



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. 31 - 1:30 p.m., TUESDAY, MARCH 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, Guizar	The Maples	Liberal
CHOMIAK, Dave	Kildonan	NDP
CONNERY, Edward	Portage la Prairie	PC
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold	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

Tuesday, March 17, 1992

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### PRESENTING PETITIONS

**Ms. Becky Barrett (Wellington):** Mr. Speaker, I beg to present the petition of Geraldine Sage, Marc Morelli, Marg Baker and others requesting the government show its strong commitment to dealing with child abuse by considering restoring the Fight Back Against Child Abuse campaign.

**Mr. Daryl Reid (Transcona):** Mr. Speaker, I beg to present the petition of Orton Harrison, Susan Joyce, Joanne Wallace and others requesting the Minister of Justice (Mr. McCrae) call upon the Parliament of Canada to amend the Criminal Code to prevent the release of individuals where there is substantial likelihood of further family violence.

**Mr. Dave Chomlak (Kildonan):** Mr. Speaker, I beg to present the petition of Robert Mooney, Myrna Oehlerking, Eleanore Verplaetse and others requesting the Minister of Justice (Mr. McCrae) call upon the Parliament of Canada to amend the Criminal Code to prevent the release of individuals where there is substantial likelihood of further family violence.

**Mr. Oscar Lathlin (The Pas):** I beg to present the petition of Alice Vorst, Minerva Burgess, Jim Burgess and others requesting the government show its strong commitment to aboriginal self-government by considering reversing its position on the AJI by supporting the recommendations within its jurisdiction and implementing a separate and a parallel justice system.

### READING AND RECEIVING PETITIONS

**Mr. Speaker:** I have reviewed the petition of the honourable member, and it complies with the privileges and practices of the House and complies with the rules (by leave). Is it the will of the House to have the petition read?

The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

The Aboriginal Justice Inquiry was launched in April of 1988 to conduct an examination of the relationship between the justice system and aboriginal people; and

The AJI delivered its report in August of 1991 and concluded that the justice system has been a massive failure for aboriginal people; and

The AJI report endorsed the inherent right of aboriginal self-government and the right of aboriginal communities to establish an aboriginal justice system; and

The Canadian Bar Association, The Law Reform Commission of Canada, among many others, also recommend both aboriginal self-government and a separate and parallel justice system; and

On January 28, 1992, five months after releasing the report, the provincial government announced it was not prepared to proceed with the majority of the recommendations; and

Despite the All-Party Task Force Report which endorsed aboriginal self-government, the provincial government now rejects a separate and parallel justice system, an Aboriginal Justice Commission and many other key recommendations which are solely within provincial jurisdiction.

WHEREFORE your petitioners humbly pray that the Legislature of the Province of Manitoba may be pleased to request that the government of Manitoba show a strong commitment to aboriginal self-government by considering reversing its position on the AJI by supporting the recommendations within its jurisdiction and implementing a separate and parallel justice system. (Mr. Ashton)

I have reviewed the petition of the honourable member, and it complies with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read?

The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

The Aboriginal Justice Inquiry was launched in April of 1988 to conduct an examination of the relationship between the justice system and aboriginal people; and

The AJI delivered its report in August of 1991 and concluded that the justice system has been a massive failure for aboriginal people; and

The AJI report endorsed the inherent right of aboriginal self-government and the right of aboriginal communities to establish an aboriginal justice system; and

The Canadian Bar Association, The Law Reform Commission of Canada, among many others, also recommend both aboriginal self-government and a separate and parallel justice system; and

On January 28, 1992, five months after releasing the report, the provincial government announced it was not prepared to proceed with the majority of the recommendations; and

Despite the All-Party Task Force Report which endorsed aboriginal self-government, the provincial government now rejects a separate and parallel justice system, an Aboriginal Justice Commission and many other key recommendations which are solely within provincial jurisdiction.

WHEREFORE your petitioners humbly pray that the Legislature of the Province of Manitoba may be pleased to request that the government of Manitoba show a strong commitment to aboriginal self-government by considering reversing its position on the AJI by supporting the recommendations within its jurisdiction and implementing a separate and parallel justice system. (Mr. Lathlin)

\* \* \*

I have reviewed the petition of the honourable member, and it complies with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read?

The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

The bail review provisions in the Criminal Code of Canada currently set out that accused offenders, including those suspected of conjugal or family violence, be released unless it can be proven that the individual is a danger to society at large or it is likely that the accused person will not reappear in court; and

The problem of conjugal and family violence is a matter of grave concern for all Canadians and requires a multifaceted approach to ensure that those at risk, particularly women and children, be protected from further harm.

WHEREFORE your petitioners humbly pray that the Legislature of the province of Manitoba may be pleased to request that the Minister of Justice (Mr. McCrae) call upon the Parliament of Canada to amend the Criminal Code of Canada to permit the courts to prevent the release of individuals where it is shown that there is a substantial likelihood of further conjugal or family violence being perpetrated. (Mr. Reid)

The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

The bail review provisions in the Criminal Code of Canada currently set out that accused offenders, including those suspected of conjugal or family violence, be released unless it can be proven that the individual is a danger to society at large or it is likely that the accused person will not reappear in court; and

The problem of conjugal and family violence is a matter of grave concern for all Canadians and requires a multifaceted approach to ensure that those at risk, particularly women and children, be protected from further harm.

WHEREFORE your petitioners humbly pray that the Legislature of the province of Manitoba may be pleased to request that the Minister of Justice (Mr. McCrae) call upon the Parliament of Canada to amend the Criminal Code of Canada to permit the courts to prevent the release of individuals where it is shown that there is a substantial likelihood of further conjugal or family violence being perpetrated. (Ms. Cerilli)

\* (1335)

#### MINISTERIAL STATEMENT

**Hon. James McCrae (Minister of Justice and Attorney General):** Mr. Speaker, I have a statement for the House.

Yesterday, I, along with the honourable member for Brandon East (Mr. Leonard Evans), the honourable member for St. Boniface (Mr. Gaudry), Mayor Rick Borotsik and Mayor Bill Norrie, travelled to Ottawa to present our views to the Minister of

National Defence's advisory group on defence infrastructure.

The views put forward to the advisory group were unanimously supported by the all-party committee of the Manitoba Legislature. Our presentation also reflected consultation with interested citizens, groups and local government representatives from Brandon, Cornwallis, Shilo, Portage la Prairie and Winnipeg.

My colleagues and I welcomed the opportunity to present our concerns to the advisory group. Too often decisions regarding the fate of military bases have been made without public participation and in an atmosphere of secrecy. Communities have often suffered through months of rumour and speculation regarding the fate of local bases. Such speculation can be devastating for citizens who depend on the bases for their livelihood.

Our recommendations to the advisory group focus on the need for greater openness and public consultation in the decision-making process. Communities that might face potential cuts should be notified at the outset to avoid needless anxiety. All studies and impact analyses conducted must be available to the public.

The federal government must also put in place mechanisms to assist those communities affected by military cutbacks.

We urged the advisory group to remain cognizant of the pride and valour with which Manitobans have historically served our nation's armed forces.

With the closure of such facilities as CFB Churchill, CFB Gimli and more recently CFB Portage la Prairie, Manitoba has already endured more than its fair share of defence cuts. While we recognize the need to streamline our defence infrastructure and to reduce unnecessary expenditures, we do not believe that depleting services in one area and moving them to another is in anyone's best interest.

We will continue our efforts to ensure that Manitoba's concerns with regard to the rationalization of defence infrastructure are well known to the federal government. I remain confident that with a united front we will succeed in maintaining and perhaps expanding the presence of the Canadian Armed Forces in Manitoba. Thank you, Mr. Speaker.

**Mr. Leonard Evans (Brandon East):** Mr. Speaker, I thank the minister for his statement and

would say that I appreciated the opportunity to be there along with the member for St. Boniface (Mr. Gaudry) as well as the mayor of Brandon and the mayor of Winnipeg.

I must say I was disappointed, and I continue to express the disappointment that we never, ever have yet been able to meet with the Minister of National Defence, which has been attempted for many a month now. We did meet with the other caucuses. We had a good hearing with the caucuses. I only wish there were a few more Tories in the Tory caucus. We only met with Mr. Lee Clark, but I would have liked to have met with some of the cabinet ministers from Manitoba as well.

In hindsight, it may not matter because ultimately this decision about base infrastructure across Canada has been put on ice until the next federal election. I am convinced there will be no major decisions made until after the next election, at which time there will likely be a new minister for sure and probably a new government.

I would agree with the minister; we had a very good hearing with the advisory group. It was an excellent panel. It was a productive discussion, excellent presentations. Everybody participated, and it was productive.

It is important to know that the mandate of the advisory group is to set out the guidelines, the parameters, the criteria that a government should use in making rational decisions about future base infrastructure. The mandate of the committee is not to say whether or not Shilo or Kapyong Barracks should remain or be closed.

\* (1340)

The next step, Mr. Speaker, is for the report of this committee to go to the minister and ultimately to the parliamentary committee on defence where there could even be more hearings, we are not sure. The point is a new government, whatever government there may be, could simply ignore the report. We have to keep on trying. We have to continue to voice our concerns on behalf of Manitoba. We can leave no stone unturned.

Yesterday's meeting was productive with that committee. As I said, it was a good panel. The frustrating part of it is there is no guarantee that anyone will listen to that particular panel's report. Therefore, there continues to remain a great deal of uncertainty.

With regard to mitigation and economic offsets that could make up for the loss of defence spending or the loss of jobs, it is a very difficult task. We have had experience in the past in Gimli, in Rivers and now in Portage to try to make up in some way with other kinds of economic activity. Mr. Speaker, it is a very difficult, almost impossible, task particularly in rural Manitoba.

Having said that, we will continue to try to do our very best on behalf of the people of Manitoba to ensure that we get our fair share of defence spending in this country.

**Mr. Nell Gaudry (St. Boniface):** Premièrement j'aimerais remercier le ministre de nous avoir demandé de participer comme délégués hier pour faire la présentation au comité consultatif pour le gouvernement fédéral. Pour moi, comme délégué c'était une très belle expérience, comme première fois à une conférence comme telle. On était bien reçu par le comité qui était mis sur pied. On était là comme groupe unis avec les collègues de la Législature et le maire de la Ville de Winnipeg. On avait l'appui, j'en suis sûr, de tous les élus de la province, puisque ce n'est pas seulement un problème des environs de Brandon, c'est un problème pour toute la province.

Il y a bien des choses qui sont ressorties hier à cette conférence, cette présentation qui a été faite par le gouvernement ici. Alors on est en support de ce qui s'est passé. Moi j'ai eu l'occasion de dire quelques mots sur la dualité canadienne lorsque c'était un critère qui avait abordé alors que le ministre de Défense avait envoyé demandant au ministre ici au Manitoba.

Alors il m'a fait plaisir d'élaborer les services en français qu'on a dans la province, toute, non seulement à Saint-Boniface ou à la Ville de Winnipeg, mais dans les communautés francophones qui entourent Brandon et Shilo. Et puis la Société franco-manitobaine aussi a des gens dans les différentes communautés, comme à Brandon, qui desservent ces communautés-là. Alors si nous avons des gens qui viennent d'ailleurs qui sont francophones, il nous fait plaisir de les avoir parmi nous. C'est la culture qu'ils peuvent continuer—il n'y a pas de problème—à vivre leur culture dans leur langue et travailler dans leur langue aussi, s'ils le veulent.

Pour conclure, encore une fois j'aimerais remercier le ministre de la Justice (M. McCrae) de

nous avoir apportés à Ottawa avec lui pour faire partie de la délégation. On prévoit continuer à travailler en unité avec lui pour voir à la prochaine rencontre lorsqu'il aura un comité parlementaire mis sur pied pour continuer l'étude des bases militaires au Canada. Merci.

#### [Translation]

First of all I would like to thank the minister for asking us to participate as delegates yesterday to make that presentation before the federal government advisory committee. For me, it was a wonderful experience, as it was my first time as a delegate at such a conference. We were well received by the committee that was set up. We were there as a united group with our colleagues from the Legislature and the mayor of the City of Winnipeg. I am sure that we had the support of all the elected members in the province, since it is not just a problem in the Brandon area but throughout the province.

Many things came out yesterday at this conference during the presentation by our government, and we are in support of what happened. I, myself, had the opportunity to say a few words regarding Canadian duality, which is a criterion that was examined at the request of the Minister of Defence.

It was my pleasure to discuss the French language services that we have here in the entire province, not only in St. Boniface or in the city of Winnipeg, but also in the Francophone communities that surround Brandon and Shilo. The Société franco-manitobaine also has people in the various communities, such as Brandon, who serve those communities. So if we have people who come from elsewhere who are Francophone, we are pleased to have them among us, and they can continue—there is no problem—to live their culture in their language and to work in their language, too, if they wish.

To conclude, once again, I would like to thank the Minister of Justice (Mr. McCrae) for taking us to Ottawa with him as part of the delegation. We anticipate that we will continue to work in unity with him with a view to the next meeting when a parliamentary committee is set up to continue the study of Canada's military bases. Thank you.

## INTRODUCTION OF BILLS

### Bill 64—The Child and Family Services Amendment Act

**Hon. Harold Gillehammer (Minister of Family Services):** Mr. Speaker, I move, seconded by the Minister of Rural Development (Mr. Derkach), that Bill 64, The Child and Family Services Amendment Act; Loi modifiant la Loi sur les services à l'enfant et à la famille, be introduced and that the same be now received and read a first time.

His Honour the Lieutenant-Governor, having been advised of the contents of this bill, recommends it to the House. I would like to table the message.

**Motion agreed to.**

\* (1345)

### Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions, may I direct the attention of honourable members to the gallery, where we have with us this afternoon, from the Elmwood High School, thirty-two Grade 9 students. They are under the direction of Mr. Dave Gillis. This school is located in the constituency of the honourable Leader of the Opposition (Mr. Doer).

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

## ORAL QUESTION PERIOD

### Department of Government Services Consulting Firm

**Mr. Gary Doer (Leader of the Opposition):** Mr. Speaker, yesterday the minister confirmed that indeed an RCMP investigation was being conducted into the Government Services leasing department. Search warrants were issued; investigation is proceeding. Some of the answers of the minister raised more questions that we have today.

I would like to ask the Minister of Government Services, in light of his answer yesterday that the investigation arose out of irregularities between the administration and the consulting contract, who employed the consulting firm that the minister referred to yesterday in his answer in the questions of the House?

**Hon. Gerald Ducharme (Minister of Government Services):** Mr. Speaker, first of all, I gave as much

information as I could yesterday. That is the question involved in the investigation. That is part of the investigation. In fairness again to the employee, I gave him as much information as I could give him yesterday until that investigation is completed.

**Mr. Doer:** Mr. Speaker, the minister did also say that it had no relation to the landlord. Given the fact we have a consulting firm hired dealing with the government's own department, and the minister himself volunteered yesterday that it had nothing to do with the landlord, will the minister please answer today who hired the consulting firm in terms of the allegations an investigation is proceeding?

**Mr. Ducharme:** Mr. Speaker, I can answer that our department did not hire the consultant. That is what the investigation is about. Our department did not hire the consultant. That is what I mentioned yesterday. That is between the employee who is being investigated and the consultant.

**Mr. Doer:** Mr. Speaker, if the department did not hire the consulting firm and the consulting firm did work, and the minister has stated in the House that it had no relationship to the landlord, what relationship does the landlord have to the consulting firm that is under investigation with the RCMP?

**Mr. Ducharme:** Mr. Speaker, that is why it has been investigated—none.

### Dutch Elm Disease Program Funding Restoration

**Ms. Jean Friesen (Wolseley):** Mr. Speaker, there are four quite common-sense reasons for the provincial government to reinstate its support of the Dutch elm disease program: It is cost effective; it is labour intensive in a city where unemployment is growing and is already over 11 percent; thirdly, the conservation of elms has a direct effect on the economic competitiveness of Winnipeg as a prairie city; and finally, it has widespread popular support across the community.

I would like to ask the Minister of Natural Resources, would he make the same commitment to the House that he made yesterday outside the House, that he is now willing to reconsider his government's position and restore the provincial funds for Dutch elm disease control?

**Hon. Harry Enns (Minister of Natural Resources):** Mr. Speaker, we have been fighting Dutch elm disease in the city of Winnipeg for the last

20 years. The only two times that the program was substantially increased from a level of about \$160,000 to \$190,000 during the NDP Schreyer years to \$350,000 was done, I say immodestly, by myself in a Conservative government in 1978. The next time the funding for the Dutch elm disease was increased occurred again six years later, after no increases at all by six years of the NDP government, I say again immodestly, by this same minister, when my Premier (Mr. Filmon) gave me the opportunity to do so in 1989, to \$700,000.

Mr. Speaker, we have in my department, along with others, in keeping with the realities of our budget requirements and on the advice of professional foresters who recognized that the drought cycle had been broken—that we could bring it back to the \$350,000 level without jeopardizing the program which we are completely dedicated to. I want that put on the record that it was a Conservative administration that on two occasions recognized the importance of saving our elm trees.

I am prepared to answer a question. I am prepared, as I am prepared for many things, to review that program. I invite her questions on that—

**Mr. Speaker:** Order, please.

**Ms. Frlesen:** I think the minister should be—

**Mr. Speaker:** Order, please.

\* (1350)

**Ms. Frlesen:** Is the minister, Mr. Speaker, in all his modesty, prepared to take a truly courageous and popular decision and withdraw the money that he has applied to the Oak Hammock Marsh and the Ducks Unlimited project and apply that money to the Dutch elm disease program?

**Mr. Enns:** Mr. Speaker, because it essentially falls under the responsibility of a Conservative government to do the conservation measures and programs in this province, like the North American Waterfowl Management program that will safeguard our pothole country in the southwest, that is, of course, a ludicrous suggestion. That program will enable and hopefully educate hundreds of thousands of Manitobans in the importance of wildlife, the importance of its preservation and its continued support.

Mr. Speaker, I can report, while I am on my feet, that the building is 65 percent completed. We are well ahead of schedule on the building. In fact, I understand that a group of science educators and

nature school studies are planning a symposium at the University of Manitoba, where we are well underway in developing the education interpretive program that is going to be of so much benefit to so many citizens of Manitoba, particularly our school children.

**Ms. Frlesen:** The last of the Dutch elms in Winnipeg will be a clear education to—

**Mr. Speaker:** Order, please.

### Multiyear Planning

**Ms. Jean Frlesen (Wolseley):** Will the minister make a commitment to work with the city or at least with his colleague the Minister of Urban Affairs (Mr. Ernst) to develop the multiyear program which this cost-shared program so obviously needs?

**Hon. Harry Enns (Minister of Natural Resources):** Mr. Speaker, I am happy to acknowledge that we will do that, and we have been doing that. I also remind, as my colleague the Minister of Urban Affairs said, the city this year is receiving, I believe, a 4 percent increase in their overall block funding. It is certainly within the decision making of the city if they wish to add some additional monies toward this very important part of the well-being of the city of Winnipeg.

My forestry people work daily with the city forestry people. We are engaged in a \$2-million program, not \$350,000. We are engaged in a \$2-million program to fight Dutch elm disease in the province of Manitoba. We have contracts with 39 rural municipalities. This is not just a city of Winnipeg problem; we have contracts with 39 rural municipalities throughout the length and breadth of this province where we also fight Dutch elm disease.

So, Mr. Speaker, I offer the commitment of this government to any public scrutiny, to any accountability, as to our sincerity in fighting this disease.

### Department of Government Services Lease Information Tabling Request

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** My questions are to the Minister of Government Services. There has been a great deal of controversy with regard to the MHRC space from the very beginning, since it was granted as we debated in this House before, outside of the bounds of the normal tendering process.



Mr. Speaker, there is some information which we recognize the minister cannot release. However, there is other information which we believe should be in the public purview. Will the minister release today a copy of the original lease signed by this government?

**Hon. Gerald Ducharme (Minister of Government Services):** Mr. Speaker, first of all, let us get on the record that the landlord is not involved. This is between an employee and a consulting firm. Secondly, I will take your question under advisement and I will check to see if that is public record now, then I will be glad to release that particular lease. There is no reason not to.

**Mrs. Carstairs:** Well, I thank the minister for taking it under advisement, and I think there is no reason why that lease cannot be provided to all members of the Legislature.

Mr. Speaker, a number of leasehold improvements were to be done to the building before it was leased to MHRC. Will the minister table the list of improvements that were to be done to the building in order to achieve the provincial requirements necessary for leasing the building?

\* (1355)

**Mr. Ducharme:** Mr. Speaker, first of all, all improvements were done to the building. That is to go on record. Again, while this investigation is occurring, I feel that leading up to the investigation of this particular employee and the consultant that he has consulted with and hired, I would suggest that stay until the RCMP have completed their investigation.

**Mrs. Carstairs:** Mr. Speaker, the leasehold improvements are quite simple. It is a list of things which must be done in order for this building to meet specifications laid down by his department. Can the minister tell us why he will not release those leasehold improvements that were to have been done?

