him, let us please tell the truth to the people of Manitoba, that the people are concerned about taxes, and the No. 1 issue is, we should lower their taxes and stimulate the economy, have some confidence in the economy.

This party is saying, let us spend more and more and more. Who is going to pay for it, Madam Deputy Speaker? They love them in Tokyo. They love them in New York. These individuals borrowed money and they have borrowed our future, the future of many individuals they do not know. I would simply tell them they should try to learn how to balance the books the way they would do their own books. Why not balance the books for the taxpayers of Manitoba? We have to deal with the tax money in the same fashion we would deal with our personal money.

Madam Deputy Speaker, I was simply saying that we have to be very careful, and the carefulness must be in a way that the responsibility will come on us, because in four years' time we may not be here and then the individuals are going to accuse us of not telling the truth. Simply, I am asking that we should be a little bit more responsible, come up with positive ideas and not demand more and more. [interjection]

Madam Deputy Speaker, the member for Elmwood (Mr. Maloway) keeps on chirping from his chair and says, let us put the doctors on salary. Why not? We are not refusing that. We are not advocating for doctors or anyone. We are advocating for taxpayers who have put their confidence and have told us, please do the job properly. If that is the way we are going to do our job we should not be here, we should be doing something else.

Some of us would not be able to make a living if we were not here. It is very sad how things have come to this country and specifically how we see the individuals who are highly qualified, who have education from Manitoba are leaving because they do not see any future, a future which is not solely the fault of any specific government at present. It is basically, as the member for Kildonan (Mr. Chomiak) said, a world-wide recession. We are in very changing times, so we have to come up with specific ideas.

I am not an expert. I do not have many ideas. I am simply asking, let us put our faith in the people of Manitoba and ask for their help so they can come up with more innovative ideas. One of them we

could do is in terms of putting more resources into the training and retraining part, where the average person would go through a number of changes in their job in their lifetime. It is going to happen. It is going to be a very serious problem whether you are working in a factory or you are working in a high-tech industry or working on a computer or in high or middle management. That is going to come. So we have to plan that for the future. I am sure the Minister of Industry, Trade and Tourism (Mr. Stefanson) will come up with some innovative and new ideas.

The second investment where we can really do well is the health care industry, except I disagree with the Minister of Health (Mr. Orchard) except for the one idea of selling the Americans our health care system. It will not solve the problem, but the high-tech industry in the area of the health sector can be improved. The drug companies have already shown some interest in Manitoba. They are very highly paid, well paid jobs which are going to last for a long time, and that industry is not going to disappear. That is the one we should look at and take advantage of our middle position in North America on this continent and try to improve upon that. That is one thing we can do.

The second is, as they announced in the past two or three budgets, a very progressive budget for the building of personal care homes. Why not start those now? Why not invest in the infrastructure for some of the hospitals or some of the community clinics or some other aspects of health care? That can be done. That will create jobs for the time being and also stimulate our economy, plus will give the resources where they are needed the most. We have to see that the money is well spent.

As I said earlier, we have to be very careful that every cent, every dollar we spend, must be spent in the most possible way that it will bring some rewards back to the people of Manitoba. The taxpayers are fed up. They have no faith in politicians. We saw what happened over the weekend with the councillors' pension and the councillors' view on the whole pay scale.

I think we have to be careful how we would even conduct ourselves in this House. That is why we in our party are asking this government, especially in health care, that we want them to take some responsible action, be careful, have some policies which will save money. We are not asking, demanding to just throw money at each and every problem in the health care. We are asking them

simply spend smart, spend wisely and invest in Manitoba's future. Try to create an environment where people will feel comfortable.

You have to invest in people and that is what I think this government should do. That is what my constituents are telling me. In terms of property taxes they are saying they are fed up with the taxes, lower those taxes. The property taxes are very high. They said that the people should be the ones who should be given the priority, not a specific political party or a specific group of individuals or special interest groups. When you align yourself with one specific interest group you are not going to do good for the rest of the people. You are paid to represent the views of each and every Manitoban and work for all of them.

* (2130)

Madam Deputy Speaker, I sincerely hope that the intentions are right for most of the members in this House. In my earlier comment, I said that I do not have any kind of disrespect for the member for Kildonan (Mr. Chomiak). I am simply telling them that he is one of the brightest stars, then please let us work and make sure that we are telling the individual the right things to do and not telling something outside the House and different things at different times just to suit what a specific group of individuals want to hear.

I think that is a very dangerous path that has happened in the past. If it continues to happen, then many of us will not be back in this House. I think it is a tragedy that this institution cannot have a long-term plan because most of us have four years here. In four years' time there is so much that individual can achieve. If you have a sense for the future and if you are going to plan well for the province of Manitoba, then you have to really work very hard and be sincere. I think eventually people will appreciate that.

Thank you, Madam Deputy Speaker.

Mr. Gerry McAlpine (Sturgeon Creek): Madam Deputy Speaker, I am pleased to stand and speak in this debate on the Manitoba economy.

However, I am amazed, as many members on this side of the House are amazed, by the Leader of the Opposition (Mr. Doer) and the member for Flin Flon (Mr. Storie), who have raised this matter in the House as though they have all the answers. At least that is what they would want their supporters to believe. I have been in business myself since 1971

when the NDP brought in our infamous MPIC because insurance rates in Manitoba were too high and were not going to be any lower under a government monopoly. I learned at that time that in a free country as Canada and as a province like Manitoba, no one need be out of work if they are willing to work. Not only did I have work which I created by starting my own business, I created employment for others. This is what is needed for Manitobans under this government. All Manitobans have the same opportunities as the next person. However, our opposition seems to have difficulty understanding that.

Madam Deputy Speaker, the Leader of the Opposition (Mr. Doer) and the member for Flin Flon (Mr. Storie) raised this in the House today, but they offer no solutions. No, they criticize and point fingers at this side of the House as though we created this dilemma. However, let us be reminded who really is responsible for the failures in Manitoba. Do we need to be reminded that when our government took over in 1988 because of NDP ideology, we inherited a debt that is crippling this province to the tune of over \$560 million in interest every year?

We also have to be conscious of the fact that it was during good times, when revenues were at 16 percent to 18 percent compared to our zero and 2 percent or even close to that that this government have experienced during our term in office.

Madam Deputy Speaker, although the opposition offers no solutions, it is probably better that they do not, with their past records of proven experience of failures, which I will not dwell on.

The opposition talk about and criticize our government's initiatives, but they cannot even settle a simple dispute with their own staff, who are, by the way, on strike this very moment and are walking the picket lines.

Madam Deputy Speaker, they talk about being the party for the people. What hypocrisy. They talk about urgency. We on this side of the House recognized the urgency months ago with the government initiatives like the Crocus Investment Fund, the Vision Capital Fund and the Mineral Exploration Incentive program as well as the Rural Development Bonds that create not only a strong business base in rural Manitoba, but create much needed employment in this province.

With this, people of Manitoba will have real jobs created by the business sector that will be sustained

for many years to come. I congratulate this government on the choices that they have made in keeping taxes down and our spending under control.

First and foremost, if we are going to succeed through these difficult times, we cannot go out and spend, spend and spend as our oppositions across the way would have us do. We must work together. I commend the members in the second opposition in their suggestion of working in co-operation to come out of this difficult time.

Together with business and workers alike, our government must remain focused on this agenda, and I know that I have the support of my constituents in Sturgeon Creek, who continue to remind me from door to door that we are on the right track. We have also initiated the formation of the Community Choices program, which we hope will be as effective as it is popular; also a new Manitoba Economic Innovation and Technology Council that will link and draw upon resources in government, business, labour and the research community to help guide Manitoba toward economic leadership and technological innovation.

Today, in the House, we heard our Minister of Agriculture (Mr. Findlay) talk about balance. The success of business today in employment is one of balance and creating harmony in all sectors of the economy, not just in the work force like the Leader of the Opposition (Mr. Doer) with his union backers and Mr. Daryl Bean, whom he idolizes, with the big pay cheques and the vicious threats on the picket lines.