**Mr. Ducharme:** All I can assure the member across the way is that they were all done. However, I will not release that information until the RCMP have completed their investigation. Also, Mr. Speaker, there is an employee involved here. That employee, through his agreement that he has as an employee of the Province of Manitoba, has that right to be dealt with very, very fairly. That is the system that is in place and that is the system that has been

in place for many years, and I will abide by that system.

### **Manufacturing Industry Employment Creation Strategy**

**Mr. Jerry Storie (Flin Flon):** Mr. Speaker, many of the Minister of Finance's comments in the budget related to developing an economic base, a base for economic growth in the province of Manitoba. What Manitobans have seen over the past number of years and see through 1992 is the erosion of our economic base in the province.

Last week I was sent a copy of the latest manufacturing shipments by industry from the Canadian Manufacturers' Association which shows that 1990 was a disastrous year and 1991 was even worse.

My question to the First Minister or the Acting Minister of Industry, Trade and Tourism is: When is this bleeding going to stop? When are Manitobans going to have an opportunity to look forward to being employed in the manufacturing sector in the province of Manitoba?

**Hon. Gary Filmon (Premier):** Mr. Speaker, of course, I find it interesting that the member opposite, who was a part of the government that did everything possible to destroy the economic base in this province by bringing in the second highest overall tax regime in the entire country, that brought in job-destroying measures that were specifically aimed at business investment such as a payroll tax that deliberately destroyed jobs in this province, such as a 2 percent tax on net income, making us the highest personal income tax regime in the country, all of these measures, would now try and find some interest in economic development after he did everything possible, when he was a minister of the former government, to destroy jobs.

The fact of the matter is, as the member will note from reading the budget, this province is expected to have the highest investment in manufacturing of any province in the country, the highest increase in manufacturing investment in this coming year at 31 percent. That is an indication of confidence in this government's policies and desire by private manufacturers to get involved in increasing their production capability in this province. That is the best indication that we are on the right track.

**Mr. Storie:** I wonder when the First Minister is going to stop using the first envelope as an excuse for—

**Mr. Speaker:** Order, please. Question, please.

### **North American Free Trade Agreement Manitoba Position**

**Mr. Jerry Storie (Flin Flon):** Mr. Speaker, my question is, I guess, to the First Minister.

We know that the three leaders of Mexico, the U.S. and Canada have had or are having telephone conversations on the North American free trade agreement. My question to the First Minister is: Can he tell the people of Manitoba and tell this House what Manitoba's involvement has been in those discussions, whether Manitoba has indicated that we are not satisfied with the agreement, the trial agreement or the initial agreement, as proposed, for a North American free trade agreement and that we will not be part of it?

\* (1400)

**Hon. Gary Filmon (Premier):** Our involvement has been as much as, if not more than, the involvement of most other provinces. This province took the initiative to put in writing the concerns that it had about any potential North American free trade agreement including Mexico, saying that we would not support any potential agreement unless it met a certain number of conditions. I believe it was six conditions. I know that the Minister of Industry, Trade and Tourism (Mr. Stefanson) has repeated them countless times in this House.

We went further than virtually any other province in stating our concerns and putting in writing—[interjection] Mr. Speaker, I wish that the member for Flin Flon (Mr. Storie) would stop interrupting and trying to shout me down while I am answering his question.

I repeat that this province has done as much as, if not more than, any other province by putting in writing its concerns, by stating it would not support any North American free trade agreement with Mexico unless the conditions that we set out, I believe six of them, were met. That remains our position. Obviously, we will not change that position without any assurance on the part of the federal government that those conditions will be met.

**Mr. Storie:** Mr. Speaker, those conditions are not going to be met. It has been made very clear—

**Mr. Speaker:** Order, please.

### **Withdrawal**

**Mr. Jerry Storie (Flin Flon):** My question to the First Minister is: Can the First Minister provide this House and the people of Manitoba with any substantive evidence that he has or his new Economic Development Secretariat, for which Manitoba taxpayers are paying \$900,000—do we have any substantive information which would justify us not asking the federal government to pull out of the North American free trade agreement, no fast track, no slow track, pull out right now?

**Hon. Gary Filmon (Premier):** Mr. Speaker, this government has put on the record the conditions that must be met in order to achieve a North American free trade agreement that is acceptable to us. Those six conditions would, we believe, make it acceptable to Manitobans, to Manitoba industry and Manitoba producers.

Unless those conditions are met, we are not prepared to support an agreement—fast track, slow track, any track. Those are the conditions, and we have put them forward. That I think is a much more intelligent approach than that suggested by the member for Flin Flon.

### **GRIP Program Premium Levels**

**Mr. John Plohma (Dauphin):** Mr. Speaker, yesterday I asked the Minister of Agriculture why he did not announce the coverage and premium levels under GRIP by the March 15 deadline. The minister sidestepped the question even though his manager, Henry Nelson, at Crop Insurance said that these levels would be announced by December 31. He said this last November. That is two and a half months ago.

Since the GRIP contract, Clause 37, states that changes have to be mailed to the insured by March 15 of the year, will the minister now agree that the deadline has been missed? Will he also agree and confirm in this House that any changes to those contracts will result in them being null and void?

**Hon. Glen Findlay (Minister of Agriculture):** Mr. Speaker, the GRIP management process involves a signatories committee which gives recommendations to the federal government, to provincial governments. This has been an ongoing process over the past two months.

As I said yesterday, we dearly wanted to have that information out, but there has been a major dispute on what the IMAP level of support will be for GRIP in 1992.

I, as the Minister of Agriculture in the Province of Manitoba, have supported the principle that would keep the coverage as high as possible, namely, \$4.08 a bushel. Other jurisdictions in this country wanted to reduce the level of support to \$3.84. Mr. Speaker, I support the \$4.08; I have argued for it. I believe we have eventually won that argument, and the announcements will be coming out very shortly. So in the process of the delay, there has been a significant increased level of support for farmers in GRIP in 1992 because of the initiatives from Manitoba.

As I said to the member yesterday, it is unfortunate that other jurisdictions in this country did not want to support a high level of support in GRIP for 1992 for farmers.

**Mr. Plohman:** Mr. Speaker, this minister should have used cost of production—

**Mr. Speaker:** Order, please.

### Contract Validity

**Mr. John Plohman (Dauphin):** Can this minister tell the House whether he has sought legal advice on the validity of the GRIP contracts if the support levels are lowered or the premium levels raised as this minister is planning to do? Will he table that legal opinion in the House? Are they legal?

**Hon. Glen Findlay (Minister of Agriculture):** Mr. Speaker, I have just given the member the information. We are maintaining the support levels higher than some people wanted them to be. In terms of premiums, he said that I intend to make them higher.

I would like to read to the member what has happened in Saskatchewan: Farmers' premiums, including crop insurance, will be up 20 percent higher this year than last year. Is that what the member supports?

Also, I would like to read from the Minister of Agriculture in Saskatchewan, Mr. Speaker. Wiens said that the government recognizes that the new program in Saskatchewan will be less effective than the one last year because, for their lower yields, there will be lower coverage in the province of Saskatchewan. We did not support that. His colleagues of Saskatchewan do, lower support for

the farmers in 1992 versus 1991 and higher premiums in Saskatchewan.

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order, please. I have not recognized the honourable member for Dauphin yet.

**Mr. Plohman:** Will the minister now admit that he has no choice but to maintain the support levels at the same level as last year and the premium levels higher than they were last year, since he has missed the deadline and the contracts will be null and void and farmers can remove themselves from those contracts at any time if they do not like it?

**Mr. Findlay:** Mr. Speaker, as I mentioned to the member before and I will have to repeat it probably for the fourth or fifth time in the last two or three weeks, there is a signatories committee process in place that has to report to ministers before anything can be done for the next year. We are still in a transitional year trying to evolve a program that farmers want.

In Manitoba, farmers have wanted individuality and predictability. We have maintained that in the 1992 contract. Saskatchewan has thrown it out entirely. I look forward to the kind of response that is going to happen in Saskatchewan, particularly when they have made program changes that put their farmers at risk, at significant risk in 1992.

The announcement that will be coming out very shortly will be very positive for the farmers of Manitoba. There will be some delays obviously in the deadlines in order to give farmers the opportunity to respond. There are numerous opt-out options that the farmers have in the existing contract.

### CRISP Program Funding

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, my question is for the Premier.

Budgets are all about priorities. How the Premier and his government spend it reflects on their values. With this in mind, Mr. Speaker, I would ask the Premier: How does the Premier justify increasing by 6.8 percent the support to his office while limiting the increase to the CRISP program to less than half the rate of inflation?

**Hon. Gary Filmon (Premier):** Mr. Speaker, we will discuss the increases and the various aspects within the Estimates and debate them out. I can tell

him that Executive Council increase is less than 3 percent year over year, not 6 percent as he is portraying it to be. So he obviously cannot read the information given to him very well.

What I will say to him as well is the money that is budgeted for CRISP is the money expected to be paid out based on eligibility criteria. If more people are eligible and more people apply and the money is there, we will still pay the money out. We will pay whatever is necessary in order for people to qualify and receive CRISP, just as it has been in the past. We will meet the criteria and we will meet the needs out there.

### Labour Adjustment Program Funding

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, how does the Premier justify a 6.7 percent increase to the support of the Minister of Labour (Mr. Praznik) while providing an increase to the Labour Adjustment Program which amounts to less than a third of a cent for the worker? How does the Premier possibly—

**Mr. Speaker:** Order, please. The question has been put.

\* (1410)

**Hon. Gary Filmon (Premier):** Mr. Speaker, all of the questions with respect to Estimates will be discussed in Estimates. We can decide whether or not the member for Inkster wants to justify an 8.7 percent increase in expenditures on Family Services, or a 5.7 percent increase on health care, or a 5.5 percent increase on Education.

We have chosen our priorities in line with the priorities of the people of this province, and we will go into detail as much as he would like within the Estimates process for the discussion of the expenditures of this provincial government. We will compare our priorities with the priorities of any other province in this country or the priorities of the Liberal Party when they come to this House and ask for money, money, money for everything without telling the people that they would raise taxes.

**Mr. Lamoureux:** Mr. Speaker, we are asking about priorities; we are asking—

**Mr. Speaker:** Order, please.

### Department of Health External Agencies Funding

**Mr. Kevin Lamoureux (Inkster):** How does the Premier justify spending half a million dollars for a new secretariat while cutting the support for external agencies in the Department of Health, agencies which will deliver support to vulnerable Manitobans? How again does he justify that? Stand up—

**Mr. Speaker:** Order, please. The question has been put.

**Hon. Gary Filmon (Premier):** Mr. Speaker, this government has indicated that it is going to give a very, very high priority to economic development and the creation of jobs. The attraction of investment and the creation of jobs will be given a high priority by this government.

The Liberal Party does not want to have jobs, does not want to have investment, and that is fine. They are looking after themselves. They want to play politics and do that, but they are not interested in building the base of this province, building the investment and building the jobs, and that is what we are interested in doing.

We will continue to give that priority to it, and we will let the people of Manitoba, not the Liberal Party, judge on that.

### Budget Employment Creation Strategy

**Mr. Leonard Evans (Brandon East):** Mr. Speaker, I have a question for the Minister of Finance. Unemployment remains at unacceptably high levels in this province. Last month we had 8.8 percent on a seasonally adjusted basis and 9.9 percent on an actual basis. If 6,000 workers had not left the labour force, we would have had another full point of unemployment. In other words, seasonally adjusted would be 9.8 percent and actual unemployment would have been 10.9 percent.

I want to ask the Minister of Finance: How is this budget going to translate into jobs and more economic activity now to help those 52,000 Manitobans who are out of work?

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, the member for Brandon East fails to point out that we have the second lowest rate in the nation as far as unemployment statistics.

Let me also point out that we are committing, by way of authority, \$1.1 billion in capital spending

within the appropriations themselves of government, I think \$3.6 million towards maintaining those who provide services and development of capital in our province.

What I find particularly interesting with respect to a survey done in the Prairies just a few weeks ago, it said that consumers on the Prairies say lower taxes are the top economic factor that would give them the confidence to spend money as compared to better employment figures. So what the individual consumer is looking for, with respect to a jolt in their confidence to go out and spend, is they are looking for governments to reduce taxes.

I wonder where the member for Brandon East stands on the issue of taxes.

**Mr. Leonard Evans:** Mr. Speaker, this budget is making unemployment worse. It is doing nothing for those 52,000 people trying to find a job.

### Construction Industry

**Mr. Leonard Evans (Brandon East):** My supplementary question to the minister: What is the budget going to do specifically for the construction industry in Manitoba?

I ask this question because figures now from Stats Canada show that the value of building permits dropped by 23.3 percent in 1991 over 1990, ranking Manitoba eight out of 10 provinces, another sign of stagnation. We dropped \$170 million worth of construction in 1991 over 1990. What is the budget going to do for that?

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, the First Minister (Mr. Filmon), in response to an earlier question, indicated that Manitoba will lead the nation in manufacturing investment growth in 1992, and those are the intentions.

Specific to the question, when one breaks down that number amongst the various sectors of our economy, almost all of them of course have an impact on construction. Primary industries in construction, 3.4 percent increase; housing, 4.3 percent; government departments—and I have talked about the \$306 million that we are allocating and appropriating to construction—that is a 10.6 percent per this survey.

I can tell you most of the sectors that are going to enjoy increases all have a direct or an indirect response in the area of construction. I would have to think that the construction industry is going to be

well positioned to be involved and support this increase.

### CareerStart Program Funding Restoration

**Mr. Leonard Evans (Brandon East):** My last question is either to the Minister of Finance (Mr. Manness) or the Minister of Family Services.

Will the government be prepared to increase funding for the CareerStart summer youth job program from \$3.5 million back up to the \$7-million level where it was two years ago, in view of the fact that youth unemployment is now running over 16 percent, about 40 percent higher—

**Mr. Speaker:** Order, please. The question has been put.

**Hon. Harold Gilleshammer (Minister of Family Services):** Mr. Speaker, I indicated the other day that the CareerStart Program is in place at last year's levels. When I look at the pretend budget that the NDP put out through the Choices program, they were asking for only a 5 percent increase, some \$20 million less than what we are committing to Family Services.

I would ask the member, what area of the department would you retract that \$20 million from? Would you take it out of the daycare section of the department, or where would you spend \$20 million less?

### Co-Management Agreements Public Forum

**Mr. Paul Edwards (St. James):** Mr. Speaker, my question is for the Minister of Natural Resources. Approximately a month ago I received a letter, a copy of correspondence, which was sent to the minister, which had attached to it a petition with some 1,400 names, mostly from concerned Manitobans in the Swan Valley area. The concern raised was with respect to this department's co-management plans with respect to dealing with treaty Indians on various parklands. I am sure the minister is aware and would not have ignored a 1,400-name petition.

The request was for a public forum to discuss the concerns which were raised. I assume that the minister has had that public forum. Will he please give us the details?

**Hon. Harry Enns (Minister of Natural Resources):** Mr. Speaker, that is quite an

invitation, but for the benefit of honourable members, it is a matter of ongoing concern for the department, for the government, to bring about a better understanding and a better relationship between the non-native and the aboriginal community in how we access the wildlife in our province.

I might say that it was my pleasure to attend a meeting of some 400 people in that area. I might also indicate that I had the pleasure of the company of the honourable member for Swan River (Ms. Wowchuk), who accompanied me to that meeting, and we both did a lot of listening to the legitimate concerns that are there in that area.

That is a unique part of Manitoba where so many of the resources come together—forestry, provincial parks, considerable wildlife population, and the difficulties of aboriginal constitutional hunting rights versus the non-native access to the game. We had a heated but an intelligent and informational meeting.

\* (1420)

### Working Group

**Mr. Paul Edwards (St. James):** Mr. Speaker, again, for the Minister of Natural Resources. Has the minister learned from the mistake which obviously led to the need for a 1,400-name petition, and has he established a working group with departmental representatives to work with representatives of the community so that he does not have to face this kind of situation again where people find it necessary to come up with a petition with 1,400 names?

**Hon. Harry Enns (Minister of Natural Resources):** Mr. Speaker, I leave it to others to judge as to who is making what mistakes. All I can say is that the department has for some years, and with some success, developed co-management agreements that recognize the constitutional rights of our aboriginal people, but at the same time recognizes what more and more of our aboriginal people understand, perhaps have always understood except we have not been communicating, that they are as anxious and as concerned about the welfare of our game as all of us.

The kind of progress that my colleague is making, the Minister of Northern Affairs (Mr. Downey), in developing this concept into his negotiations is equally founded.

Mr. Speaker, the specific answer to him, yes, a working group is being put together. They will be meeting with the two particular bands involved, the Waterhen Band, the Pine Creek Band, as well as with the interested parties in the entire Swan River area. That was a commitment that I made—

**Mr. Speaker:** Order, please.

**Mr. Edwards:** I am pleased to know that the minister has established a departmental working group. My question was, and let me rephrase it for the minister so he understands, is there a working group which was requested at that meeting? Is there a working group which includes on it a participation and representation from both the aboriginal groups and the community? Many of these 1,400 names people have requested that specific participation in a working group, working with his department to establish these plans. Has he established that—

**Mr. Speaker:** Order, please. The question has been put.

**Mr. Enns:** I will acknowledge, as a result of an earlier meeting, about a month earlier, I think there was a genuine concern that was felt in the community that the government was perhaps imposing a co-management regime on them that did not involve all the stakeholders.

Certainly I did all I could to ensure all attendees that that was not the case, and while I cannot say that there was a resolution of that meeting that would result in specific action, certainly I came away from the meeting that there was a role for the department to play, a leadership role, and one that we were prepared to play in bringing together the aboriginal people, the non-native people, and others around one table and begin the process of resolving the issues that affect that area.

### Repap Manitoba Inc. Woodlands Division Job Security

**Mr. Steve Ashton (Thompson):** If there is one clear message for the people of Manitoba about this government's budget, it is that it does not do enough for job creation. That is particularly the case for many residents of small remote northern communities that have been hit by cuts, the Northern Youth Corps program, reductions to CareerStart, elimination of such programs as the worker safety program, and the continuing uncertainties to Repap jobs.

My question to the Minister of Finance, first of all, is will he support the efforts of the employees in the woodlands division of Repap to save their jobs? As I related to him only just two weeks ago in this House, we are now attempting to establish a workers' co-operative in order to buy back their jobs. Will he ensure the provincial government gives them 100 percent support in order to save their jobs?

**Hon. Clayton Manness (Minister of Finance):** We are always prepared to look at innovative ways with respect to the woodland supply. Indeed, when we were doing the divestiture of Manfor, it was one of the areas that we concentrated on in trying to strike the deal with Repap.

Certainly they offered some incentive through the development of the agreement whereby in time, groups, either in co-operation, aboriginal groups, whoever could come together and supply fibre. Mr. Speaker, I would think that would be the approach that we would continue to want to build in into any restructuring of the agreement.

### Employment Creation Strategy Northern Programs

**Mr. Steve Ashton (Thompson):** Further to that, a supplementary, Mr. Speaker, to the same minister.

Will this budget reinstate the type of funding, the number of jobs we have seen, particularly for young people in remote northern communities, in such areas where jobs were provided in the past with Northern Youth Corps, the worker safety program which was cut, the many areas that were cut by the government over the last two years? Will those be reinstated as part of this budget?

**Hon. Clayton Manness (Minister of Finance):** There was a significant increase, I know, Mr. Speaker, in the Northern Affairs budget. I cannot from memory recall exactly all the lines into which that increase has gone. I am mindful that within the recreational side, there certainly is a significant portion there in the grant area that can probably be directed into youth development purposes.

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

### Nonpolitical Statements

**Hon. Gary Filmon (Premier):** I wonder if I have leave to make a nonpolitical statement.

**Mr. Speaker:** Does the honourable First Minister have leave to make a nonpolitical statement? Leave. It is agreed.

**Mr. Filmon:** Mr. Speaker, on behalf of my colleagues in government, and I am sure on behalf of all members of this Chamber, I am pleased to recognize Saint Patrick's Day in Manitoba's Legislative Assembly. It is a day of great significance for those of Irish descent. It is also a day recognized and celebrated by many people of non-Irish descent as well, proof of the old saying that on Saint Patrick's Day there are only two kinds of people, those who are Irish and those who wish they were.

Around the world Saint Patrick's Day has come to mean all things Irish. It goes beyond geographic, political or cultural boundaries. It is celebrated and observed in groups and events, such as parades and cultural celebrations or individually through something as easy as the wearing of the green. I know that some members of the House are probably going to engage in some of these cultural celebrations later on today. [interjection] Mr. Speaker, a member opposite has suggested that there might be some engaging in blarney, and I am sure he knows of what he speaks.

I would like to extend my best wishes on behalf of all Manitobans to all people in our province who celebrate Saint Patrick's Day. I would also like to take this opportunity to recognize the contributions of Irish Manitobans. They have long been a vital and dynamic part of our province's social, economic and cultural identity. Like many families from many cultural backgrounds, Irish immigrants often arrived in Canada with little more than a dream, determination and the clothes on their backs. Their work and toil has helped lay a foundation upon which Manitoba has built a strong, thriving and caring society.