This government, I am proud to say, are visionary and leading with good solid business common sense. This government is reaching out beyond our borders, and I believe all Manitobans are grateful for that.

As an example, months ago an economic environmental agreement was signed by our Premier (Mr. Filmon) and the Russian minister of the economy of Russia, Mr. Sakharov. Manitoba was the first province to secure such an agreement with the Russian minister.

This agreement has the potential of creating benefits for both sides, and I would suggest that this is only the beginning and an example of how the members of this side of the House are proposed to govern. The priorities of this agreement are increased trade, scientific and technical exchanges,

agricultural, research, forestry and mineral development, hydro generation and transmission, and northern development, and many others.

Madam Deputy Speaker, while we talk about hydro generation and northern development, we talk about the hydro generation and transmission along with the northern development. I wonder what is going to happen when we come to talk about Conawapa, which the Leader of the Opposition (Mr. Doer) is on record of opposing. How are the people of Flin Flon, how are the people of The Pas and Rupertsland and Thompson going to justify this opposition by so many on the other side when it is going to create employment to the extent that it is going to put people to work? Are they going to answer their members at the polls in the next election? I hope so. If they were, then I would be out there talking to them right now if I were them.

* (2140)

Members on the other side of the House try to botch up another project when they talk about Conawapa, and they do not recognize that this is a project which is probably going to be the largest project in the world. With our water resources in this province, which stretches from the B.C. Rockies to the Great Lakes waters, we are the most fortunate of all provinces with water resources, and Conawapa is one way that we as Manitobans can capitalize on its benefits for many years to come. This is a project that, once built, will last a lifetime for our children and our children's children.

We on this side of the House are encouraged by responses from people in the business community when they talk about projects of this magnitude, and we are encouraged by the member for The Maples (Mr. Cheema) when he talks about co-operation and looking at options that will help Manitobans grow out of these difficult times. The business community recognized that this government's agenda is one that is not only healthy for the small business for this province, but also the employees and also the unemployed.

The government of Manitoba's economic development strategy focuses on long-term priorities to ensure sustainable growth for our economy. The province pursues a policy of sustainable development. Madam Deputy Speaker, this is the climate that Manitoba businesses are operating in today, under a visionary government, and will continue in making Manitoba strong.

Thank you.

Mr. Conrad Santos (Broadway): Madam Deputy Speaker, I would like to start on a more optimistic perspective. Despite our economic difficulties the economy of Manitoba is only a subsystem of a greater Canadian economy, and the Canadian economy, in turn, is itself a subsystem of a global economy.

If we look at the resources of Canada objectively, and this has been done already by the prestigious World Economic Forum in Geneva, in terms of our wealth per capita, Canada is second only to the United States in terms of comparative purchasing power. In terms of the quality of life, as shown by certain indicators like life expectancy, general income level, level of health care and other related indicators, Canada is second only to Japan.

Now, if this is the case, why are we suffering economically in Canada as well as in Manitoba? The only explanation that we can come up with is that there has been some defective management in the economy. According to the director of the Institute of the Study of Economic Policy, what is wrong is that the economic managers are applying outdated neoclassical policies. For example, they are applying the monetarist policy, the monetarist perspective, in trying to control inflation by controlling interest rates. For example, in order to control inflation, we have a high interest rate policy in Canada. The governor of the central bank sees to it that he maintains the policy despite contrary indicators.

The ironic thing about this is that the high interest rate policy contributed to additional expenses for business firms, the high cost of borrowing. What would a business firm do if they had to pay high interest on the money that they borrow to run their enterprise? They will simply tack up and up the interest to the price they charge. If you add the interest alone with the other taxes—the provincial sales tax, the general goods and services tax—to the price of goods, then the price will escalate and the consumer, in the face of economic difficulties, will naturally think twice before they will buy capital goods. Necessities they have to buy because they have to eat regardless of whether the economy is good or bad.

With respect to capital purchases like cars, refrigerators, housing—those things that can be postponed—the consumers will not buy. When they

will not buy, the producers will not produce and when the producers will not produce, they will have to lay off certain workers. When they lay off workers, then there will be a high level of unemployment in our economy. When there is high level of unemployment in our economy, naturally, there will be less number of people who will pay into social security deductions, like unemployment insurance deductions.