Amid the global, social and economic upheaval, we should pay tribute to those many communities, such as our Irish Manitoban neighbours, who have helped to make possible in Manitoba a quality of life in community that is rarely matched anywhere in the world. So today on Saint Patrick's Day, we reaffirm our appreciation of the accomplishments of Irish people, and we reaffirm our pride and our fortune in having Irish Manitobans as part of our great communities throughout our province. We wish good health, fortune and prosperity this day to Irish

people in Manitoba for many, many years to come. Happy Saint Patrick's Day to all Manitobans.

**Mr. Gary Doer (Leader of the Opposition):** Mr. Speaker, I would ask for leave for a nonpolitical statement.

**Mr. Speaker:** Does the honourable Leader of the Opposition have leave to make a nonpolitical statement? Leave. It is agreed.

**Mr. Doer:** Mr. Speaker, just a few words to add to the Premier's words on this day of Saint Patrick's Day celebration in this Chamber and in the province and across the world.

Mr. Speaker, my wife is Irish, so it is very important I put these words on the record. She has visited Ireland a number of times, and we have a great deal of pleasure in participating with the Irish community in Manitoba at various social events and theatrical events that are across the province. I think any of us who have attended not only the pavilions in the summer but the social events throughout the year and the theatre that takes place on Erin Street, the great Irish theatre that we have in the city, is a tremendous theatre and tremendous cultural experience for all of us.

Mr. Speaker, we too will be joining with all Manitobans, because everybody is Irish on Saint Patty's Day, I think, and we will be joining with all Manitobans in this day of celebration. We would wish, all of us—people are talking about Guinness's, but I will not do that—the greatest enjoyment on this day today.

\* (1430)

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** Can I have leave for a nonpolitical statement?

**Mr. Speaker:** Does the honourable Leader of the Second Opposition party have leave to make a nonpolitical statement?

**An Honourable Member:** Leave.

**Mr. Speaker:** Leave. It is agreed. The honourable Leader.

**Mrs. Carstairs:** Mr. Speaker, some twenty-five and a half years ago before I was a Carstairs, I was a Connolly. You cannot get much more Irish than to be a Connolly, particularly when it is spelled with two o's, two n's and two l's.

My family, half on one side being French through my mother, the other half being Irish, is essentially descended from potato-famine Irish who came to

Halifax as they did to many communities around the 1840-1845 period. Settling in a community close to the sea was part of the Irish tradition. So many of them settled in cities like Montreal, Quebec City, Halifax, St. John, New Brunswick and St. John's, Newfoundland, because they could continue a lifestyle that they had brought from the old sod to this land.

To be Irish in Halifax was not to be quite of the upper class. It was to be very much considered the lower class well into this century. It was also to be considered Catholic. What may come as a surprise to some of the people in this House is that the population of the city of Halifax was about 50-50, 50 percent being English and Scottish and all being essentially Protestant, the other 50 percent being Catholic and being Irish.

Therefore, the senior high school—there were only two as I was growing up, St. Patrick's and Queen Elizabeth. St. Patrick's was the Catholic high school and was fully supported by the taxpayers because it was in fact the Irish Catholics who had first established the public school system in Nova Scotia. My father had been trained by the Irish Christian Brothers, and if he were alive tonight, he would be joining with the others of Irish descent in the charitable Irish societies annual dinner. I do not know of a similar dinner being held here in the city of Winnipeg. I think that tends to be very much an eastern tradition.

Shamrocks, of course, are very commonplace, and I think whoever it was within the branch of government for the pot of shamrocks delivered to my office, and I saw them in a number of other offices over the last few days. I must suggest that I beat them to it a little bit and had a very large pot of shamrocks in my office last Friday.

I would leave today with a blessing that comes from Irish people, and I would wish it to all of you here assembled, and may you be in heaven an hour before the devil learns you have died.

## ORDERS OF THE DAY

### BUDGET DEBATE

**Mr. Speaker:** On the adjourned debate, the fifth day of debate, on the proposed motion of the honourable Minister of Finance (Mr. Manness), and the proposed motion of the honourable Leader of the Opposition (Mr. Doer) in amendment thereto, and the proposed motion of the honourable Leader



of the Second Opposition (Mrs. Carstairs) in further amendment thereto, standing in the name of the honourable member for Thompson (Mr. Ashton), who has 24 minutes remaining.

**Mr. Steve Ashton (Thompson):** Mr. Speaker, I had the privilege yesterday of beginning my remarks and outlining what I feel we need to look at in this province and the very obvious fact that this government is ignoring the lessons of history. It is ignoring the lessons of current events. It indeed has become something of an anachronism in this country, in this continent, and indeed in much of the western world.

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

This is a government that is clinging to the type of right-wing conservatism that we saw exemplified by Margaret Thatcher and Ronald Reagan. This is a government that supported the type of vision of one Brian Mulroney, that many of these members supported the Prime Minister and his Conservative colleagues in the 1984 election to 1988 election, Madam Deputy Speaker, I would suspect would, if not quite so openly, in a federal election do the same again today, because this Conservative Party in Manitoba became swept up in the right-wing conservatism of the late 1970s and the 1980s so typified by Margaret Thatcher and Ronald Reagan.

It threw away its roots, the roots of John Diefenbaker, the roots of a more red Tory tradition, Madam Deputy Speaker, a more caring Conservative Party, and wholeheartedly threw itself in, threw its lot in with that kind of selfish greed-oriented policies that we saw implemented in Great Britain and the United States.

I outline now George Bush in the United States is fighting for his political life, Madam Deputy Speaker, because people are rejecting that. I pointed out how in Great Britain today, the Conservative Party no longer has Margaret Thatcher as a leader. Even the modified version of the Conservative Party under John Major is facing a strong challenge from the Labour Party.

I indeed pointed to how across this country, Ontario, Saskatchewan and B.C. have led the way in rejecting those types of policies, how the Conservative government in Alberta is in a very sorry political situation, how the Conservative Party in Nova Scotia is in a political dogfight, Madam Deputy Speaker, and it is only really through the

assistance of the scandal-ridden Liberal Party been able to maintain any kind of standing, and how in other provinces the Conservatives have been rejected. They have not only been thrown out of government, but they find themselves in many cases a third party as more and more Canadians reject their kind of right-wing, ideological approach.

Madam Deputy Speaker, I really believe that what this government is doing by clinging to this kind of approach is ignoring the key lesson of modern history. I believe, as I said last night, that one has to look at the dramatic developments that have taken place in Europe. What you will see is that the discredited regimes of eastern Europe have collapsed under their own weight, have collapsed as well, partially because of the world recession. They indeed are discredited.

What you also see, Madam Deputy Speaker, is a strong rise in the kind of fascism we have not seen in Europe for many, many years, many, many decades. In many ways, the situation in eastern Europe and particularly in the former Soviet Union recalls what happened after the First World War when the order collapsed, the previous world order collapsed, and when one saw the kind of hyperinflation and chaos that took place with the Weimar Republic of Germany we now see in Russia and so many former eastern European countries.

It is important, I think, to reflect on what also happened in the 1920s and the 1930s because we also saw the collapse of raw, unfettered capitalism, the Great Depression was the great proof of the failure of that kind of single-minded, greed-oriented economy that focused strictly on personal gain that did not have any sense of social justice, Madam Deputy Speaker. That was totally discredited with the 1930s, whether it be R.B. Bennett, the Conservative version of that in Canada, whether it be Herbert Hoover in the United States, it was totally discredited, as we saw a collapse of what happened.

We ought not to assume that the same could not happen today. In fact, I will go further to suggest that one of the reasons we have not gone into that complete economic free fall is because of the many gains that were brought about in terms of building social safety nets, economic safety nets in many of the western countries that today are weathering the recession and avoiding, at least for now, what could otherwise be a depression.

I say that, Madam Deputy Speaker, because that is the key lesson of history that I think has to be learned. It was only the type of New Deal economics we saw in the United States with the Democratic Party, the kind of New Deal espoused by the CCF in Canada and implemented in Saskatchewan in the 1940s and later in the 1950s; it was only as a result of the kind of policies developed in Great Britain under the Labour Party in the post-war period and we saw spread throughout Europe, particularly in West Germany, where indeed we saw many improvements in that country, or the kind of model we saw in Sweden, once the poorest country in the world, now, indeed, with one of the best standards of living. What happened in those countries is that they recognized with the economic collapse, the calamity of the 1930s that strictly unfettered capitalism with nothing more than an emphasis on the private sector does not work.

\* (1440)

There were the revisionists of history who came along in the 1970s and said, as did Ronald Reagan or Margaret Thatcher, and even the current Prime Minister Brian Mulroney, and was echoed in this Chamber by the Minister of Finance (Mr. Manness). I read through some of his comments from 1984 and 1985 on Budget Debates, and there was a very strong theme that he had at that time that the private sector had the key role to play. All the government had to do was step aside, Madam Deputy Speaker.

You know, that did not work in the 1920s. It did not work in the 1930s. It did not work in the 1980s either. It did not work. We saw the decline in the United States relatively over that period. What we saw was a false sense of economic security, a false sense of prosperity, as we saw the kinds of economic policies that emphasized the Laffer curve in the United States. Not Laffer in the sense that most people realize, it was named after an economist who argued that one simply had to provide tax breaks and that this would automatically stimulate the economy by a greater amount than the degree of the tax breaks.

We saw the kind of fraudulent tax system that was developed in the United States, the kind of fraudulent tax system developed in this country, which is punitive to those who earn a normal income but provides many a tax break to those who can afford the tax accountants and the kind of tax breaks provided through the corporate tax breaks. The

bottom line was that that did not work. It was called voodoo economics by George Bush; now he practises it today. It does not work.

What we are seeing, Madam Deputy Speaker, is that the Conservative Party in this province is clinging to this outdated idea of how to approach economic difficulties. I liken this to medical science. I wish—as a matter of fact, the member for The Maples (Mr. Cheema) was able to hear these particular comments, because I am sure he could outline it probably even better than I could. There once was a time that when you were sick you attached a leech to someone. That was the prime medical treatment of the 16th Century and 17th Century. You were provided as many leeches as possible—[interjection] and I am not referring to the member for Portage la Prairie (Mr. Connery). He seems to be getting rather excited in his seat. I am talking about the fact that this was the type of treatment that was followed. If you had a fever, they would apply leeches. If you were sick in any other way, they would apply leeches. Little did they know that by attaching the leeches, instead of draining the evil fluid, they were in many ways draining the lifeblood of the individuals who were sick.

I want to go further—[interjection]

I am not referring to the Minister of Highways and Transportation (Mr. Driedger) either when I am referring to leeches. If he was listening to my comments, he would have heard I am referring to the kind of medical treatment that took place in the 16th Century.

Let us assume, Madam Deputy Speaker, that we can liken the economic situation we have currently to that of having the flu. Most people would say, well, that is trivializing, but in the 1920s, in fact, straight after the first world war, one of the biggest killers was the flu, the biggest killers. Prior to the discovery of antibiotics, people of all ages died of the flu, and it can still be serious if one develops pneumonia, et cetera.

What would the Conservative analogy be in the modern day? Well, I do not think they are proposing leeches directly, but if one looks at it the approach of cutting back on social services, as this government is doing, or cutting back in terms of other essential services it can be likened to attaching a leech to the body politic. That was the approach, but there were some in the medical communities said there had to be a better way.

In the period in which flu was considered untreatable, to suggest that you could find a cure through the use of a new drug, a new series of drugs, antibiotics, one could find a cure for something that was one of the major killers at the time, Madam Deputy Speaker, would have been considered unrealistic. You would have been considered a dreamer. I suppose, in many ways, the democratic socialists at the time were likened to those who probably argued 10 or 15 or 20 years before the discovery of antibiotics that a way could be found.

You know what happened, Madam Deputy Speaker? Medical science today, the flu does not kill young and old alike. The flu is treatable. Indeed, we have various inoculations that people can receive now even to develop immunity to the flu. That indeed is very much similar to what happened in terms of economics during that period, because people found that while you could not always find a cure, you could inoculate the economy to be more resistant to the kind of depressions that were occurring. You could provide treatments, but while not necessarily completely curing the individual, would make sure that it did not go into a fatal situation of depression and indeed in many countries in terms of chaos.

What has happened is that the current Conservatives are now throwing out all those decades of progress, and they are going back to the days of the leech, of the sweat it out, of the idea there is nothing you can do, Madam Deputy Speaker, using that medical analogy. They are using the same approach economically. I take the example of Manitoba as being the most obvious case. We have 52,000 unemployed Manitobans. What does the Minister of Finance (Mr. Manness) say? What does the First Minister (Mr. Filmon) say? Oh, well, happy days are here again. That is the kind of approach we have been hearing from the Premier going back to November.

We hear, Madam Deputy Speaker, time and time again the Finance minister saying they are not going to bring in job creation programs. That recalls the time when a previous Conservative minister in this province used to argue that welfare was cheaper than job creation—the previous Minister of Northern Affairs. If at that time he was not given credit for being—this was Doug Gourlay, the former member for Swan River—particularly smart politically, perhaps in the tradition of the member for Rossmere (Mr. Neufeld), he on the other hand was given marks

for honestly stating the policy of the government at that time.

I suspect that is the policy of the government now. I suspect that is the case, despite the fact that the one major criticism of this budget from the people of Manitoba has been the inadequacy of job creation in this budget. They will argue it is cheaper to have people on welfare than to have job creation. Well, cheaper for whom? Cheaper for whom, in terms of society? Would it not be better if, instead of spending \$40-million additional on welfare in this province, we had job creation programs to put those people to work?

The minister doubts whether that could be done. I can point to the example in my own community where in 1982 and 1983, we had a major layoff at Inco. We did millions of dollars of community improvements. How did we do it? By providing the capital funds, but by merely providing a small top-up to the unemployment insurance the people were receiving in that particular point in time, we were able to save the province a considerable amount of money. We were able to build many needed community facilities, and we were able to provide valuable work to people who otherwise would have been unemployed.

Would it not be better in the city of Winnipeg, if we had people now who were unemployed able to work for the betterment of this city in terms of environmental projects, in terms of improving social services? Would it not be better, if we had \$40 million set aside to put people to work instead of paying welfare which, indeed, most people do not want? If they had the choice the vast majority of people would work, and all members of this House know it.

\* (1450)

I wonder if the member for Rossmere (Mr. Neufeld) has questioned, as I know he has on other issues, the logic of a government that is willing to rapidly escalate the amount of welfare we pay in this province. Well, it says, we cannot afford to put people to work. I wonder if the Finance minister really feels if that is in the best interests of this province.

I would suggest, Madam Deputy Speaker, we have an opportunity in this province. We have a small province. We have strong community ties. I believe, if you put the challenge out to the Manitoba communities they would find the work. They would

work with people who are on unemployment insurance and welfare and provide them meaningful jobs, in a way that has been done in the past and can be done again without great cost to the Treasury.

I wonder how the Minister of Finance (Mr. Manness), who during the 1980s was a strong critic of deficits, has the nerve now—

**An Honourable Member:** Still am.

**Mr. Ashton:** —and says he still is. Indeed, I suspect every morning he wakes up and looks himself in the mirror. He must be critical, because one only has to look at the increase that has taken place and the public debt under his tenure as Minister of Finance, and it matches those increases that took place in the early 1980s he was so critical of. Even the Minister of Finance is not going to deny that if it were not for the money that was being moved over from the so-called Fiscal Stabilization Fund that in this year he is looking at a deficit in excess of \$500 million, the type of amount he used to criticize in 1984.

Madam Deputy Speaker, when the NDP was in the last recession, it also had a significant amount of money being expended on job creation. This minister has managed to run up a \$500-million deficit with virtually no money being expended for job creation. The only major growth in terms of spending that we have seen under this minister is in terms of welfare. By his own measurement he is indeed failing, because if one only looks at when he was a critic, when he was in opposition, in his own statements, you will see that he falls on virtually every measure he set aside for himself.

I wonder, perhaps, this is not indeed the Minister of Finance's budget. Perhaps, it is the Premier's budget. I cannot believe that the Minister of Finance (Mr. Manness), with his fixation on the level of the deficit and the province's debt would actually bring in a budget that provides, in this case, as I said, \$500 million in terms of deficit with no job creation. Indeed, I think that would be an interesting exercise, and I look forward to the member's comments.

**An Honourable Member:** Where do you want me to make the cuts?

**Mr. Ashton:** Well, indeed, Madam Deputy Speaker, the Minister of Finance has obviously not been listening to my comments. He knows that there are better ways of working for the betterment of this province than having welfare increasing

dramatically, because people have no alternative in terms of job creation. If the member was to use some creativity instead of the kind of depression mentality economics that we are seeing from the Conservatives, we might see a far better situation.

I read through the Premier's (Mr. Filmon) comments when he was Leader of the Opposition. There was interesting reading for members of this House who lecture the opposition on negative comments and providing alternatives. Not once in any of the speeches did the Premier give any idea of his alternatives, largely because we have seen there were not the alternatives. This government has essentially followed through on the same kind of discredited economics that we have seen.

Indeed, we saw last night the same sort of rather juvenile approach to politics that I think was best typified by the Minister of Consumer and Corporate Affairs (Mrs. McIntosh) who lectured members of this House after giving the usual sort of 1950s stereotype of politics in this province, the same kind of McCarthyite tactics, the same kind of lecturing that we often get from Conservatives of the minister's ilk, sort of limousine economists who drive out of the core area of Winnipeg peering through the windows seeing the bread lines forming at the food banks, drive home to their more comfortable surroundings and say, well, those poor people, those poor people, that being the entire sum total of their concern for social justice, their concern for the economy. That was the type of mentality that drove us into the depression of the 1930s. It is only through the remaining building blocks of the social welfare state that was built in by progressive individuals in many western countries that we have avoided slipping into the great depression.

Well, I asked the minister and I asked others if they want some discussion of alternatives. I asked them to look at some of the economies that are doing the best, Madam Deputy Speaker, to see not only how they have failed, but the direction to go in. This government talks about co-operation between business and labour. What a joke. We see day in and day out the kind of vicious attacks on labour, the kind of vicious attacks on unionized workers that we have seen for decades, the same kind of vicious attacks. Yet, they say they want co-operation.

Let us look at what is happening in western Europe, in the European common market. Let us look at what is happening there. They have been able to throw aside the kind of destructive approach

to labour relations that we have typified in this country. We have the second highest strike rate in the world, second highest strike rate in the world, Madam Deputy Speaker, and it is fueled by the same sort of mentality of the members opposite, and particularly the member for Portage (Mr. Connery). We know where he stands on unions and where he stood in terms of agriculture workers attempting to unionize in the 1970s and many people in Portage still remember that. It is the same attitude that says that unions should be crushed, that there should be no impediment to management rights, Madam Deputy Speaker, that that should be the paramount economic principle in terms of labour relations.

In Europe they have thrown that aside. They do have co-operation, because they have gotten rid of that. They have gone further. In Europe they have governments of various different political stripes. They have Christian democratic governments which would be, in theory, closer to governments of the Conservative ilk. They have social democratic governments. They have developed a consistent policy in terms of social standards.

We have talked in this country about a social charter. They have a social charter. It is an international social charter that has been developed. As they now harmonize economically they are also harmonizing socially. As they are moving to open up their markets they are also moving to protect the most vulnerable in their society. They are in particular moving to protect not only farmers, as we indeed know they have had very strong agricultural support programs, but also workers as well.

There is a model, and what is happening? What has happened in countries such as Sweden? There are things that can be done in this province, Madam Deputy Speaker. I have no problem in outlining to the Minister of Finance (Mr. Manness) the kind of approach that we need.

Number 1, we need to get back to the kind of job creation that is community based. That will work. It does not require major expenditures of additional money. It can take the kind of money that is going to welfare and channel it into the kind of job creation we need.

Number 2, we need action not words about education and training in this province. A government that cuts one year, cuts \$10 million out of the community college system and reinstates

\$2.5 million the next year—that is not good enough. We are lagging behind in terms of education and training in this province. We can improve our performance.

Research and development—we are one of the worst countries in the world, Madam Deputy Speaker. In Manitoba we have the ability, due to the University of Manitoba and our universities, which have an excellent reputation, to develop as a centre, but it can only be done once again with co-operation from labour and management.

There are so many things that can be done. We have to remind ourselves, Madam Deputy Speaker, as so many countries throughout the world move toward democracy, what democracy is all about.

I found, and I use this to conclude my remarks, a comment from Aristotle, the ancient Greek philosopher, which I think has to be the measure for all democracies. He said many centuries ago: A democracy exists whenever those who are free and are not well off being in the majority are in sovereign control of government and oligarchy when control lies with the rich and better born, these being the few.

That applies equally today as it did then. We can only have a truly democratic country when we represent the interests of all of our people. This government is not doing this. In a traditional conservative sense it is in the bunkers. It is narrowly viewing its own particular interest. It is looking out only for the kind of people that it represents itself. It is not meeting the needs of the—

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

**Mr. Edward Connery (Portage la Prairie):** Madam Deputy Speaker, it is a pleasure to rise and to put some comments on this budget on the record.

I think I would simply put the whole Budget Debate—if I was going to put it in simple terms: Thank God for the member for Morris, the Minister of Finance (Mr. Manness). I have been known to criticize the government from time to time where I have thought criticism was due. I think the comments that I try to make are those of sincerity and honesty.

Madam Deputy Speaker, after the budget I have had the opportunity to visit coffee shops and individuals in the constituency of Portage la Prairie, and I can tell you very clearly that this budget is very,

very well received. The only people who are criticizing the budget are those who are in the opposition, or those who are driven by the opposition, or those who own the opposition, and I say that is some of the big labour unions.

**Mr. Kevin Lamoureux (Inkster):** Qualify.

\* (1500)

**Mr. Connery:** Yes, Madam Deputy Speaker, the member for Inkster says, qualify. I will qualify, and I am speaking about the NDP party.

The significant part of the budget speech is that we have had no tax increases—this is personal tax increases or corporation tax increases. It is interesting, when the member for Thompson (Mr. Ashton) was talking about leeches, and he was going on for some time about leeches—I do not know why I keep this one particular brochure that was developed in 1987. It is called *The Tax Grab of the Century*. We developed it when we were in opposition, 1987, and we talk about increased fees and the greatest tax grab in the history of Manitoba, an additional \$369 million, or 20 percent increase.

A new tax of 2 percent on net income, line 224, hits all taxpayers, and it hits all taxpayers before they have any opportunity to make any deductions. The NDP government taxed all people on all of their earnings. It was quite interesting. I think it was the member for Riel who stood up and asked the then Minister of Finance, Mr. Kostyra, about that particular line, and the minister at that time did not even know where it was in the budget. He did not even know what effect it was having on the people of Manitoba. We laughed at it, but yet, it was so serious and so sad for the people of Manitoba that this sort of thing would happen.

They also added 1 percent to the sales tax. That hit all people on purchases, all people, not the rich, but all people that could least afford it, along with the 2 percent.

Then they had a land transfer tax that was not here before, but they added that in. We fought that, Madam Deputy Speaker, and to my chagrin, I bought a house sometime after that tax was brought in, and I saw the impact that has on people purchasing homes.

They also added 7 percent sales tax on take-out food, and energy conservation materials, and the payroll tax, they increased it by 50 percent up to 2.25 percent. I remember reading an article, Maureen Hemphill was then the Minister of Small Business

and Tourism, and she had a meeting with some of the business community. At that point it was 1.5 percent, and she had promised the business community that she would review it. Of course, the net result of that review is that they increased it by 50 percent to 2.25 percent so we asked her please do not review it any more, we cannot afford it.

At the point, hydro rates went up 9.7 percent, telephone rates 11.5 percent, Autopac premiums 9 percent to 30 percent. Do you remember when the member for Neepawa was the critic and we had a demonstration on the front steps here, and we saw the government employees at noon hour pouring out of the buildings coming to protest to this crazy government that had done this, and what happened to some of the files? Bucky shredded them. I can remember Premier Howard Pawley saying, not my Bucky, but Bucky did. Bucky shredded the evidence. I mean, that is the sort of thing that they did.

Workers Compensation fees went up 20 percent that year and it was the history of the NDP government to increase Workers Compensation rates, not by the cost of what was there as is being done now, the actual cost where we see the rates going down, but they just put them up an average of 20 percent. It was quite a nice round figure. Manitoba's Workers Compensation rates were becoming some of the most fierce in Canada. At the same time they were not servicing the proper needs of the injured worker. That was the tragedy, is that they were making business inefficient, ineffective, and the atmosphere for business very bad, they were not doing proper things for the injured workers. We had the delays, the time delay in getting claims settled was pretty atrocious and we had work to turn the Workers Compensation around and the member for Lac du Bonnet (Mr. Praznik), the present member for Workers Compensation, was able to announce, I think it was a 6 percent decrease in average rates this year.

What were some of the other things that the leeches that the member for Thompson (Mr. Ashton) talks about? Well, the leeches lost \$27 million in MTX, 31 in Manfor that year. I do not know what the total losses of Manfor were. The Minister of Finance (Mr. Manness) may be able to refresh my memory, but it was many, many, many tens of millions above that. MPIC that one particular year lost \$60 million. The province just could not afford that.

The Workers Compensation deficit for that particular year, Madam Deputy Speaker, was \$84 million, but when we came into office and we did an actual look at the books, the deficit of the Workers Compensation, the cumulative deficit was \$232 million.

**An Honourable Member:** That was the illegal deficit.

**Mr. Connery:** That is right and it was illegal. When they took over office in the fall of 1981, there was a \$26-million surplus. Then Flyer Industries lost \$100 million and I was reading Hansard, the Leader of the NDP party, the member for Concordia (Mr. Doer), talking about the divestiture of Repap versus Flyer Industries. When they got rid of Flyer Industries, they did not sell Flyer Industries. They said to the new company, we will give you \$3 million and you take over Flyer Industries. We will guarantee you \$8 million and besides that we will assume the responsibility for the bad equipment that is out in North America, and that cost us a lot of money.

Madam Deputy Speaker, when the member for Thompson (Mr. Ashton) talks about leeches, there we see how the leeches work.

I would like to read the highlights of the budget, and I think it is important that we continue to tell the people of Manitoba what this budget is all about. In the advertising world, they say people have to hear something seven times to get to understand it and it takes 30 times of telling before they get it seven times. No increase in personal income taxes; no increase in business taxes; no increase in sales taxes; no increase in the provincial deficit; 101 million or 5.7 percent more for Health. I would say, Madam Deputy Speaker, that will be the highest amount of increase of any government in Canada this year—\$51 million or 8.7 percent more for Family Services; \$52 million or 5.5 percent more for Education and Training.

What did they say in B.C., it was going to be 2.4 percent? An NDP government in B.C., 2.4. A \$10-million reduction in the provincial education taxes for homes and the introduction of an anti-avoidance legislation to tighten tax enforcement rules. Madam Deputy Speaker, those are some of the highlights, and I think we need to keep on reinforcing to the people of Manitoba that we really are trying to encourage the economy to grow by not taxing the people of Manitoba to death.

It is quite interesting the comment we have heard in this Legislature over the Stabilization Fund. The NDP were first going to bring it in for the profits on hydro and, of course, that was kind of a bad scene. They knew there would be no profits in hydro and Hydro should not make those kind of profits. They knew that Limestone would not produce any profit, because they built it before it was needed for the sales that they had.

Madam Deputy Speaker, some of the comments that I would like to read are on the so-called fraud fund. We talk about the fraud fund, and the member for River Heights (Mrs. Carstairs), the Leader of the Liberal Party, has been quite vocal on this fraud fund.

**Mr. Lamoureux:** Justifiably so.

**Mr. Connery:** Well, as the member for Inkster says, justifiably so. We see some of the comments she has made.

It says, Finance Minister Clayton Manness robbed taxpayers of millions of dollars in yesterday's budget to set up a slush fund for the Tory minority government, the Liberal Finance critic has charged. I guess that would be the member for Osborne. Liberal Finance critic Reg Alcock said Manness should have used last year's windfall revenue arising from the mining tax and federal transfer payments to bring in a balanced budget.

I will say, and very seldom will I defend the Leader of the NDP, is that he had no objection to a Stabilization Fund in principle. Even the Liberal Treasury Board critic, Richard Kozak, said there might be sense in putting money aside for a rainy day if the Legislature controlled it.

\* (1510)

Again, this is the member for River Heights. We do not like this slush fund, she said. He, Manness, really cannot put it in unless we are agreeable to passing it, and we are not agreeable to passing it. Obviously, they did not support it, but it did go through with the support of the NDP. She said again, the funds amount to a deceptive shell game that her caucus cannot allow. A shell game, Madam Deputy Speaker, are the words that the member for River Heights used.

Of course, one of the editorials that we read in the Free Press says, Mrs. Carstairs stumbles. It says, despite what Mrs. Carstairs would claim, however, one of those things is not that it is a slush fund.

Even the experts recognized the need to put money away when times are good. It also goes on to say, Mrs. Carstairs is behaving like a piranha who cannot decide who to bite because she anticipates that an election might make her Premier of the province. Well, that was wishful thinking on her part and some pretty poor editorialism on that.

It also says at the end, at the moment Mr. Doer is handling the pressures better than Mrs. Carstairs is.

Another editorial, and this is by Fred Cleverley. It brings us to the Liberals. What would Sharon Carstairs have done with a \$48-million windfall? Would she have taken a lesson from David Peterson's book, the one that teaches how to spend the public's money, or would she follow the same rainy-day philosophy of Clayton Manness? It goes on to say, it has been so long since Manitoba had a Liberal Finance minister that it is quite impossible to predict what such an individual would do today. The last Liberal Finance minister in Manitoba did exactly as Manness is doing. He stashed away surplus money in every conceivable crack and crevice. The beneficiary of his policy was the Conservative Finance minister who followed him into office.

So, we see some of those things, but when we now have an election in 1990, Madam Deputy Speaker, what do we see the Liberal Leader doing? The Liberal Leader starts to spend the slush fund. She found it very handy to have that slush fund when the election came along. It was, as one of the articles says, another day, another \$100 million. Science and technology are the essential engines to drive the economy. The old solutions are no longer viable. The \$100 million would come from the Tory government's rainy-day fund, which currently holds about \$328 million, and she was wrong on that. Carstairs said she thought the money could be used for the kind of economic stimulation she is now advocating.

Madam Deputy Speaker, again another article: Carstairs to tap rainy-day fund. She is willing to tap the Tories \$300-million Stabilization Fund to come up with the serum.

Where is she spending the money on this one?

**An Honourable Member:** How many times has she spent it now?

**Mr. Connery:** She spent the money many, many times. Again, she is talking about the \$100 million from the scientific one. Also, again in 1990, during the election, Carstairs promised to spend \$60

million over three years to upgrade Education and Training programs, dipping into the province's Fiscal Stabilization Fund for the cash. She maintained the rainy-day fund, which she says holds about \$328 million should be used now to stimulate the economy. What is the point of having a bank account sitting there? A rainy day is right now.

The voodoo economics of the Liberal Party is kind of sad, because they do not understand what a rainy-day fund is and when a rainy day comes along. We were not in rainy-day times back then, Madam Deputy Speaker, but we are today. Now she is going to spend another: Liberal Leader Sharon Carstairs yesterday pulled out another \$50 million of Manitoba's rainy-day fund to provide capital loans for small businesses in hopes it would create a wave of new jobs.

There is some potential there to create jobs, and I would not be totally critical of it. That is a thrust that I think we could take a look at, but it goes further to say that: So far the Liberal Leader has pledged \$210 million over five years from the Tories Fiscal Stabilization Fund to revitalize the provincial economy.

Another headline: More biz tax aid Liberal policy. Carstairs has pledged to increase the exemption for the corporation capital tax from the current \$1 million to \$10 million. Madam Deputy Speaker, one area that I think I would have to support the member for River Heights, the Leader of the Liberal Party, on is the capital tax. I think everybody realizes that one of the most insidious, destructive taxes that the NDP brought in was the capital tax. It is not just on what you own, but it is on what you owe also.

**Hon. Harry Enns (Minister of Natural Resources):** It reeked of greed and envy.

**Mr. Connery:** As the member for Lakeside said, it reeked of greed and envy. He is right. They were taxing anything anybody had, but it also taxed debt.

When a person goes into business and they not only have to pay a tax on the capital that they own outright, the bottom line, they also have to pay tax on what they owe on capital. I think that this capital tax is one that I would hope is a priority that in the foreseeable near future we can get rid of.

We also were told that the fraud fund, as the member for River Heights (Mrs. Carstairs) likes to call it, was to be an election fund to win an election. Obviously, Madam Deputy Speaker, we are not in an election right now. We are at least two years



away, I would perceive, from an election, so the Minister of Finance (Mr. Manness) has not used that slush fund as an election ploy to get re-elected, but he has used it prudently and effectively to try to get Manitoba through a tough period of time, a period of time that all provinces are going through.

In fact, while our unemployment is far too high for anybody to accept, we still are the second lowest percentage in Canada. Only Saskatchewan is lower, and I can see what the NDP Government will do there, but the member for River Heights calling the fund a fraud fund, I will tell you, it takes frauds to have a fraud mentality to make those kinds of comments. It does take that kind of a mentality. I think it is very cynical.

We do have some good news, and I asked the Minister of Industry, Trade and Tourism (Mr. Stefanson) to give me an indication of some of the new things that have been happening in the very recent past.

The member for Thompson (Mr. Ashton), who talked about leeches earlier, carries on in his rhetoric there. He had his speech.

We want to talk about some of the good things that have been happening in Manitoba. The top one is the Hudson Bay Mining and Smelting where, between Manitoba and Saskatchewan, we are putting in \$80 million in support of a \$187-million refit of the smelter at Flin Flon. That is to upgrade the smelter for three reasons: to make it economic; to make it a healthy workplace; and for the environment, because there was a lot of environmental damage coming from that old smelter, along with the other things that this government has done in mining, searching for new mines for tax credits on those areas, for tax credits on new mines.

When the NDP talk about this government not concerned about the North, it was this government that arranged an agreement with Hudson Bay Mining and Smelting to rebuild the smelter in the North. I think that is a credit to this government to finally have achieved it.

The member for Rossmore (Mr. Neufeld) was the minister who negotiated that agreement. I think the member for Rossmore should be congratulated for being able to put together what I consider a very equitable deal for Canada and for Manitoba.

We talk about Boeing with their new computer-assisted, three-dimensional integrated

design-build capability to its plant as part of an upgrade worth almost \$80 million that will make it the largest manufacturing plant for composite aircraft components in North America. Bristol will spend \$20 million; Apotex, \$17-million pilot plant with planned investment of more than \$50 million; ISM, formerly MDS, will be housed in a new \$20-million building in downtown Winnipeg. The National Research Council will establish a new institute for applied biomedical research in its downtown building—cost of \$14 million, \$7 million of which is for refitting; 3M Canada, 11.5 percent in its plant in Morden, and that is significant, but that is one of the rural ones that we have done. I will comment on that later.

\*(1520)

Two more towns signed agreements with the Canada-Manitoba Partnership Agreement on Municipal Water Infrastructure, and that is where the province is putting in \$30 million, the federal government \$30 million and the towns and villages their third of \$30 million. Ubitrex Corporation, \$5.2 million to refine and market its point-of-care software. The Free Press opened their building.

So, Madam Deputy Speaker, when the opposition say that there is nothing, nothing good happening in Manitoba, they are wrong. They are desperately wrong. Most of those announcements, unfortunately, relate to Winnipeg, and I do not think that there is enough being done to stimulate rural Manitoba. I think we have to get very serious about some of the initiatives that we are going to implement to see that rural Manitoba starts to progress the way it should.

Madam Deputy Speaker, there is an old story of a family and several sons in the family, and when it came time for dessert the mother cut the pie up. One piece was quite small, and of course the smallest son who got the small piece of pie complained bitterly. Mother said, well, you are the smallest, and he said, yes, but if I keep getting the smallest piece of pie I will always be the smallest. Well, I would attribute some of that to rural Manitoba, and I think that rural Manitoba has to be getting a little bit bigger piece of the pie as far as our money is concerned. Now we know that there is already—[interjection]

Madam Deputy Speaker, I too have, along with some others, taken a look at rural economic development, and we have some ideas that we think

we can present to the Minister of Rural Development (Mr. Derkach), and it is a stimulation program. I think it is one that I hope our government can look at. It is very similar to the old Enterprise Manitoba program that J. Frank Johnston brought in when he was Minister of Finance, where there was some cash money put up to help people in rural Manitoba expand or to establish new businesses, whichever it was, but tied to job creation. That is where I support the Leader of the Liberal Party to tie some of this government money to job creation.

What is hurting the rural environment today, as far as job creation, is the lack of funds to go to the bank to lever loans. I think some grant money will do this. This is the sort of proposal that I would hope that our government would take a look at and approve, because it would give us some immediate impact on job creation, not only in the plant itself. It would be for processing, manufacturing or indeed it could expand to tourism provided there is job creation, which would mean not just refitting the premises, but it would be an expansion of the premises. So I would hope that would happen.

We talk about tourism at the same time, Madam Deputy Speaker, and the Member for Inkster (Mr. Lamoureux) in my throne speech was listening and said, hey, I like your idea about splitting off the Department of Tourism from industry and trade. Well, it has been about the fourth or fifth time that I have expanded upon that particular thought that we need to split off tourism from that big portfolio, because the department does not get the emphasis that I think it should.

We know that tourism can be one of the greatest ways of creating jobs, creating economic activity, and we have to, I think, pursue it. I will keep putting it into every speech I make until I can convince the Premier (Mr. Filmon) and the government to take such a bold step and to do it. If it means adding an additional minister to it, I think members opposite would support it.

Madam Deputy Speaker, we only need to take a look at the tourism stats for Manitoba. When I was the critic for small business and tourism, I was on the case of—it was Maureen Hemphill at one time and Al Mackling another—where I was very critical of our tourism stats, and I can say that right today Manitoba's tourism stats are the worst in Canada—the worst in Canada. I do not think that is the kind of story that we want to be living with. We want to get on with the job and create some more.

I understand that there is some new detail in the new tourism agreement coming out, and, hopefully, the program will help generate some interest in rural Manitoba, provide some money to improve the facilities that people coming into Manitoba will feel comfortable in staying at, to improve some of the tourism attractions.

I hope that it will have some grant money involved. I have a feeling that may come along. We should see the details, I am told, within the next few weeks of this agreement. I would hope, and I have a fairly good feeling that it is going to include all of southern Manitoba.

This is one concern I had with the previous five-year agreement that was signed with the previous government that it did not help anybody in southern Manitoba. It was clustered. It went to the Pre-Cambrian Shield, which is the eastern part of Manitoba, Clear Lake, the North, but did nothing for rural Manitoba. This time we are going to see something for rural Manitoba in the way of the tourism agreement.

Madam Deputy Speaker, a little bit on agriculture because agriculture is still a major source of economic activity for this province. It is an area—[interjection] The member for Steinbach (Mr. Driedger) talks about carrots. Of course, I am a carrot grower, and I take great pride in the quality of the product we grow.

We need to in agriculture be creating more emphasis on diversification. I think too long our department has been focusing on the grains, oil seeds and red meats. They are all important. They are the big commodities that Manitoba has, but some of the growth areas are in our other smaller crops where we really are alive and doing well. I think if a little more effort was put into it, we could be doing an awful lot better.

I have talked about the economic thrust that some of the diversified crops provide to this province in a labour-generating sense, in job creation, and in economic activity.

Madam Deputy Speaker, I do want to make a couple of comments—and I will be asking the Minister of Agriculture (Mr. Findlay) a question tomorrow on it—on pesticide testing. The Americans are going to great lengths to discourage the exporting from Canada to the United States or importing into the United States a lot of our vegetables, and they are doing it by demanding that

loads be held for residue testing. They have never found residue in any of the loads, and of course the wholesaler who imports it, it has to sit in their cooler for maybe two weeks, it is now not fresh anymore.

The wholesaler cannot keep his coolers filled with product that he cannot move, and so they quit buying from us. This is an area that I think the federal government has to get cracking, and take a strong position, which they have not. We have complained to them about this particular practice for the last 10 years. It is not since free trade came in, but it has been going on for some period of time.

I am also concerned with the federal government and its labour policies in relation to the horticultural industry. They are phasing out the day haul of people in Manitoba, and we employ probably 40 to 50 people from the Sandy Bay Reserve. Good workers that come every day, and yet the government is phasing out the day haul for these people, but they will fly people from all over Canada to different locations to work while they are phasing this out. I would hope that our provincial minister will work very strongly in helping us to change the attitude of the federal government.

Madam Deputy Speaker, I want to speak briefly on free trade with Mexico. Can you tell me what is my time left? Seven minutes?

**Madam Deputy Speaker:** Nine minutes.

\* (1530)

**Mr. Connery:** Nine minutes, thank you, Madam Deputy Speaker. Free trade with Mexico, I have said in this House many times, I am very, very concerned about free trade with Mexico. I agree with the free trade with the United States, but some of the problems involved with free trade to this point have not been resolved, and we have not worked out the kinks that are there. Canada has not, and maybe even the Americans have not adjusted to the free trade totally, and to go into free trade with Mexico at this point, I think, would be slightly insane on our part.

I was reading an article not that long ago where they pointed out that Canadian labour is around \$14 an hour, the American labour \$12, and Mexican labour \$2. Now how can we compete with Mexico, with those kinds of labour rates? People will say, well, we are going to gear for the high-tech industries. That is fine, the high-tech industries are good paying industries, but not every employee in Manitoba is capable of being a high-tech employee.