You know, we always think that when we have our Canada Pension Plan we are really preparing for our retirement. The trouble is that the payment now, the deduction now, is being used exactly right now also for paying someone else's retirement. When there are less and less workers who are employed and less and less contributing to that fund of money which is supposed to be earning interest and which is supposed to be invested in securities for the future, you know that sooner or later, by simply the passage of time, this Canada Pension Plan will be empty at the bottom. That is one of the causes of our economic difficulties. In order to pay for the present retirement or present unemployment rate, we have to take from that fund, but there are fewer and fewer people contributing to it now that they are now unemployed. Sooner or later this fund will be exhausted.

What we need is to take a look at our taxation policy. Take the present situation, the present rule about entertainment business deductions. We allow business, corporate firms and a self-employed professional to deduct from their tax bills because of what they call "business entertainment," so they can enjoy private boxes in stadiums and arenas. They can stage lavish parties for their employees, for their executives to some kind of seminars, and they can deduct this in their tax liability. This will cause more and more cost to our government, contributing to the federal deficit.

There is also special treatment that we in our present tax rules give to certain forms of income, for example, the capital gains tax. We also have special treatment for income in the form of dividends, as compared to salaries of ordinary working Canadians. Because of this special treatment, we are adding more and more to our annual federal deficit.

They also enjoy in the corporate world what is known as deferred income taxes. They can be federal taxes. Every corporate executive knows that this deferred tax will likely never be paid. This

contributes to the increase in our federal deficit. Because of this federal deficit then, the federal government is in no position to redistribute the public resources to the provinces. Naturally, the federal government starts cutting. It starts cutting federal transfer payments.

What is the solution? The solution is to get rid of those special tax treatments so that everybody will have the same level of liability as taxpayers. Whether they are business people or workers, they should pay the same amount of taxes. They should all contribute to the tax burden of society in an equal manner.

If you remove all the fancy business expenses and deductions, they will have to contribute to the maintenance of our national economy. Because of this inequality in equity, unfairness in our tax system, there is a greater burden of the tax being carried by working people, individual human beings, and less burden on the part of corporate enterprise.

* (2150)

(Mr. Speaker in the Chair)

If there is to be fairness in carrying the burdens of civilized society, then both the corporate and individual taxpayer should have the same level of liability in carrying the burdens of society.

Moreover, we should change our attitude. Now let us look at some of these transfer payments. Let us see how they are distributed. Lately, we have heard about \$700 million federal aid to the agricultural sector. Let us look at how this is distributed. Who really benefits from those federal subsidies? Walker and Horry in their study called Government Spending—[interjection] No, not that one.

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

Hon. Leonard Derkach (Minister of Rural Development): Mr. Speaker, I am pleased to enter into this debate this evening. I must say that the tone of today's debate has been interesting to say the least. When we began this afternoon, it was obvious that members of the opposition parties were, or appeared to be, ready to debate the serious issues of the economy that we are facing here in Manitoba and throughout the country. It was not very long before we realized that much of the debate coming from the other side of the House was nothing but old rhetoric that we have heard time and time again. I have to say that I have sensed some bit of change

in the mood that we have seen from the debate coming from the Liberal bench, and I was encouraged by the member from St. Boniface (Mr. Gaudry) who actually acknowledged that perhaps some of the direction this government has taken has not been all that bad, and indeed that there are perhaps some extenuating circumstances as to why the economy is where it is today.

I do not think there is a member in this House who is happy with the plight of the Canadian economy, with where we are as a province. I do not think there is a single member in this House who likes to see people unemployed, who likes to see people on the welfare roll, who likes to see people who cannot make a living in our province. Let me say that I think we live in one of the finest parts of this country; we live in the best part of this world.

We have come through a recession, or we are still living in a recession, and one that is not going away very quickly. While we are going through this recession, we have had to adjust our ways of life, we have had to adjust the ways we make livings, and indeed it has cost us dearly in some respects.