Those people who are not able to attain that ability to be high-tech employees want a job. They want to be productive, and for their sake we have got to be able to have jobs that are not necessarily as high paying, but they need work. My son was just down in California with the vegetable specialist for Manitoba, looking at crops and at new technology and new equipment, and I asked him if he had an opportunity to see the green onion fields in California. He told me that there were no more green onion fields in California, or very little, that they were now located in Mexico because of the labour.

We also grow green onions, and that is the problem we are having, is trying to compete with very low wages in Mexico. Their fringe benefits are next to nil, their environment regulations are very poor. For instance, we are bringing in new regulations for refrigeration, and I support those. It is important that we protect the ozone, but at the same time it is going to cost every user of refrigeration and freezing capacity a tremendous dollar bill to replace that Freon, and in some cases replace the equipment itself.

But is Mexico going to have those same stringent regulations? I doubt it, and for that reason I think we have to be very careful what we do in free trade with Mexico. I would say, if I were the Prime Minister, I would put everything on hold until we had a better chance to study it and ensure that we had the agreement working with the United States, working well first, and to get away from the embargoes or the surtaxes that they are putting on the softwood industry, the car industry. Those things need to be worked out before we go into a new agreement with Mexico.

I want to talk a little bit about water and water strategy for Manitoba. The member for Emerson (Mr. Penner), who was the Minister of Natural Resources, put into place a very excellent water strategy for southern Manitoba, but unfortunately that study is sitting on a shelf somewhere, gathering dust and is not being put to use. I thought it was a very well thought-out strategy for water to ensure that all of southern Manitoba has sufficient water.

It does not matter what else you have in this country. You can have the best soil, the best climate, the best region; if you do not have water, you have nothing. Water is so, so important for all regions of Manitoba. We can look at dams in Souris. They need water. There is the Rafferty

dam on the Souris River, but they need a dam somewhere around Souris to impound water so they can have water there, a guaranteed water supply, and for the communities off to the side.

We need to have some dam structures on the Assiniboine River. We are looking right now at a request by the Pembina Valley co-op to divert 20 cfs of water from the Assiniboine River to their area. Madam Deputy Speaker, I have continuously supported that diversion of water because they need it, but they do not need 20 cfs, they need 200 cfs. They need to have not only water for their industrial, residential use, businesses, but they also need water for irrigation. Unfortunately, to divert any water out of the Assiniboine today under its present system would be chaotic and could put those that are currently on the system at jeopardy.

So I am saying to this Legislature and to our government that we need to have more storage capacity on the Assiniboine River. There are many sites where we can do this. I want to put it into a little bit of perspective as to why we should be able to spend significant dollars in doing this for rural Manitoba.

Everybody remembers Duff's ditch, and of course there was a lot of criticism when Duff Roblin, then Premier of Manitoba, built the diversion around the city of Winnipeg. That diversion cost about \$63 million. In today's terms, you would have to multiply it by 4.5 to get today's dollars.

If we look at the portion of the Shellmouth dam and the portion of the Portage diversion that was used to protect Winnipeg, we would be looking in the area of hundreds of millions of dollars. If we took rural Manitoba's 40 per cent of the population, in today's dollars we could spend some \$200 million on rural Manitoba, and \$200 million would ensure that all of rural Manitoba would have sufficient water, not for just drinking but also for irrigation.

**Hon. Albert Driedger (Minister of Highways and Transportation):** Would you repeat that?

**Mr. Connery:** The member for Steinbach (Mr. Driedger) wanted me to repeat it. I would. We need water for all of rural Manitoba, not just drinking but irrigation, because irrigation to me, for southern Manitoba, is a key to the economic health of that region and the economic health of Winnipeg because the spin-off benefits that would accrue to Winnipeg would be close to equal that of the areas that would be getting that water. In all honesty and

fairness to rural Manitoba, we could easily spend \$200 million in today's dollars. It would be higher if we wait any length of time before we would implement some of those things.

Also, Madam Deputy Speaker, a little bit about labour laws. Having been Labour minister and also involved with the unions and with management, I think we need to bring some of our labour laws more in line with today's context of fairness and balance.

One of the areas that I think we need to take a look at is in the area of where management can talk to employees during certification of a union or potential strike. I think it is important that management have the ability to explain to their employees some of the impacts that could happen in a fair and proper way. I am not saying that management should have the opportunity or the ability to terrorize or abuse workers, but to be able to put their case forward.

I would like to point out, Madam Deputy Speaker, that during the nurses' strike the member for Concordia, the Leader of the NDP, was very critical of me talking to the nurses on the strike line. Of course I understand why, because he did not want anybody on the strike line thinking that anybody from our party was concerned about them. We are on this side concerned about all employees that are in this province, but of course they were not—

Madam Deputy Speaker, just a couple of words as my time is running out, on Conawapa. It boggles my mind to hear the opposition rail away against building Conawapa. We would look at \$13 billion coming into Manitoba, a \$700-million profit to Manitoba and—

### Point of Order

**Mr. Doug Martindale (Burrows):** Madam Deputy Speaker, our party is not opposed to Conawapa. We have only questioned the timing of it.

**Madam Deputy Speaker:** The honourable member for Burrows does not have a point of order. It is a dispute over the facts.

\* \* \*

**Mr. Connery:** Madam Deputy Speaker, 25,000 person-years of work in constructing Conawapa. As a province, we need to bring in outside dollars to keep the economy of this province up. Naturally, the opposition and especially the NDP do not want to see the dam built because it is good news for Manitoba.

\* (1540)

Madam Deputy Speaker, it will create jobs. It will create some wealth. I can understand why they do not want to see good times for Manitoba, because it jeopardizes their ability to get re-elected. It is in the interest of the NDP to try to make Manitoba bad, so that they can have an opportunity to get into power.

I can assure you that Conawapa is a good deal for Manitoba and would generate a lot of jobs and a lot of income.

Thank you, Madam Deputy Speaker.

**Mr. Lamoureux:** Madam Deputy Speaker, what comes to mind right off hand was the member for Portage la Prairie's opening remarks in which he said we can thank God for the Minister of Finance (Mr. Manness). Well, I do not think the former minister, the member for Portage la Prairie (Mr. Connery) speaks for all members in this Chamber but rather just the one side of this particular Chamber, even though this particular Minister of Finance (Mr. Manness) might be better than his predecessor, Mr. Kostyra.

If he would have qualified it, Madam Deputy Speaker, by saying that he is in fact better than the previous Minister of Finance, I might not have chosen to argue that point, but to say that we should thank God, I would not go quite that far. I might even go a bit on the other side of that particular comment.

Madam Deputy Speaker, time after time, we hear from the government benches that they want to hear an opposition party that brings alternatives, that comes up with good ideas, and so on. The Liberal Party, the third party in this Chamber, has done a good job at providing alternatives, providing ideas to the government in terms of what they can do to make Manitoba a better place.

(Mr. Speaker in the Chair)

Mr. Speaker, [interjection] well, it is a mighty six. One of the ideas that we have suggested to the Minister of Finance (Mr. Manness), through the Minister of Finance to the government, is that what we should be doing is reducing the provincial sales tax for three months by 3 percent. The cost of this particular program, the Minister of Finance can quite easily establish. All he needs to do is look back to the years of Sterling Lyon, where they had a reduction of the provincial sales tax.

So even in a twisted way the current government can say, well, it is not a Liberal idea, it is a Conservative idea. It is something that, obviously, we would like to encourage for the government, is to adopt that idea, that we believe that it would do a lot of good for the economy in Manitoba right now. It will create in individuals the initiative or will generate the opportunity for Manitobans to spend money within Manitoba.

By reducing the sales tax, Mr. Speaker, they are going to be buying widgets throughout the province of Manitoba, providing those jobs that are necessary. It will give that extra boost, allow individuals an opportunity to save some money, even prevent some individuals from going down to the States to make purchases, rather to stay in Manitoba and make the purchases.

I want to start off my remarks by making that positive recommendation and encourage the government to think of it very seriously. They would have our support of Sterling Lyon's initiative that he saw fit to bring in and encourage the government to look at it. The next thing I want to talk about was something that the member for Portage la Prairie (Mr. Connery) elaborated on quite extensively and that is the fraud fund.

Mr. Speaker, the Fiscal Stabilization Fund is in fact a fraud fund. We have to be cognizant of the fact or cognizant of the way in which this particular fund was brought in. Manitoba had an opportunity several budgets ago to have a surplus budget, but having a surplus budget at that point in time did not serve the Conservative government well in terms of future elections. I can recall talking about that fund when it was first established, and part of the argument that I used at that time was that the fund was established in order to create deception about our deficit.

Lo and behold, that is in fact what we are seeing. We have seen the government borrow money in order to put into an account to prevent a surplus in order to in future years cushion what the future deficits would in fact be.

So when the government says today, we have a deficit or we are projecting a deficit of \$330 million, well, that is not necessarily true. The deficit is closer to in and around \$500 million, but they have used that fund that they established by borrowing, by creating a deficit, in a deceptive way in which they could try to have that chart which demonstrates to

the public of Manitoba that this government knows how to manage a deficit, and that could not be any further from the truth.

So I stick to what I had said, Mr. Speaker, a number of years ago, and that is in fact that the Fiscal Stabilization Fund is more of a Manness illusion. It is a fraud fund, and what the Leader of the Liberal Party, the member for The Maples (Mr. Cheema) and the previous member for Transcona, in the quotes that were cited from the member for Portage la Prairie (Mr. Connery), I believe are really out of context of what the actual position of the Liberal Party was.

We never supported the Fiscal Stabilization Fund, based on the principle that here you have a government that is in fact borrowing money in order to create a fund with the idea that in the future it would be able to have some type of an influence over the deficit.

**Mr. Driedger:** This is very confusing.

**Mr. Lamoureux:** The Minister of Highways says, it is very confusing.

It is very confusing, Mr. Speaker, and the Minister of Finance (Mr. Manness), his minister, has done a fairly decent job in making sure that a significant portion of the population are in fact being fooled by this slip of hand.

Mr. Speaker, I wanted to go and speak in terms of the question that I put forward today to the Premier (Mr. Filmon), because I was somewhat surprised with the answers. [interjection] Well, the Minister of Highways (Mr. Driedger) might want to contain himself at least until he finds out that the Premier was in fact wrong.

The question that I had asked the minister was: How does the Premier justify increasing by 6.8 percent the support to his office while limiting the increase to CRISP program to less than half the rate of inflation?

Well, Mr. Speaker, no one will question the latter part of the question in terms of the CRISP and that the increase was half the rate of inflation, but the Premier took exception to the fact that it is not the 6.7 per cent or the 6.8 percent increase.

If we take a look at Executive Council in the budget, and we take a look at the item of 1.(b) and 1.(c) and look at the salaries, you will find that in fact it is the increase that I had made mention to the Premier. So where he gets his numbers is, he takes

a look at the overall resolution and says, well, no, it is not true. It is not a 6.7 percent increase. Well, the support staff is in fact a 6.7 percent increase, and that is this Premier's priority in terms of how they choose to spend money.

Mr. Speaker, we have time after time—whenever a member of the official opposition or the second opposition party bring up a constructive idea in terms of how and where the government should be spending money, the government's response is, spend, spend, spend, spend. That is all the opposition party wants to do.

Mr. Speaker, what I tried to point out to the Premier (Mr. Filmon) today in Question Period was that it is not necessarily a question of spend, spend, spend, spend. It is a question in terms of priorities.

Mr. Speaker, I will argue that the Premier's priorities are wrong. How can the Premier justify a half the rate of inflation increase to the CRISP program, while at the same time increase for his own personal support staff by 6.7 percent?

I would suggest to the Premier that if he wants us to make a suggestion in terms of where he can find some monies, that is one of the areas in which he can find the monies that are necessary that he could cut back on, Mr. Speaker, and reallocate those monies out to other programs, other priorities, priorities that we in the Liberal Party feel are much more important.

Mr. Speaker, I will argue that those more vulnerable in our society are more of a priority to ensuring that the Premier has the staff to put the proper twist or support services to the extent of a 6.7 percent increase, which just cannot be justified.

The Premier's answer to the question was one of, well, wait for the Estimates, and you will find out the details of the information.

**An Honourable Member:** That sounds pretty good to me.

\* (1550)

**Mr. Lamoureux:** One minister says it sounded good to him. Mr. Speaker, what it tells me is that he is unable to justify it. It is a fairly straightforward question, and the Premier failed to be able to justify the actions of his own office.

Another question that I had asked, Mr. Speaker, was in regard to the Department of Labour where we saw a 6.7 percent increase to the ministerial staff office, while at the same time I believe it was a 0.2

percent increase to the Labour Adjustment Program office. That works out to a third of a cent for every worker in the province of Manitoba. If you put that in proper perspective, when we have a free trade deal that the federal Conservative Party itself commissioned a report where the title was Adjusting to Win, and the provincial party adopting 100 percent the principles of the free trade and the benefits that free trade was going to have here in Manitoba has failed to acknowledge the importance of retraining.

The member for St. James (Mr. Edwards) on many opportunities has made mention of the need to ensure that we have proper training programs and so forth made available, proper labour adjustment programs, Mr. Speaker, given the times that we are in, because not only are we in a situation where we have a free trade deal that has been superimposed on us, we also are in a recession. Given those two factors alone, again, what has this government done? It has chosen to increase the Minister of Labour's (Mr. Praznik) office some 6.7 percent while, at the same time, giving that 0.2 percent to this particular program.

Once again I will argue that the priorities of this government are all wrong. In fact, if the government wants another suggestion in terms of where they can get some money in order to reallocate into additional Liberal priorities, I will suggest to you that is another area in which they can have a cut in terms of the ministerial support office and reallocate some of that money out to the programs that are badly needed here in Manitoba.

The second supplementary question was in regard to this \$466,000 in the setting up of this new secretariat's office that the Premier (Mr. Filmon) is talking about. If you put that in the context that while he has decided as a priority to allocate that type of money out for this particular office, he has also decided the support for external agencies and the Department of Health agencies which delivers support to those vulnerable Manitobans.

Mr. Speaker, once again I would argue that the Premier (Mr. Filmon) has his priorities all mixed up, that in fact there are areas in which the Premier can look and find better ways of spending money, of spending the tax dollars that are in fact being collected. That particular question was something that has just come up in the last couple of days when the Premier yesterday said, once again, all we want to do is spend, spend, spend.

The government has more resources than the opposition parties, and I would argue that if the government was wanting to look and evaluate internally in terms of what is going on and start right off with the ministerial offices and some of the things they are doing, that they might be able to find the resources without having to raise the additional taxes or to increase the deficit, because they have such a fixation on both, Mr. Speaker.

There are things the government can do, and I would encourage the government to not fall in the trap of whenever a member from the opposition party makes the suggestion that they have to say, spend, spend, spend, that in fact, it is not just a question of spend, spend. It is a question of priorities, and it is a question of values, and that is what the budget process is all about.

Mr. Speaker, there are a number of areas that I wanted to make some reference to, four areas which have come out as major areas of concern of the constituents that I represent. The first is that of health care. The other day during private members' hour I was able to take the opportunity to speak on Bill 51, which was introduced by my colleague the member from The Maples (Mr. Cheema) in which I argued at the time that everyone in this Chamber support a universal access to health care.

There is not one political party that has a monopoly on caring for individuals who require health care services. I really and truly believe that and would encourage that that bill be accepted from everyone in this Chamber and that we allow it to be able to pass. We could be the first province in Canada to adopt those five basic fundamental principles about a universal health care program, Mr. Speaker.

Having said that, there are other things that we have suggested as a third party to the government and have encouraged the government to move, which would save the government money. Things such as the expansion of outpatient care, something that the government, the Minister of Health (Mr. Orchard) has commended the member for The Maples (Mr. Cheema) in terms of his frankness on the issue and has said himself that is the area in which we need to move. The time now is to act. We can do something that the minister has been responsible for the Department of Health now for approaching four years, and he has had the opportunity as minister to ensure that whatever the

government policies really are, to start implementing them.

We are somewhat disappointed that they are not acting as quickly as they could be on the whole idea of expanding outpatient care. The member for The Maples (Mr. Cheema), through the Liberal Party has commented on the greater centralization of expertise in some of our health care institutions, something that would save, once again, additional monies for our health care.

Every one of us has to be cognizant of the fact that health care is the largest expenditure that we make here in the province of Manitoba, and that we all have a responsibility to be honest in terms of how we can contribute to ensuring that we have the health care that we have today 20 years from now. That means, Mr. Speaker, that we might need to put on the record areas or things that need to be debated that otherwise might not have been accepted. At least allow a debate on some of the opportunities. I look to the Minister of Health (Mr. Orchard) to bring up or at least to start some of those debates.

The member for The Maples has said to the Minister of Health that we will not be attempting to take political cheap shots at allowing debate, sincere debate, Mr. Speaker, if the government acknowledges Bill 51, in fact, to be what the government itself believes in. I would encourage the government to do that because I think that debate is long overdue. We could do a service to all Manitobans, in fact, if we were to act upon it.

Another initiative that was suggested from my colleague through the Liberal Party was the whole question of the Immigrant doctors. We have a situation in rural Manitoba where there is a demand for rural doctors. Instead of going in depth about that particular issue—because the member for The Maples (Mr. Cheema) has with the Minister of Health (Mr. Orchard)—I would encourage the Minister of Health to give it more serious thought, especially after the Minister of Culture and Heritage (Mrs. Mitchelson) tabled the report yesterday that really supports what the member for The Maples has been saying. In fact, we have other provinces that are moving in that direction, Mr. Speaker, as a way to bring doctors out to the rural areas.

(Mr. Bob Rose, Acting Speaker, in the Chair)

\* (1600)

Another issue that I want to make comment on, Mr. Acting Speaker, is a very serious issue that has really come to light for myself, personally, through a group of LPN nurses who met with me inside my constituency, who all live inside the constituency. They are very concerned about their future. The primary reason why they are so concerned is because the government has not taken a position on the LPNs. As a result, what has happened is, there are so many rumours that are out there that the LPNs—over 3,000 LPNs throughout the province of Manitoba—do not know what to do. Do they go and try to upgrade their education to eventually become an RN? At this point in time, I understand, there is not very much of a demand for. Are they going to be forced into this situation where they are going to become assistants as opposed to the LPNs or the medical assistants?

There is a lot of uncertainty out there; a lot of families deserve to know what the government's intention really is when it comes to the LPNs of the province of Manitoba. The government, in particular, the Minister of Health (Mr. Orchard), is doing a disservice by standing up, time after time, and just giving the platitudes to the LPNs, but not giving any government direction, not giving any type of commitment to the LPNs in terms of their place in our health care institutions.

The government owes it to the LPNs to be straightforward with them, to try to qualify or to stamp out those rumours, so that these individuals can go on with their lives. If the government's intentions are to see the LPNs phased out, at least allow them the opportunity to base their decisions on a government decision, but to hold them off and to leave it unanswered is really doing a disservice. I see, and from what I understand, the LPNs in other provincial jurisdictions are being expanded, and that is something that is really confusing a large number of the LPNs. Why do these rumours persist while other LPNs in other provinces are being expanded?

I say to the Minister of Health (Mr. Orchard) that he should give serious consideration to that and to make, at the very least, a ministerial statement in terms of what the government's position is on the future of the LPNs in the province of Manitoba.

Another major issue in my area is one of education. Education is something that comes up—in fact, I have had a grievance on education and some of the problems that I have within my riding. I have talked about the problems in education in the



past and the large number of inequities that are out there between school divisions. I think, Mr. Acting Speaker, with all due respect to the government, that when they tackled the whole issue of City Council in an attempt to make the city of Winnipeg a better place to live, one of the areas which they have not really addressed, other than by creating again rumours, is the whole question of the inequities with the number of school divisions or the inequities that are between the school divisions.

I represent a riding in which—we are in Winnipeg No. 1—there are 33,000-plus students, whereas we have other school divisions within the city of Winnipeg, Mr. Acting Speaker, where there are under 2,000 students. I do not want to take a position in terms of the number of school divisions or the types of inequities that others might say are not there. I do not want to take issue with that today, but suffice to say that there are a large number of inequities. There is a responsibility for this government to treat the school divisions as a higher priority, to bring that debate to the Legislative Chamber so that we can in fact find out where all three political parties, and in fact all individuals inside this Chamber, stand on the question of the school divisions and the need to reform our educational system.

Mr. Acting Speaker, I do not even look just at the school divisions. I will argue that part of the debate should include the private school funding versus public school funding and so forth, that we need a wide debate on the whole question of educational reform in the province of Manitoba.

Mr. Acting Speaker, jobs are another priority in my riding, as I believe all of these that I have listed are priorities for each and every one of us in the constituents that we represent. The government often refers to, well, the unemployment rate has dropped from last month and says that it is now moving in the right direction. Well, I guess we can go month by month, and one month the opposition party might say the unemployment rate is up, another month and we will get the government saying the unemployment rate is down. Both will try to read a lot into those figures, and all three political parties participate in that. The bottom line is that we have people leaving the province of Manitoba as a result of not being able to find the opportunities that they require in order to remain in the province of Manitoba. That we have— [interjection] Well, I do

not think that they are moving to Saskatchewan either.

Mr. Acting Speaker, that says a lot in terms of how the economy is going. I looked at one of the statistics that were provided through the Manitoba bureau and, again, I do not want to go month by month. I want to go year by year where we have 1988 to 1990, and what really causes concern for me, and when I talk about jobs that are leaving and people that are leaving because of the lack of opportunities, I look at a line such as the manufacturing industry, where in 1988 63,000 Manitobans were employed. In 1990, 54,000 Manitobans are now employed.

Mr. Acting Speaker, those who have an interest and want to remain in the manufacturing industry are given little opportunity, other than to move out of the province of Manitoba. What does it say in terms of the economy as a whole? Manitoba, in the past, has really never had the booms or the downfalls of a business cycle economy. Part of the reason for that is because of our diversification in the province of Manitoba, but when I see lines such as the manufacturing industry going down and you see other lines, such as transportation and communication, also dropping, and you see the service industries going up, it causes great concern in terms of the general direction of the province of Manitoba when it comes to the turn of the century.

\* (1610)

If we want to maintain the diversification that we currently have, the government has to come to grips, in terms of having some sort of a policy, an aggressive policy. The government has a role to play in ensuring that we have a manufacturing industry in the province of Manitoba by the turn of the century.

That means that we need to look at some specific industries, and I point, Mr. Acting Speaker, to an industry like our aerospace, our garment, the vegetable industry which has lots of promise. There are a number of other industries in which the government can play some role in ensuring that those industries in the province of Manitoba remain strong and provide jobs for future generations of Manitobans so that our economy remains diverse.

Mr. Acting Speaker, another area that I wanted to touch upon was that of the environment. The environment is something that we all hold very closely to our hearts, and we would have liked to

have seen a bit more independence towards environmental organizations when it comes to funding, but we have seen, in particular, like the CEC, where funding has decreased as a result. Well, I am sure that the government is well aware as a direct result, but what it reminds me of is what happened over in Saskatchewan and the whole question of the Rafferty, compared to the type of studies that were done then and how the government downplayed and did not give the monies that were necessary for the development of Rafferty to find out what the environmental impacts were. I think that the government now in Manitoba is starting to move in that direction.

When we look who now has been given in part the responsibility to find out what the environmental damages are going to be for Conawapa, when it is given to Manitoba Hydro, because there is a natural conflict there. So one really questions the real priority in terms of the environment, because day after day they stand up and they talk about the importance of the environment before anything goes ahead, but time after time we do not see that, Mr. Acting Speaker.

In terms of the budget, one of the more positive things that came out we thought, Mr. Acting Speaker, was the personal income tax freeze. I know that many Manitobans are very glad to have been given that particular tax break, and the government has been able to do a reasonable job when it comes to that particular tax. I think that all three parties would like to at least make mention of the fact that in terms of this particular budget, the personal income tax was a good thing in terms of the freeze. The projected deficit, as I pointed out, was a negative thing.

One of the other things that I felt that the government is way off base on is the Civil Service and the treatment they have given to the Civil Service which really causes a lot of concern. One would have thought that the 300 civil servant positions that are now being proposed to being cut would not have been necessary given what has happened to the Civil Service over the last couple of years.

The member for Portage la Prairie (Mr. Connery) made reference to something that I also want to talk about in terms of the Department of Tourism. Mr. Acting Speaker, I believe that tourism is one of those industries that has the greatest potential for growth in that it is time that we look at where tourism and

the minister who is looking after tourism in the province of Manitoba—I know at one time we were 10 out of 10 when it came to tourism, I am not too sure if in fact we are still 10 out of 10—but I think the government could go a long way by taking the Department of Tourism away from the Department of Industry and Trade and put it in a department that does not have the demands on the resources that the current ministry has, so that it can be highlighted more so—[interjection] well, Culture, Highways is another good one. Some might suggest Rural Development. There are a number of departments that it would most definitely be to our benefit to change tourism over to, because, as I say, we believe that tourism is one of the greatest potentials for growth in an industry and needs a lot of work.

I wanted to touch upon some of the areas for which I am the critic. One is, of course, of Culture, Heritage and Citizenship. In particular, I want to talk about the multicultural aspect of it, because that has been an issue that has come up time after time. As the minister herself has said, I guess at times we have to learn to agree that we are going to disagree. Mr. Acting Speaker, I find it very, very hard, and I guess I am an eternal optimist that someday I will be able to convince this particular minister that the direction she is taking Culture, Heritage and Citizenship is not necessarily in the right direction and that there are things that she could do to alleviate a lot of the concerns.

(Mr. Speaker in the Chair)

Last year during the Estimates I can recall what I thought was somewhat irresponsible, even other members took the liberty to participate in, and that was, of course, when I had moved a motion that the funding for MGAC be withdrawn and that the monies be reallocated out to MIC. The member for Niakwa (Mr. Reimer) recalls it quite well. I still believe that MIC is the most appropriate body for distributing the cultural grants. If the minister is concerned about MIC being the dispersal body, I am willing to compromise. All I am saying is it should not be a politically appointed board, that, yes, she might be able to come up with an idea that would resolve that particular issue.

Mr. Speaker, in terms of labour, I had made mention in terms of the concern we had regarding the Labour Adjustment Program. That is one of the issues that we will be taking up during the Estimates process with the Minister of Labour (Mr. Praznik), is why and how he justifies the increases to the lines

that he saw fit to give, again, given the current economic condition which one would have been led to believe would have been a much higher priority than usual. I was disappointed in the fact that the government did not give the increase that we felt was necessary to the Labour Adjustment line. As Conservative reports have said themselves, it is time that we start adjusting to win because nowadays individuals look at three, four, up to five—

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

**Hon. James Downey (Minister of Energy and Mines):** Mr. Speaker, I rise to speak in support of the fifth budget of the Filmon government today, a budget, which, not unlike the previous four budgets that have been developed by this administration, has taken considerable hard work and effort not only by the departmental staff, the deputies, the managers and every individual who works for government, but I want to particularly acknowledge the hard work and effort of the members of Treasury Board, who have put in considerable hours of extra time to carry out their responsibilities. I was not there at this last session to enjoy their work activities, but I can assure you that my thoughts were with them. I would have liked to have been there at particular times so I could have had my voice heard a little louder, however, I am quite happy with the end results. I do acknowledge the extreme hard work and effort of the Treasury Board staff and the ministers who put in the tremendous amount of time that it takes to develop the budget.

\* (1620)

Mr. Speaker, there is one particular point I want to make, and that is that the expenditures of government—and I would have hoped that this would take place at the federal government level, but I guess it is virtually impossible to have the kind of direct hands-on input that takes place by the elected people.

Mr. Speaker, I can assure you that the elected people within our government have a major impact on the decisions that are made. I believe that is the way it should be, to keep the control of the expenditure of the public's money within the responsibility of those people who are elected to carry out that responsibility, not to delegate it to employees of government. Yes, there have to be some administrative responsibilities and authorities given, but overall I think it is the responsibility of

elected people to be answerable, to understand the expenditures that the taxpayers' money is going towards.

There has been a lot said in the many speeches in this Chamber and in this House over the past few years as to what some of the previous administration had done and had done wrong. I am not going to spend a lot of time on that, because I think history has been clearly recorded in many speeches. I think it is time to clearly address the positive initiatives that are being addressed in this budget and where I think and where we think the future of this province lies.

There is one particular area, though, Mr. Speaker, that I do think is important to point out, because it is clearly an indicator. I will just make a brief reference to it so that it puts in place the context of which we have to deal as a government.

The public debt carrying costs rose from \$114 million in 1981-82 to \$490 million in 1987-88. The New Democratic government increased public debt costs by 4 percent of the total budget in that period of time to 11 percent to 1987-88, when in fact this current government has been able to reduce that portion to 9.4 percent in the 1992-93 year.

The point I am making is the percentage which goes to the public debt cost is starting to decrease. It is so important, if we are going to carry out the kinds of programs and government responsibilities that are necessary, that we start to reduce the overall debt carrying costs and the debt on the people of this province. It is clearly the way we have to go. I can assure you that there are some positive indications starting to take place. It has been a lot of hard work. I have said that in my opening comments. I can tell you, Mr. Speaker, it will continue to be hard work.

One of the temptations that we as government—and members of the opposition should not push us or try to push us towards, and that is when revenues start to increase in this province, that the temptation is not there to let control go of the expenditure side of government.

We cannot afford to get again the kind of spending habits that we have seen by past administrations, when in fact we cannot afford to do that. If there is one message that we as legislators have to remind ourselves of is not to be tempted when revenues increase to go out and introduce tremendous amount of new programming, to take the controls off

the expenditure side and spend for the sake of either political pressure or pressure from the members opposite.

We have to, Mr. Speaker, over the ensuing years that we are looking at is reduce the overall debt-carrying charges and debt on the people of this province as we do nationally, because we all know what happens to any business person, any business that gets to the position of having far too much debt to the income ratio. The end is inevitable, and we cannot in the public interest allow that to happen. I can assure you, I will be strongly supportive of the government position that is continued on that basis.

Let me again make a couple of comments, because it again points out how insensitive governments can be when they come to try and reduce some of the expenditures or to make some of the adjustments within the government of Manitoba. One of the things that the communities of southwestern Manitoba are still reeling over was the previous administration's decision to reduce or eliminate RCMP coverage in that southwest area of the province.

That is one service that the people of this province have become to respect and to enjoy has been the coverage, the protection of the RCMP. It does not matter whether you are in southwestern Manitoba, northwestern Manitoba, northeastern Manitoba or any part of Manitoba. It is the security of a sound, responsible police force which we are all very proud of and that is the Royal Canadian Mounted Police. I say that very generally.

Again, what I am trying to say is that we have some essential things that have to be looked after in this province—[interjection] He is out practising his draw. When one looks at the services that are the responsibility of government to provide, that is one of them.

We have also categorized, and it is again identified in this current budget and that is the priority that this administration, the Filmon government, place on health care, Education, and Family Services—[interjection] Well, the Leader of the Opposition party says, and welfare. He says we are putting too much money in welfare. Well, what does he want us to do? It is his party recommending that we should take some of the money out of welfare. I mean, I am hearing this daily in this Legislative Assembly, that he says we are putting too much money in welfare. Does he want us to take some of

the money out of welfare? Is that what he is advocating?

Mr. Speaker, I cannot for the life of me understand the New Democratic Party and their position. They are saying, take it out of welfare, we are paying too much welfare. Well, let them stand and move a resolution in this House that we reduce the welfare budget by X numbers of millions of dollars. If that is their position, Mr. Speaker, then let them stand and do it.

The point I am making is that we have identified our priorities, and another major priority again that each member of this caucus and this government continue to express to the public of Manitoba that we are maintaining these services without raising the taxes on the backs of Manitobans.

**An Honourable Member:** You are just raising the deficit to five . . .

**Mr. Downey:** Again, the Leader of the Opposition party says, yes, we just raised the deficit. Yes, we have raised the deficit, but we have also had a fund of money that is available to help offset the impact of that deficit.

**An Honourable Member:** Where did that money come from?

**Mr. Downey:** The money came from the taxpayers of Manitoba. Where the heck else would it come from? Yes, it came from the taxpayers of Manitoba. I do not try and make any cover-up or any nonissue of that or an issue of that. It came from the taxpayers.

What it is doing though, Mr. Speaker, is trying to level the impact from year over year of deficit financing which, by the way, is an unfortunate situation that governments got into to the magnitude of which they got into, deficit financing. It is a dangerous, long-term negative impact or has a negative long-term impact on the taxpayers of this country. I make no bones about it nor does the Leader of the Opposition (Mr. Doer) from what I am hearing him say, that deficits are deferred taxes. I would hope he would agree with that. He sure as the devil gave us lots of deferred taxes when he was in government as well as additional taxes that he put on when he was there. Not only did he give us deferred taxes, he gave us immediate taxation as the minister irresponsible in the last administration.

\* (1630)

Mr. Speaker, where we are at currently is that we have laid out some basic principles which I believe we have lived up to, lived up to in spades.

There is one other area that I want to express that I have serious concerns in, and that, Mr. Speaker, is the difficulties that particularly rural and some northern communities are having with the loss or the exodus of their young people or the work force, their traditional people who would be in their communities, whether it is in the farm community, whether it is in the northern resource industries, the fur trapping or the fisheries business, has been the draw of the urban centres for those individuals who, either by choice or by force, have had to leave those traditional home sites or their communities to come to find their livelihood elsewhere. That is why the government of Manitoba, the current government, worked to initiate programs like the decentralization program, programs like the rural bond program, which the former Minister of Rural Development, the member for Emerson (Mr. Penner) so importantly moved forward with and set up to the stage where it could be moved forward.

Those are the kinds of thoughts and beliefs that we have, that people living in their traditional communities making their livelihoods can be provided services which government have the responsibility to provide in a far less costly way than living in large urban settings, which again if it is by choice is one thing, but by force is another.

I would hope that we would have the support of the members opposite to continue to try to provide the economic initiatives not necessarily by government, but encouraging the private sector through business initiative and business development in those communities.

Mr. Speaker, those are the basic philosophical approaches that I want to bring to this debate. Again, the most important one to attract investment from outside of this province and this country is the taxation policies of government. People today respond to tax and tax policies. I can tell you that one only has to watch what has taken place recently with the criticisms of city government in the city of Winnipeg and the perception of how the public money is being spent there, compared to the expenditures of the Province of Manitoba and the control mechanisms that they have put in place. I think they are trapped to think that it is popular not to take a tough line.

Well, I can tell you, Mr. Speaker, as much as some people do not like the politicians taking a tough line, I think that there is general public acceptance out there that in fact we are doing the right thing in taking a tough line with the expenditures of taxpayers' money. [interjection] Again, the member for Concordia (Mr. Doer) suggests call a by-election. Mr. Speaker, he knows who has the responsibility of calling a by-election.

I do not know whether if I were sitting in the position that he is, as low as he is in the polls, that he would really want that and how he ended up at the last election in Crescentwood—third, a poor third showing. What he did was he immediately went out to find a former Liberal or a Liberal to run for the New Democratic Party in Crescentwood. Yes, he found a Liberal to run for the New Democratic Party in Crescentwood. Now that is not surprising knowing the checkered background of the Leader of the New Democratic Party and his political background. I think he has covered the total political spectrum, and one could consider that maybe he is a bit of an opportunist, but we will let the public judge that for themselves.

Well, Mr. Speaker, I say this, we are well positioned. We are currently well positioned as a government with the policies that are in place, with the programs that are in place, to see this province move ahead compared to the rest of the provinces in this country. We still have some of the best work force and well-trained people in this country. We have some of the best educational facilities and support systems, whether it is the university systems, whether it is the colleges, whether it is any part of our educational system, we have the tools there. We still have the tools there being managed properly to provide the opportunities, the educational opportunities for our people.

We have the health care systems. We have the centres here of tremendous health care opportunities, and the tools are there to continue to see advancement. We have the resources. We still have the productive farm land. We still have the manufacturing capabilities, whether it is the Versatiles, whether it is some of the traditional manufacturing industries in this country that have given us a base for expansion and development in the past; they are there ready to go ahead when we see the turnaround in the international recession that is there.

We have cleaned up our act, Mr. Speaker, and tried to clean up some of the problems of the past. We have programs and the infrastructure there. We have entered into some very significant agreements with the federal government, whether it is the Southern Development Initiative, whether it is some of the programs that have been identified under Industry, Trade and Tourism, whether it is the Rural Grow Bond Program, many programs and government initiatives that are there that will, in fact, help this province move ahead.

That is why I have absolute and total confidence in this budget which I would hope members of the opposition would see fit to support, at least some of them. Just do not become a philosophical puppet to the Leader of the New Democratic Party. I would ask them to seriously analyze and think for themselves. I would honestly ask them to think for themselves as to the benefits that they see in this budget.

Mr. Speaker, I want to talk about northern Manitoba. I have expressed my concerns, and I can tell you I still have deep concerns about the exodus of people from our rural communities and our northern communities.

I am confident the agricultural programming which has been in place will help. It is not the answer to the success of the farm community. The answer to the success of the farm community is a decent price for the product that they produce, and never will a government program ever replace that. It will never replace that, but there have to be some interim measures put in place to give support when support is needed.

I am a cautious optimist when it comes to the farm community. I believe we are poised again, as we are poised with the manufacturing and some of the other resource development industries, to go ahead in the coming years.

Let me deal now with our Hydro and some of our Energy and Mines activities and some of the incentives which have been put in place. Mr. Speaker, Manitoba Hydro is more than Conawapa, although one would never think that in listening to some of the debates of the past few months. Manitoba Hydro is more than Conawapa. Conawapa is but a part of the whole Hydro development initiative of the North.

Manitoba Hydro, as some of the older members would appreciate, was a major tool to develop the

economic activity of this province. I will just go back so the members opposite have a little better understanding of it.

I take my hat off to D.L. Campbell, who was a progressive Liberal I believe in this Legislative Assembly. In the late 1940s, early 1950s, D.L. Campbell—the Liberals should pay attention to this—introduced rural electrification into this province.

**An Honourable Member:** I remember it well.

**Mr. Downey:** I remember it well, too, because I was a young farm boy out in southwestern Manitoba when the hydroelectric power was brought to that farm community in 1949 or '50. Mr. Speaker, it changed the whole economic activity of rural Manitoba. It took the burden off the backs of people like my mother and my grandparents, my father and the people who were doing the toil. The point I am making, Mr. Speaker, is it was used as a major economic development tool for this province.

\* (1640)

What else had to happen was, of course, the generating stations had to be put in place to drive, to energize the system that was put in place. It was the right thing to do for the province of Manitoba.

That was followed by Duff Roblin, who saw the opportunity for further economic development as a major economic generator for this province and opportunities for this province to grow and develop—followed by whom?

That was followed by the Weir government, who for his short period of time did not change anything but continued on with that policy.

That was again followed by whom?—Ed Schreyer. What were the Schreyer policies? It was to continue to use the hydroelectric system of this province to drive the economics of this province and to create jobs and to do what was right for the people of Manitoba.

That was followed by the Sterling Lyon administration, who said we should continue to develop and do it through a planned economic system, but probably we should do more to use that electricity, that hydroelectric power for the development of opportunities in Manitoba.

I will not get political about my next comment, but, unfortunately, some of those opportunities through I would say some mishandling—but I will not get into that—were lost, but the next thing I want to raise is

that the Pawley administration said: We will continue to use Manitoba Hydro to drive our economy; we will build Limestone. I am not going to get into right or wrong, but what he did was he used it for an economic development tool to create jobs and to create wealth for this province.

In 1988 was the election of the Filmon government, Mr. Speaker. What changed? I believe the public mandate—and I say this in the interests of all Manitobans—is still there to use Manitoba Hydro on a reasonable, sound basis to drive the economy, or to help the economy of this province.

If it is not the case, then someone please tell me, because all those Premiers had the mandate to continue the development of Manitoba Hydro. There have been two things added, under this administration: that was putting the next project, the Conawapa development project to a Clean Environment Commission study, and the Bipole III line, No. 1; No. 2, to make sure that we were doing it on the right sound economic basis, the Premier and the government said, we should refer this to the Public Utilities Board to have a third-party comment or opinion or, whatever you want to call it, approval of the project.

Yes, and the member for Inkster (Mr. Lamoureux) went for the bait and he got it. What did the Public Utilities Board say? I would encourage him and his Liberal Party to read what the Public Utilities Board said. What would they say now, Mr. Speaker?

**An Honourable Member:** Given all the new data.

**Mr. Downey:** Given all the new data. Well, Mr. Speaker, I cannot tell you what they would say now, but I can tell you what they said at the time of their hearing. I will read one part of it, because I think it is important that all members of the Legislature clearly understand that we have nothing to back away from. Their big call to have it go back to the Public Utilities Board could well put some minds at ease, but it will not change anything as to what was initially said by the Public Utilities Board.

Here is what the case is, Mr. Speaker, and I will give a direct quote. This is on the demand side management targets that everyone is referring to. Here is what they said: The figure appropriate for planning purposes should be neither more nor less conservative than all the other planning assumptions. Using an optimistic figure for planning purposes creates risk in the context of

reliability. The level of DSM or demand supply management target assumed for planning purposes today will not significantly affect the conclusions concerning the profitability of the Ontario sales, nor will it affect any current decisions regarding construction of facilities.

A direct quote from the Public Utilities Board, Mr. Speaker, and I think that the members would be well advised to read it.

**An Honourable Member:** Table it.

**Mr. Downey:** Mr. Speaker, it is in the report. I do not have to table it. That is why I am suggesting the members should read it. I am saying that the public basically support it, and I can refer to the Leader of the New Democratic Party and his comments, what he said, and I will quote back to him. Here is what he said, Mr. Speaker. This was in the Winnipeg Sun.

**An Honourable Member:** The 1988 Sun.

**Mr. Downey:** That is right. It happens to be April of 1988. Then I will just, to the benefit of the House, here is what he said: We will fight the mothballing of our Manitoba Hydro program right down the line this session and next session of the Legislature.