When I heard the member for Broadway (Mr. Santos) begin his speech just moments ago, I thought I would be encouraged by what I was beginning to hear from him, because it seemed that finally from the opposition we were hearing something that would perhaps lead to giving us some advice, to perhaps giving us some solutions as to why our economy is where it is at from the perspective of the NDP.

However, it was not long before he slid back into the old rhetoric that we have heard time and time again from the opposition benches. That is sad, because when the opposition made the motion to have this emergency debate today, I thought that they were ready, I thought that they had prepared, I thought that they had done some homework in trying to bring together some solutions as to how we could improve our economy. That did not happen. It did not come to fruition.

As a matter of fact, they seemed to be on a completely different track than most provinces in this country. We can look to the NDP government in Ontario, we can look to the NDP government in Saskatchewan or British Columbia, and they are realizing that there are some very serious issues ahead of them and they cannot spend their money

out of the recession, but that is not the attitude across the way, and that is sad.

Mr. Speaker, I thought we would hear today that there would be some meaningful debate from the opposition benches as to the initiatives that have been undertaken by this government and perhaps there would be suggestions as to how some of these initiatives could be improved, how some of these initiatives could be changed to help the Manitoba economy. I did not hear any of them. [interjection] Oh, yes, I was here for it, as a matter of fact, Mr. Speaker, and when I was not here, I listened to it. I did not hear any meaningful suggestions. What are the strengths of our province? Did we hear from the opposition side what were the strengths of this province?

Over the last four years this government has embarked on some very positive proactive programs that I am sure will put this province in very good shape when this recession finally ends. We could talk about programs like the Crocus development fund, a program which allows people in the workplace to invest into the economy of this province. It allows those people who are workers to invest in the businesses that they are working in.

It is not government that is going to motivate the economy of this province by itself. It takes a partnership approach, a partnership between government and the private sector, and the people of the communities.

The workers are a very integral part of that, and that is why the Crocus fund was put into place. If the opposition have some suggestions as to how that Crocus fund could be improved, we did not hear them this afternoon.

Mr. Speaker, we also put in a program called the Grow Bond program, rural development bonds to help our rural economies, our rural communities set their own directions, be able to invest in their own communities, and allow those communities to grow. This has been a very positive initiative, and yet all I have heard from the opposition side is negative, negative, negative, about any one of these initiatives. They have not been listening to Manitobans, because Manitobans are very high on Grow Bonds. Manitobans are still out there saying the Grow Bond program is going to work to help revitalize the economy. I am glad to see that the Leader of the Opposition is here, because I listened

very carefully to the remarks of the Leader of the Opposition.

I listened very carefully to the solutions, the possible solutions that the Leader of the Opposition might present to the Chamber this afternoon. There was not one solution that he presented to the Chamber that was meaningful, that would get this province back on track, but should I be surprised, Mr. Speaker? I do not think so.

We have heard the opposition criticize the moves of decentralization. Decentralization in this province has worked very well. I have been to many openings of decentralizations and rural communities are extremely proud of those decentralization offices that have been developed. To date we have not heard a great deal of negative response from people who use the services of the decentralized offices.

We are hearing that the services are delivered just as quickly and adequately as they ever have been.

I heard the member for Kildonan (Mr. Chomiak), the critic for Education, talk about the need for a strategic plan. He talked about the fact that any organization needs a strategic plan, and then in the next breath he said the Department of Education had a strategic plan, but it really meant nothing. Where is he coming from? First he says we need a strategic plan, then he criticizes the strategic plan.

Mr. Speaker, we heard the Minister of Natural Resources (Mr. Enns) talk about—

Mr. Speaker: Order, please. The hour being 10 p.m., I am interrupting the proceedings according to Rule 21 (4). The debate on this matter is terminated.

The House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

Legislative Assembly of Manitoba

Monday, February 17, 1992

CONTENTS

Matter of Urgent Public Importance

Provincial Economic Crisis

Wowchuk
Render
Edwards
Lathlin
Downey

441
442
444
445
447

Lamoureux
Connery
Chomiak
Cheema
McAlpine
Santos
Derkach

448
450
452
454
456
458
459