So he is clearly on the record, Mr. Speaker, of fighting it from going into mothballs. In fact, I can read further quotes that want us to drive it forward.

I want to make a brief comment about the transmission line, and I think that it is important to note as well. We had a very unfortunate situation in Grand Rapids the other day—when I say we, that is being Manitoba Hydro—with one of the units going out of production, the explosion of—

**An Honourable Member:** Go down and look at it.

**Mr. Downey:** I am proceeding to do that. I have not yet, but I have had a full report.

Mr. Speaker, what that points out is we lost approximately 10 percent of our production capability with the loss of that power station; 472 megawatts of power went out, and it happened in the spring of the year. I want to make sure, and I say this in the interests of all of the people of Manitoba, that it is less than responsible not to have a back-up system when something goes wrong. All our power lines come through a narrow neck in the Interlake at Grand Rapids, and one never knows what could happen when you have your whole system feeding through one narrow channel.

So, let me make the case to the people of Manitoba and to this Legislative Assembly that, given that we make sure we do all of our environmental work properly, and it has to be done properly, that is essential, I want to make sure that, in the interests of Manitobans, we have the second supply line so that we are not vulnerable to acts of nature that could well knock out that system. [interjection] The member says, oh, it may not—could she have predicted that we were going to lose the Grand Rapids generating station to the magnitude of which we have?

**An Honourable Member:** That is why we built Limestone.

**Mr. Downey:** The member says, that is why we built Limestone. Well, then the same theory and the same reasoning should come in and support Conawapa and Bipole III. I would think that would be his automatic statement. He is so proud to stand and say that is why he built Limestone, then the same reasoning should carry through to support the Conawapa project and Bipole III. Let members of the opposition stand and say that it is not in the public interest to put that system in place for security as well as for the economic benefits that have been projected by the Public Utilities Board, by Manitoba Hydro and by Clean Environment.

[interjection] Pardon me. Mr. Speaker, I want to ask the question to you, how much time do I have left in my comments?

**Mr. Speaker:** Ten minutes.

**Mr. Downey:** Ten minutes. Thank you.

Mr. Speaker, I challenge the members of the Liberal Party to come forward and be counted, to come forward and say that they are opposed to a \$13-billion projected income for Manitoba Hydro over the length of the sale, at the end of year 2022 that we will have a plant paid for and the gross income will be some \$13 billion. I would ask them to come forward and say why they are opposed to a \$700 million net return for that project being built at this time when we see a downturn in our economic opportunity.

\* (1650)

I challenge the member for Rupertsland (Mr. Harper) and Churchill and those northern members, the member for Flin Flon (Mr. Storie), who spoke the other day and put conditions on the record of which I think basically will be carried out. I challenge the member for The Pas (Mr. Lathlin) that they would

support a project after it goes through the Clean Environment Commission work and all of the activities that we are proposing, that will create new economic opportunities for the aboriginal people of the North and done properly through training. I think we always have to be conscious of that, that we are going to have to see training as a top priority for those individuals who live in those communities.

Why would the members of the Liberal Party want to deprive those people of training opportunities? Why? Why do they want to deprive the people of Manitoba of using the Manitoba Hydro-Electric Corporation that has been used for decades, Mr. Speaker, as to what we are going to continue to use it for? The Liberals, I guess, have really come forward with what they are saying. We just want to use it for an election.

Well, Mr. Speaker, if you do the right thing and it happens to coincide with an election, is that wrong? Let the Liberal Party stand and say that is why they are opposed to it. I mean, if we come right down to it, and I guess the member for River Heights (Mrs. Carstairs) expressed herself pretty well when she was critical of Limestone. She called it lemonstone because they were using it as a political tool.

Mr. Speaker, I guess the bottom line is that if the right thing coincides with a political agenda, then why would we want to be critical of it? If we have been critical in the past, then I guess that is part of the adversarial democratic system that we are all part of.

**An Honourable Member:** Adversarial democratic system? You believe in what you said?

**Mr. Downey:** Yes, I always believe in what I say.

I want to say as well that Manitoba Hydro is projecting—and these are pretty important for the economic development and the future of this province. Manitoba Hydro just went forward and asked for a 3.5 percent increase in their rates for this year. They are projecting that each of the next two years they are going to be requesting the rate of inflation.

This is an important figure for members opposite to pay note to, from 1995 to the year 2000 they are projecting that they will need an increase of 1 percent per year. One percent a year is what they are projecting they will need. That coincides with Ontario's request this year for 11.8 percent and probably the same kind of increases for the next two years after that. That is our economic engine, our



economic tool to encourage business to come to this province.

We are currently, Mr. Speaker, the lowest published hydro rates in all of Canada. The biggest economic generator for jobs is right here in our hands, and I suggest to the members opposite, for their own political agendas, please do not blow it. I am telling you it is time to get outside.

The point I raised earlier was that Liberal governments, New Democratic governments, Progressive Conservative governments see it as an economic generator. Do not be blinded by political opportunism at this time. Let us, I believe, work together to see that opportunity be developed and created, Mr. Speaker—and I would hope the member for Rupertsland (Mr. Harper) would speak a little more to what took place yesterday.

Yesterday, Mr. Speaker, was one of my proudest days as a member of this Legislature, not because I am Progressive Conservative, not that any special acknowledgement has to come to the government. The right thing was done yesterday when there was an agreement signed between the Government of Canada, the government of the province of Manitoba, Manitoba Hydro and the First Nations and the northeast communities.

I believe the member for The Pas (Mr. Lathlin) would stand and say it was the right thing to do. It was not a treaty obligation. It was not a legal obligation. Again, it was the right thing to do, to provide those communities co-operatively—and I remember what the elder said. The elder had a very good message. The elder said, work co-operatively to achieve the goals that are there.

The young person said—her name is Vicki Duck, and she said, I am proud to be a Canadian; it is what we want; it is what we need; it is what should be done. They were very touching words.

I feel, as a member of the Legislature—and I appreciated the comments opposite. Yes, it was through the support of the communities that it happened, but I think the member for Rupertsland (Mr. Harper) would want to reflect that it was the communities that wanted it; it was the co-operation that came from the other participants that helped make it happen.

If there is one thing that I will recall in my political history that is important to me, that is I have been given the opportunity to help provide, in co-operation with those communities, the same

thing that helped the community that I can remember so well needed that help for an economic base. You can do that, Mr. Speaker, and you can do it in a fiscally responsible manner, but again the right thing to do.

It will create employment opportunities, not make-work programs, but real employment opportunities. It means that not only will those communities enjoy the modern hydroelectric power, but there may be the opportunity for mineral development and exploration expansion in those communities.

I will conclude my speech today by saying that I applaud and acknowledge the support that the Minister of Finance (Mr. Manness), the Premier (Mr. Filmon), the cabinet colleagues and the caucus gave me as the Minister of Energy and Mines to follow on the path of the former Minister of Energy and Mines, the member for Rossmere (Mr. Neufeld), the work that he had started.

For me to be allowed as the Minister of Energy and Mines to announce and put in place the Mineral Exploration Incentive program, the \$12.5 million that has just been further announced today, and implemented now, to encourage the prospecting and to encourage the development of new mining opportunities, to further bring in an incentive that the budget has spelled out, that new mines can be developed, and they will not be subject to a mining tax until they become a productive mine operation. The right thing to do, Mr. Speaker.

I cannot understand the member for Flin Flon (Mr. Storie) and the member for Thompson (Mr. Ashton) standing up and saying they cannot support this budget. This is a northern Manitoba budget for economic development. The members, I would hope, would see that.

Again, the exploration incentive, the 150 percent of mineral exploration cost to be used against the income of those mining activities, is the right thing to do to generate economic interest in northern Manitoba, again creating employment opportunities.

The members want to make a lot of to-do about some of the issues which they think are important, and I do not in any way degrade or downgrade the positions that they put forward, but I would hope they would look at the bigger picture, because without economic activity, we will lose the kind of social programming and the kind of support of

programming that we all want. I think that the members opposite would come on side and support the kind of economic initiatives, probably not enough, but in the terms of what we have to deal with, I think are pretty generous.

I can tell you that some of the mining people from this country have said to us, with some of the previous policies and programs in place, our weather vane just turned away from Manitoba, and we have currently got some of the highest taxing policies in the country. We have today introduced incentives that these people will come back, and they will say, we are now prepared to do some investing in Manitoba, because we have got a climate here now that will be conducive—[interjection] The member says, how many jobs? I will give him some direct jobs.

We have introduced a program based on a pilot project, and that was the recreation directors program, which I have got testimony from many of those people where there are some 28 young people now employed to give them employment opportunities.

\* (1700)

**Mr. Speaker:** The honourable minister's time has expired.

**Mr. Downey:** Mr. Speaker, I thank you for this opportunity and I can assure you I will be voting for this budget and I encourage all members to get on side.

**Mr. Oscar Lathlin (The Pas):** Mr. Speaker—

**An Honourable Member:** I will go and get John Wayne.

**Mr. Lathlin:** Yes, I miss my friend John Wayne. Where is he?

Once again I welcome and appreciate the opportunity, Mr. Speaker, to rise in this House and to provide some comments on the budget as it was announced by this government last week.

I want to say, though, at the outset that I am truly disappointed, Mr. Speaker, because I sincerely expected better than what was delivered here last week. We listened to the Minister of Justice (Mr. McCrae) earlier this afternoon in a ministerial statement talking about the lobbying efforts that he and others from the Brandon area had carried out in Ottawa yesterday. I want to quote from his statement: "Too often decisions regarding the fate of military bases have been made without public

participation and in an atmosphere of secrecy. Communities have often suffered through months of rumour and speculation regarding the fate of local bases. Such speculation can be devastating for citizens who depend on the bases for their livelihood." It goes on to say: "Communities that might face potential cuts should be notified at the outset, to avoid needless anxiety."

Mr. Speaker, I agree wholeheartedly and support the minister's efforts as he goes about speaking for and supporting and representing the citizens of his constituency. I support him also on his efforts to convince the federal government to be more open and consult with the citizens of Manitoba before cuts to programs and services are made. At the same time, however, I would urge the Minister of Justice and his government to display the same level of concern and commitment to northern Manitoba.

The communities in the North are not only facing cuts or potential cuts but a lot of uncertainty. Today northern Manitobans have in fact already experienced programs and services being cut. They have also experienced the layoffs. People are being laid off, never mind merely facing potential cuts.

I am glad the minister is concerned about the effects that an uncertain future has on people and their lives, because people from northern Manitoba currently are facing not only an uncertain future, but a dismal future, a future that holds no hope. Perhaps now that the Minister of Justice (Mr. McCrae) has finally come to understand something about uncertainty and lack of consultation, he can convince his colleagues in government here in Manitoba to practise what the Minister of Justice has so eloquently preached to his cousins in Ottawa yesterday, as he told us this afternoon.

Mr. Speaker, after the cuts in the budget last year to northern Manitoba, particularly the government layoffs in The Pas itself and also the reductions at Keewatin Community College, northerners expected more. After the huge cut at Keewatin Community College last year—Keewatin Community College was the only college not to get an increase and in fact had its funding overall reduced again. Does this government not believe that unemployed northerners would be better off in school in training rather than on welfare?

(Mr. Ben Sveinson, Acting Speaker, in the Chair)

I also want to, at this time, Mr. Acting Speaker, mention the comments that were made by the member for Assiniboia (Mrs. McIntosh), yesterday I believe it was, on March 16, when she told this Assembly that the people in my constituency who work, which is just about all of them because they are hard-working people. I find those words offensive, and they are offensive to many people from northern Manitoba.

The reason I say that is because that statement suggests to people from northern Manitoba that they are lazy, that they are not prepared to work. That is why I take such a strong exception to that statement that was made by the minister yesterday, Mr. Acting Speaker.

Northern Manitoba has been undergoing a very difficult period over the past year. As members are aware, there have been a series of layoffs at Repap both in the pulp mill and in the woodlands, on and off. They work for two months, they get laid off for a month, work for two months, get laid off for another two months. In fact, while this budget was being read by the Finance minister, further layoffs were being announced at the same time. Talk about an uncertain future, Mr. Acting Speaker, an uncertain future indeed.

The woodlands division shut down last week, and they are not expected to come back to work until mid-August. We can only hope that the market picks up before then and the damaged boiler is repaired or replaced, the damaged boiler being at the pulp mill. The shutdowns and the layoffs have created a lot of disruption, have created a lot of havoc in the lives of many people in northern Manitoba. There is a sense of despair and concern throughout northern Manitoba.

While the government has now reversed itself and now says that they want to renegotiate a deal with Repap, many northerners believe that the government has simply blown it. Over two years after the announcement and promises for jobs and opportunities were made to The Pas, you know, Mr. Acting Speaker, today actually fewer people are working than ever before in The Pas area. Unemployment and lack of opportunities for retraining are the biggest concerns that most people in my constituency are expressing today. To be able to work and take advantage of retraining programs are the priorities of most of the people in my constituency.

Mr. Acting Speaker, this budget failed to deliver on either issue. In fact, it failed miserably in both areas. It is absolutely shocking that the effects on The Pas itself are more layoffs in the government sector, particularly jobs which would have normally helped people wanting jobs and training get jobs and training.

This time the government followed through in this budget with the cuts to the employment services offices in nine communities, including The Pas, Churchill and Thompson. For example, two long-term employees in The Pas—and I know both people personally—received notice that their jobs were gone last week. Of these people, one person had worked 17 years and the other person had worked for more than 20 years. Both people are out of their jobs as of last week. In total, 25 jobs have been lost as a result of those cutbacks.

Unemployment was already at 24 percent in the major northern Manitoba communities, places like Flin Flon, Thompson and The Pas. Mr. Acting Speaker, in the more isolated communities the unemployment rate is as high as 80 percent. The unemployment rate in northern Manitoba is the highest of any region in the province of Manitoba.

The offices cut provided decentralized program delivery outside of Winnipeg for employment-related programs of the departments of Family Services, Education and Training, Culture, Heritage and Citizenship and Labour. They delivered CareerStart, Manitoba Community Partners, Employment Adjustment and other programs.

\* (1710)

With these cuts, the CareerStart program which gives young people opportunities to get job training and job experience will now receive just half of its funding from two years ago and will now be administered centrally out of Winnipeg. These latest cuts, Mr. Acting Speaker, follow up from the ending of the Northern Youth Corps from last year. The Northern Youth Corps itself employed in excess of 500 students each year. Of course, that program is gone.

Another issue I have had to raise twice in this Assembly is the future of the Clearwater Lake nursery in The Pas. I raised this issue last December and again last month, as the government's commitment to the nursery appears to be tentative at best. Again, it is typical of this

government that it would consider growing seedlings in southern Manitoba for planting in the North instead of keeping those jobs and production where they belong, in northern Manitoba. Sustainable development surely means planting seedlings to replace trees cut previously.

Last Wednesday, when I first raised the issue of the explosion of the hydro station in Grand Rapids, I was disappointed that the Minister of Environment (Mr. Cummings) had not taken a stronger stand in defence of the community of Grand Rapids.

We should not simply be accepting the words of Manitoba Hydro that there is no serious problem concerning the water. Unlike the Minister of Northern Affairs (Mr. Downey), who now hardly visits the North, I visited Grand Rapids on Sunday on my way back to Winnipeg. The people there are gravely concerned that the environment will be adversely impacted. They are also concerned about their drinking water being polluted. The fishermen are just as concerned that the river and the lakes will be damaged and, as a result, will ruin whatever opportunity fishing was able to present in the last little while.

Today it was confirmed that it will take several millions of dollars and at least a year to repair or replace the generator at the station. Hydro representatives now admit that it will cost hundreds of thousands of dollars just to remove the thousands of gallons of oil that spilled into the station and into the Saskatchewan River. More than 500 gallons of lubricating and hydraulic oil were spilled into the river, Mr. Acting Speaker. Previously, we had been told that there would be no oil spilled into the river.

The other thing that I learned from the people while I was there on Sunday afternoon was that they told me that there had been previous accidents at the Grand Rapids generating station where oil had actually spilled into the Saskatchewan River and into the lake. This information I was given by the people who fish on the lake for a living. I raise this issue in the Legislature because I had received many calls from the fishermen in Grand Rapids as well as residents who get their water from wells connected to the river. Hydro, at this point, has not yet discovered why the generator top exploded, but says the oil was contained. We still have many questions concerning this spill and will be following up on this issue as it develops.

Yesterday, this government along with the federal government finally signed an agreement to upgrade electricity to nine northern communities. It has been disgraceful how long this project has been delayed. It could have been signed decades ago if successive federal governments had not stalled the project. The member for Rupertsland (Mr. Harper), who worked very hard to get this agreement finalized while in Cabinet, only to have it deliberately stalled by the federal government, deserves a lot of credit for this announcement.

I also want to say, Mr. Acting Speaker, that the leadership of the aboriginal people from that area are also deserving of much credit for the tenacity and the commitment that they displayed in pursuing this project. It was also the member for Rupertsland who forced the federal government to finally acknowledge the rights of aboriginal people with his stand against Meech Lake, resulting in the federal government moving on some issues, including this project that was so proudly announced by the Minister of Northern Affairs (Mr. Downey) today or yesterday.

Mr. Acting Speaker, this project should have gone ahead decades ago, as I said earlier.

(Mr. Jack Reimer, Acting Speaker, in the Chair)

No government should be praising itself that it will finally begin in a few months to do something that should have been done a long time ago. Northerners, particularly those using diesel generators, have been paying outrageous costs for terrible service for hydro. At the recent PUB hearings into the proposed hydro rate increases, Manitoba Hydro was forced to admit that service for many northern communities was both unacceptable and extraordinarily expensive. We will be watching to see if the rates for northern communities are hiked once more.

In the budget, the Minister of Northern Affairs (Mr. Downey) has tried to take credit for an increased budget, even though for the most part what has occurred is simply the shuffling of programs and funding from one department to another. I note with some surprise that the salary budget for Northern Affairs in The Pas has also been reduced.

I look forward to hearing the minister explaining how he could justify this action. Once again, what this minister and his government means by decentralization deserves further comment. From what has occurred in many other so-called

decentralized activities of this government, we have seen the areas of the province with the highest unemployment receive absolutely nothing in terms of new jobs, while in communities with unemployment rates of 7 percent or less receiving additional jobs—strange priorities.

The government has budgeted \$1 million in this budget for activities arising out of the Aboriginal Justice Inquiry. For some reason those plans have not been spelled out. Despite 10 pages of press releases extolling the alleged good news of the budget, there was not one single example of what this money would be used for. We can only assume that the minister has not yet finished reading the report.

We hope that the money that was announced, a million dollars of it, will not simply go for more studies of studies of the report, and the government's record so far strongly suggests that this is indeed where most of the money will be spent. It took a press conference, for example, in this building with my colleagues to get the Minister of Northern Affairs (Mr. Downey) to find more money for the St. Theresa Youth Justice Committee to keep the project going.

I hope that it will not take similar actions to get action on the recommendations of the AJI report. Certainly, few Manitobans have been pleasantly surprised by the stand so far of the government on the AJI report. I remember the Minister of Justice (Mr. McCrae) telling me, when I was asking questions, the member for The Pas (Mr. Lathlin) will be pleasantly surprised once he reads the government response to the AJI report.

Well, Mr. Acting Speaker, I was surprised all right, but not pleasantly.

\*(1720)

Yesterday as well it was announced that the government has now reached a gaming agreement with the Roseau First Nation. This is where I also want to comment, Mr. Acting Speaker. In one sense, I guess, I found it encouraging that the Minister of Northern Affairs is finally getting himself to use the language that aboriginal people are using, and that is, by using the words "First Nations." I can only assume that the minister is endorsing the notion of aboriginal people attaining self-government in the very near future, and I look forward to his support for aboriginal self-government because he is now using the words "First Nations," and I congratulate him for that.

The announcement of the gaming agreement comes less than a month after the Justice minister held one of his photo opportunity press conferences to announce he was charging that particular First Nation, along with Cross Lake, with operating gaming activities illegally on those two reserves. I am pleased that the government has flip-flopped and decided to negotiate with the Roseau River First Nation. They should have done that in the first place, Mr. Acting Speaker. If they treated aboriginal self-government seriously, they would have done that right on Day One, but they did not. I would hope that they will now drop the charges in both cases and go about and proceed to settle with the Cross Lake Indian Band and have a similar gaming agreement there.

Mr. Acting Speaker, for trappers and fishermen there was no good news in the budget. Trappers are still trying to get justice and compensation for the damages of the forest fires of 1989, particularly in the Cross Lake area. The Northern Fishermen's Freight Assistance was actually reduced despite the difficulties the fishermen in the North are facing. The Port of Churchill, the bayline, the Churchill Rocket Range were all ignored in the budget. We had hoped against hope that by now the provincial government would have negotiated some federal-provincial agreements to keep the bayline operating and the range reactivated.

The community of Churchill has had high hopes that there was indeed action occurring in terms of the range development. My colleagues and I were very disappointed yesterday when the Minister of Highways (Mr. Driedger) claimed that wanting a federal-provincial agreement to upgrade the Port of Churchill and the bayline was accepting offloading. Northern Manitoba needs that bayline and the Port of Churchill, Mr. Acting Speaker. They need it in a bad way. It is their future.

The Saskatchewan Government wants that port kept open. The only opposition to the port is the federal Conservative Government members from this province and vested interests in Ottawa. That is the only source of opposition to the Port of Churchill. Everybody else is supporting it. The Minister of Transportation (Mr. Driedger) should be actively seeking another federal-provincial agreement on Churchill. The previous NDP administration negotiated one in 1984, so I do not see why the current government should not be able to do that as well. If they were committed and if they

were serious, as they keep telling us in this Chamber, about the North and the people who live there, under this government, Mr. Acting Speaker, there has been no such agreement. We have seen, for example, ACCESS funds drying up, the railbus on that bayline has been abandoned, and the government has brought in user fees for health transportation to and from the communities to places like The Pas and Winnipeg. We really have to wonder how much this government has been listening with the announcement that the budget continues the user fee for northerners.

Mr. Acting Speaker, ever since the user fee was imposed on the people from northern Manitoba, people have been saying, we cannot afford to have the user fee, remove it, it is no good for anybody, you are discriminating against the people from the North because we happen to live and come from the North, because people have chosen to go up to The Pas and live in The Pas and stay in The Pas, they are now being discriminated against by this government. Nobody else in the South has to pay those fees because the services are readily accessible if you come from the South.

Today is election day for the community of Norway House, Mr. Acting Speaker. Norway House has developed greatly over the past few decades, but still faces great challenges with high unemployment and declining incomes for traditional ways of life. The problem of solvent abuse is not just common in the inner city of Winnipeg. Just last week, tragically, a young teenager in Norway House died from solvent abuse. The problem will probably never go away, but it is clear that it would be greatly lessened if the Minister of Health (Mr. Orchard) would finally proclaim the anti-sniff bill that was passed by this Legislature some two years ago.

Mr. Acting Speaker, budgets are more than just dollars and lines in Estimates books. Fundamentally, they are about priorities. This government has done its best in trying to claim what its priorities are all about. After just a few days, the actual results of the budget are clear. Rather than just the official figures of 52,000 unemployed Manitobans last month, this budget will result in more unemployed people, longer lines at welfare offices, more use of food banks and more uncertainty amongst the population, particularly in northern Manitoba.

It is tragic news for those who expected and deserved more and better, Mr. Acting Speaker. I

think the real tragedy, however, comes in the human cost that this government has inflicted on people from northern Manitoba. In the long run, what this government is in fact creating by means of the last five budgets is exactly the reverse of what it is attempting to achieve, that of containing the deficit.

The consequences of this government's five budgets so far on policies that are being announced, or enunciated, are definitely going to come back and haunt future governments of this province in that the costs of the continuing deterioration of the social order are going to have to be addressed eventually.

Mr. Acting Speaker, I would urge that this government have another look. Listen to the people of northern Manitoba, what they are telling them. Also, I would urge this government, because it has so much faith in private industry creating jobs after having given them all kinds of incentives, that it also look at what actions, what plans the government itself can initiate in terms of lessening the negative impact that its policies are having on the lives of many northern Manitobans.

Mr. Acting Speaker, I strongly believe that both private industry and governments can work together, but so far what has happened is that this government has relied solely on the private industry to create those jobs. This government is not even able to project the number of jobs that are going to be created as a result of those taxes, tax holidays and other incentives that it announced in the budget.

Once again, Mr. Acting Speaker, I urge this government to listen to the people of northern Manitoba, listen very carefully, and take to heart what the people of northern Manitoba have to say.

I want to thank you, Mr. Acting Speaker and members of this Legislature, for listening to me, and I hope that in the future I can add more comments as we go along in the session. Thank you very much.

**Mr. Harold Neufeld (Rossmore):** I am glad to rise and add a few comments to the budget presented last week by the Minister of Finance (Mr. Manness).

\* (1730)

First of all, I would like to commend the Minister of Finance (Mr. Manness) and his Treasury Board ministers for the hard work they have put into preparing this budget. I know from my time on Treasury Board—and I sat on Treasury Board till just before Christmas—I know that this is the most difficult budget the Minister of Finance (Mr.

Manness) has prepared in the five budgets that he has prepared.

I am probably going to say some things that may lead some to believe that I do not support the budget. I am not going to say right upfront how I shall support it, but I want to commend the Minister of Finance (Mr. Manness) for the work he has done in preparing it.

I want also to thank the former member for Crescentwood for the kind words he has said while I was in cabinet. The two critics, the member for Point Douglas (Mr. Hickes) and the member for Crescentwood were indeed kind to me, and I want to especially thank the member for Crescentwood for providing me with a permanent pair for the rest of this session.

I want to also congratulate the member for Fort Garry (Mrs. Vodrey) for her appointment to the cabinet. I think the events since her appointment have proven that the confidence the Premier (Mr. Filmon) had in her was well put.

Mr. Acting Speaker, I came into this House some four years ago as a rookie. I was naive. I really believed that politics would be left at the campaign office. Then I came into cabinet, and I came into Treasury Board.

I will just reminisce a little bit about how the appointments to cabinet take place. I was called on a Saturday to appear at 23 Kennedy Street at one o'clock on a Sunday afternoon. I knew, of course, by the phone call, and I had read "Yes, Minister" before this, so I knew I was probably going to be appointed to cabinet when I received that phone call. I did not as a minister in "Yes, Minister" wait by the phone for three days for the phone call.

**An Honourable Member:** You were golfing.

**Mr. Neufeld:** I was golfing, but I came to 23 Kennedy at the appointed hour, and there were some three or four other newly elected members there already, and we took our turns in coming in. The Premier (Mr. Filmon) sat there. He was casually dressed. I was the last one of this group to be asked in, and he told me what he had in mind for me, that I would be the Minister of Energy and Mines and I would be the Minister responsible for Manitoba Hydro.

He asked me what I thought. I said, well—I thought about that for a minute, I will come to that—I thought about it for a minute, Mr. Acting Speaker, and I said, well, Gary—I called him Gary then—I

said, that was not my first choice. I thought about that for a while, and I said, as a matter of fact, it was not my second choice either. After a few moments of silence I said, as a matter of fact it was not even on the list.

Having said that, however, Mr. Acting Speaker, I do believe that it was the only cabinet post that I could have possibly enjoyed as much as I did. It is a post which has the fewest political decisions of any cabinet post in this government or any other government for that matter.

**An Honourable Member:** What about multiculturalism?

**Mr. Neufeld:** I will come to multiculturalism. Multiculturalism has not been forgotten. I notice the member for Inkster (Mr. Lamoureux) is still around waiting for it. I enjoyed the four years in cabinet a great deal except for the one year I spent in purgatory with the Seniors Directorate.

I can well remember the first question. I was new; I was a rookie; I was naive. I remember well the first question the then Leader of the second party asked me about the seniors having had their Pharmacare deduction increased by 12.5 percent. It amounted to eight bucks a year, Mr. Acting Speaker, but 12.5 percent, and I did not know what the heck was going on.

As good luck would have it, as a penalty for something I must have done, I had the Seniors Directorate taken from me, and I was so distressed. Somebody asked me how I felt about that, and The Globe and Mail said that I had been demoted, and I said, I feel so bad about this, I went out and bought my wife a new car.

I have already said I sat in cabinet for four years and Treasury Board for the four years, and winning a point is difficult in Treasury Board or in cabinet. I sat there year after year, and week after week in trying to win a point. I never won, I very seldom won. I complained about it to my colleague, my seat mate the Minister of Urban Affairs (Mr. Ernst) one day and he said, well, just think how good you are going to feel when you finally win one.

(Mr. Speaker in the Chair)

I think that I occasionally voiced some objections to the recommendations that were brought into Treasury Board and the recommendations that were brought into cabinet, but as I said before, it did not much help.

**An Honourable Member:** But you felt better.

**Mr. Neufeld:** Yes, it makes you feel a lot better.

You have asked me about multiculturalism. I have to preface this by saying these are my own comments, these are my own thoughts.

After last year, Mr. Speaker, I had racial comments left on my answering machine. I had graffiti on my doors. I take that as a bit of an affront, but I will tell you some of the things that I disagree with in our cultural policies.

Let us take one, let us take student prayer. That is something that we have had in our schools for a long time. It is something that I would like to see continue, but because of our immigration policies and because of so many people coming in, we think we have to change that. It is going to be changed, and I think that is a sad commentary on our school boards. It is a sad commentary on our governments.

I think that when somebody comes into your country, they accept your rules. This is the only country in the world that is prepared to invite somebody, and we invite them gladly to come to our country, and then ask them to change our laws for us.

The other thing that I object to is something that I think is traditionally and culturally Canadian. We have precious little culture, we are a very young country, but we have one. We have the RCMP. We have had movies made of the RCMP. RCMP are recognized, if not everywhere in the world, at least everywhere in Canada, everywhere in North America. We compromised that for the sake of a couple of votes, and I disagree with that.

Mr. Speaker, before we talk about the budget, I would also like to talk a little about Conawapa. Much has been said about Conawapa in this House; much has been said about the supposed early start, but let us put this into perspective. In 1989, our best advice was that by the year 1999 we would require additional energy for our own use. A decision then had to be taken: How are we going to get that? We could go to Wuskwatim or we could go to Conawapa. Wuskwatim had 350 megawatts of energy; Conawapa had 1,350. If we go with Conawapa, we have to sell 1,000 megawatts. We decided that because Conawapa would have the least environmental damage we should go there, provided we could sell the excess energy produced for the years in which we would have excess.

\* (1740)

We entered into negotiations with Ontario Hydro, and the prerequisite was that, in the event that it was not needed for our own use, if we had overestimated the absorption rate, it must still provide us with a profit. The price had to be such that it would be moneymaking regardless, and it did indeed. The price we got from Ontario Hydro did indeed, and will indeed, give us a profit, regardless of whether it was needed for our own use or not.

What happened after that? Well, Mr. Speaker, we entered into a diversity exchange agreement with several utilities in the United States that gave us an additional—I cannot recall now the number, but 200 megawatts of power, which at that time was an additional two years of absorption.

The next thing that happened was that we entered into conservation programs. Also, what happened at the same time was a recession. Combined, it was determined by the Manitoba Hydro people that we would not need Conawapa for our own use until about the year 2005. But, in the year 2005, we regain 500 megawatts from the northern states power sale, which begins in May of 1993, which gives us an additional five years. So the year for the next generation was never 2010. If we got by 2005, we could get to 2010. The absorption has now been decreased to about 83 megawatts per year, which gives us an additional comfort level, or a different reserve level.

Mr. Speaker, we have entered into an agreement with Ontario Hydro. That agreement may not be broken; that agreement cannot be broken without their consent. Consequently, we are not in a position to go back and say we can defer Conawapa until the year 2009, because we need 1,000 megawatts for Ontario Hydro.

Another factor that should be considered, Mr. Speaker, is that by the year 2005 or by the year 2000 probably and 2001 or 2002, we will know what we have available. We will know the new absorption requirements, and we can then go out and sell the excess power we have. We no longer are held captive by the southern market. We will have two highways. We will have east and west and we will have north and south. So we can then get the best price possible for the excess power we have.

I do believe that in spite of the fact it will not be needed for our own use by the time we bring it into service, we will have a good deal for the Manitoba



consumer and for the Manitoba resident. That is all I will say about Conawapa.

I would like to say one thing, and this is again about politics. Unless we make the kind of difficult decisions we were elected to make and rely instead on polls for decision making, we are only politicians. I would like to repeat that, because I think we are all guilty. All in this House are guilty of politicizing the work we do in this House. Unless we make the kind of difficult decisions we were elected to make and rely instead on polls for decision making, we are only politicians. I do not know who said that, but I read it some place. I thought it appropriate for some of us in this Chamber.

**An Honourable Member:** You are reading your own Hansard.

**Mr. Neufeld:** I missed that one.

**Mr. Speaker,** on the 17th of February we had an emergency debate on the economy. A number of members on the opposite benches got up and talked about their views on what should happen, what the government should do. A number of you started your comments by saying, I am not an economist and then went on for 15 minutes to prove it.

I will read some of the comments that were made. We have an opportunity here to provide each and every member of the Chamber an opportunity to stand up and to put forward good ideas in terms of how we can get the Manitoba economy working.

Now that is an idea. We have to start putting party politics to the side and start contributing in a much more positive, unpolitical, apolitical fashion in terms of how we get Manitoba out of this rut, and that includes things like job creation, and we will see capital infrastructures expanded upon and so forth.

You can read it. You have to be active in creation of competitive products.

Now, I think that is a very good statement. We have to be active in creating competitive products, but how do we do that? Not by increasing our productivity costs, and this is what we have done more often than not in this country.

What costs? What are productivity costs? What is inflation? Inflation is where the costs exceed the productivity of manufacturing a product. I have heard a lot said from opposite benches of job creation. Governments should create jobs, and I have heard a lot from opposite benches about, we need more manufacturing jobs. Well, I do not know,

somebody will have to clue me in on how a part-time job created for the purposes of getting us started will help us get manufacturing jobs.

I will tell you what I think causes—[interjection] I am not an economist either. I am a very practical person, and I will tell you what I think causes recessions. Recessions are caused because industry manufactures until there is an oversupply, and then people stop buying. People stop buying for various reasons: they have run out of credit, they have run out of cash, but they stop.

Once the slide starts, and retailers start going back on inventory, warehouses, wholesalers start reducing inventory, and manufacturers want to sell their product off their yard, and they stop manufacturing. Now the whole thing starts all over again. We have now a condition of people laid off, and we have a scare. That, in my view, is what causes recessions. How do we get out of it?

We cannot look back and blame others. We cannot go back and say, here is what caused it. We have to find out what we can do in order to get out of it. To get out of it we have to have a climate which will encourage people to invest in our province.

**Ms. Becky Barrett (Wellington):** Four years, five budgets, you have had an opportunity to do that. Nothing has happened.

**Mr. Neufeld:** The member for Wellington (Ms. Barrett) says, we have had five budgets, and that is true. This may well be the reason that I am not totally pleased with the budget that has been presented, but what could be done? It is a matter of doing as much as we can with the monies available. We have to remember that if we are going to have government kick start the economy through job creation, they must have the money to kick start the economy for job creation.

\* (1750)

If we believe that in the poor times and bad times, governments must spend more than they have got, then surely it follows that in good times governments must spend less than that. Now the cupboard was bare. In the good times, the governments of the day perhaps overspent, and there was nothing left to kick start the economy when the recession hit.

I do believe that is probably the principal reason why governments are not in the position to do things. I am not so certain that would work in any event. Getting somebody to cut grass, getting somebody to shovel snow is not going to start the economy,

kick start the economy. What you have to have is manufacturing jobs. What you have to have is the full cycle, and you do not have the full cycle with part-time jobs or, as the former government believed, that pouring money at it would make it disappear.

The former government would spend money on what they called job creation. I have seen many green signs in my constituency at the time when the former Minister of Finance was a member for that constituency. We saw many green signs, job funds, but what were the monies used for. The monies were used for members of a particular community club or members of a particular church, or members of a particular golf course doing the work, and those were the monies that were reimbursed. These were not new jobs, these were simply monies put out to ensure the re-election of the Minister of Finance of the day.

Mr. Speaker, we have done many things in our generation, and I can go back further than anybody else in this Chamber. We have done many things that we should not be very proud of. We have done many things that our children and grandchildren are going to be paying for.

**An Honourable Member:** Start bringing down the deficit.

**Mr. Neufeld:** Deficits are only one of them and the things that are causing deficits. Our children will pay for the deficits incurred by the former government. Our children will pay for the deficits that we are now incurring. Let us talk about the millions of dollars they will be paying over and above the deficits that we incur.

Pay equity is one of the stupidest things that has ever been brought in by any government. You have consultants coming in and saying, this job is worth as much as this job, regardless of the fact that a union has negotiated a contract for this job and has negotiated a contract for this job, regardless of the fact that an employer in the marketplace is paying the going rate for this job and an employer in the marketplace is paying for this job.

What do the two jobs have to do with each other? There is nothing. There is nothing in common except for some idiot claiming that these jobs are similar in value. I will give you some examples. At Manitoba Hydro they decided that a clerical position was worth the same as a lineman. A lineman takes three years of training, a clerical position does not

take three years of training. Why did they say this? They came in and decided that each, if they would make a trip to the counter, is a stress situation, and every time a clerk makes a trip to the counter there is a stress situation. The lineman may only have one or two in the winter when he has to go out in a blizzard, but a clerk here has to go three and four times a day. There were so many stress situations that the two jobs were deemed equal. What happened?

We had an instance in one of our offices where a young female clerk wished to upgrade. She spent seven years upgrading her education and got a promotion only to have the young female clerk who took her place get her pay raised to within \$1 a week of what this one got. That is what pay equity did for us.

Pay equity, we have not heard the end of it. The contracts that will come up will deal with pay equity, and we will pay dearly for it, and we cannot afford it any longer.

Indexed pensions, there is nobody that can afford indexed pensions, nobody can afford them. [interjection] What you do not understand, and you probably never will, the government's own actuaries say that for an indexed pension, for defined pension to work, you have to place 18 percent of the income into a pension plan each and every year, and that takes into account a gradual increase in wage scale—18 percent.

The employee now pays in 6 percent plus 1 percent for the indexing and that leaves 11 percent which the employer in the end is going to pay. Who is going to pay it? We had an apparition in the early '80s where investments were paying 18 percent and 19 percent, 19.5 percent in interest. That is why there were surpluses in the plan. Now we are getting 6 percent, 6.5 percent, 6.75 percent, and we will not have that. We will not have those. It will not work that way, and I think that if you put it down on paper you will find that out yourself.

The other thing that is going to hurt us immensely is affirmative action.

**An Honourable Member:** Hitting all the spots today.

**Mr. Neufeld:** I hope to, I hope to. Affirmative action will, at a time when we need our best talent, we are saying, do not worry about the best talent, you have quotas for hiring. How do you suppose we are going to get our best people if we have quotas

for this group, quotas for this group, quotas for this group, quotas for this group? It will not work.

You cannot force somebody to do something that they are incapable of doing. Those people who have not got a talent are forced into positions that they cannot do because we have quotas.

I do not care if you are thinking of visible minorities—and I am a minority group myself—whether you are thinking about women, you have problems if you have quotas. I talked to one of your members several years ago, and he said we do not have quotas, we have enforced targets. Give me a break.

It is very difficult to set quotas for various, be they cultural groups. You cannot do it. You hire the best people available. Is it going to give you the best talent? I come from a discipline, Mr. Speaker, that is 50 percent female, and there is no problem with

that because they work just as hard and just as well as the men do. My daughter is a chartered accountant, and her comments have been that affirmative action should not be a substitute for busting your butt. All too often that becomes a substitute for busting your butt because I have a quota. You have to hire me because I am of a minority group or I am a woman. It cannot happen that way.

I will read you something for your edification.

**Mr. Speaker:** Order, please. When this matter is again before the House, the honourable member for Rossmere (Mr. Neufeld) will have 11 minutes remaining.

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

# Legislative Assembly of Manitoba

Tuesday, March 17, 1992

## CONTENTS

### ROUTINE PROCEEDINGS

#### Presenting Petitions

Fight Back Against Child Abuse Campaign Barrett	1316
Criminal Code Amendment, Family Violence Reid	1316
Chomiak	1316
Aboriginal Justice Inquiry: Support for Recommendations Lathlin	1316

#### Reading and Receiving Petitions

Aboriginal Justice Inquiry: Support for Recommendations Ashton	1316
Lathlin	1316
Criminal Code Amendment, Family Violence Reid	1317
Cerilli	1317

#### Ministerial Statement

Presentation to Advisory Group on Defence Infrastructure: Closure of CFB Shilo McCrae	1317
L. Evans	1318
Gaudry	1319

#### Introduction of Bills

Bill 64, Child and Family Services Amendment Act Gilleshammer	1320
---	------

#### Oral Questions

Department of Government Services Doer; Ducharme	1320
Dutch Elm Disease Program Friesen; Enns	1320
Department of Government Services Carstairs; Ducharme	1321

Manufacturing Industry Storie; Filmon	1322
North American Free Trade Agreement Storie; Filmon	1323
GRIP Program Plohman; Findlay	1323
CRISP Program Lamoureux; Filmon	1324
Labour Adjustment Program Lamoureux; Filmon	1325
Department of Health Lamoureux; Filmon	1325
Budget L. Evans; Manness	1325
CareerStart Program L. Evans; Gilleshammer	1326
Co-Management Agreements Edwards; Enns	1326
Repap Manitoba Inc. Ashton; Manness	1327
Employment Creation Strategy Ashton; Manness	1328
<b>Nonpolitical Statements</b>	
Saint Patrick's Day Filmon	1328
Doer	1329
Carstairs	1329

### ORDERS OF THE DAY

#### Budget Debate

Ashton	1330
Connery	1334
Lamoureux	1342
Downey	1348
Lathlin	1355
Neufeld	1359