

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 1 March, 1988.

Time — 1:30 p.m.

**OPENING PRAYER by Madam Speaker.**

**MADAM SPEAKER, Hon. M. Phillips:** Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

## MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**MADAM SPEAKER:** The Honourable Minister of Health.

**HON. W. PARASIUK:** Madam Speaker, I would like to table three annual reports and I also have a ministerial statement to make.

I beg leave to table the Annual Report of the Manitoba Health Research Council for the year 1986-87; the Annual Report of the Alcoholism Foundation of Manitoba for 1986-87; and the Annual Report of Manitoba Health, 1986-87.

I will now distribute copies of the ministerial statement.

Madam Speaker, yesterday, the Manitoba Court of Appeal unanimously struck down the compulsory admission provisions contained in The Mental Health Act as being contrary to the rights and guarantees of section 9 of the Canadian Charter of Rights and Freedoms.

In response to this situation, and after consultation with the Attorney-General's Department, the government will proceed to have Bill 59, An Act amending The Mental Health Act, proclaimed today in order to ensure a full continuity of law.

Given the number of people being held on a compulsory basis throughout Manitoba, and the need of the government and psychiatric facilities to act responsibly, keeping in mind the need to protect the public and the welfare of the compulsory patients themselves, we will follow a prudent course of action.

Following proclamation, each compulsory patient's case will be reviewed to determine their status under the new act.

We had withheld proclamation of Bill 59 in order to allow various groups to comment on possible amendments which would fine tune the bill. Work on this has been done and will continue, and we may bring forward further amendments to The Mental Health Act during this Session, if necessary.

Thank you.

**MADAM SPEAKER:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Thank you, Madam Speaker.

Madam Speaker, having sat till approximately five o'clock in the morning, on the evening that we listened to public presentation on Bill 59, one quickly came to

the conclusion that Bill 59 was drafted in haste and without consultation with the various people involved in the delivery of mental services in the Province of Manitoba.

A rather hasty proclamation as a result of yesterday's court decision will now trigger, with the proclamation of Bill 59, many of the problems which were identified by presenters to that bill in the early hours of the morning, and the then-Attorney-General may well remember a number of them; for instance, the problems caused in the mental health wards of hospitals.

Now, Madam Speaker, that's the reason why Bill 59 has not been proclaimed to date. The fine tuning that the Minister says may be necessary to Bill 59 is not a "may"; it's a "definite." There will have to be amendments to Bill 59. What we have with the proclamation today of Bill 59 is a knee-jerk solution to a court decision which has caused the Provincial Government problems and difficulties, but in proclaiming Bill 59, we will have a myriad of other problems caused by enactment of that bill; problems which would have been identified had the government, prior to writing Bill 59, consulted with the various disciplines involved in the delivery of mental health, something they failed to do prior to the rapid and hasty introduction of Bill 59 last Session.

What we are seeing now is again an entire lack of planning by this government in delivery of mental health in the Province of Manitoba; a lack of planning and program approach which has been there since this government came to power. They have not acted on the Pascoe Report; they have not acted on any of the suggestions made by ourselves, in Opposition, and other groups involved with mental health.

This knee-jerk proclamation today of Bill 59 solves potentially one aspect of the court decision yesterday, but creates a myriad of other problems in mental health that this government will have to deal with in a very expeditious way.

**MADAM SPEAKER:** The Honourable Minister of Urban Affairs.

**HON. G. DOER:** Thank you, Madam Speaker.

I'm pleased to table the 1986-87 Annual Report of the Manitoba Liquor Control Commission; and the 1986-87 Annual Report of the Manitoba Telephone System.

**MADAM SPEAKER:** The Honourable Minister of Highways and Transportation.

**HON. J. BUCKLASCHUK:** Thank you, Madam Speaker.

I'd like to table the Annual Report of the Department of Highways and Transportation for the fiscal year ending March 31, 1987.

**MADAM SPEAKER:** Notices of Motion . . . Introduction of Bills . . .

## INTRODUCTION OF GUESTS

**MADAM SPEAKER:** Before moving to Oral Questions, may I direct the attention of honourable members to the gallery where we have, from Mountbatten School, twenty Grade 5 and 6 students under the direction of Mrs. Peck. The school is located in the constituency of the Honourable Member for Niakwa.

On behalf of all the members, we welcome you to the Legislature this afternoon.

## ORAL QUESTIONS

### Budget - foreign loan payments

**MADAM SPEAKER:** The Honourable Member for Morris.

**MR. C. MANNES:** Thank you very much, Madam Speaker. I direct my question to the Minister of Finance.

Yesterday, in question period, Madam Speaker, the Minister of Finance expressed his great concern with respect to the way the Free Press was reporting accurately the growth within the Department of Finance, particularly interest costs. Madam Speaker, today, my colleague, the MLA for Fort Garry, and myself, will call into question again the accuracy of many of the Minister of Finance's figures as brought forward within the Budget.

Madam Speaker, within the Budget, page 14, where the Minister of Finance states that roughly \$19 million extra was going to be allocated to the economic and resource development envelope, or representing an increase of some 6.7 percent, my question to the Minister of Finance:

Can the Minister indicate whether \$14 million of that \$19 million increase was directed towards the money speculators outside of this country who thought the Canadian dollar was going to fall, relative to other currencies, and who were right? Was \$14 million out of the \$19 million directed to money speculators outside of this country?

**MADAM SPEAKER:** The Honourable Minister of Finance.

**HON. E. KOSTYRA:** Thank you, Madam Speaker.

Some of that money was directed to the economic program that a previous Conservative Government had brought in, dealing with hydro rate stabilization, where they said that that program would assist economic and resource development in the Province of Manitoba.

It also includes loans and interest and currency, or, in that case, currency fluctuations on loans that were taken out during the period 1978 to 1981, which include loans by members opposite when they were in government, loans that were done in Japanese currency, Swiss currency and U.S. currency at times when those currencies were at a lot of different levels than they are today.

**MR. C. MANNES:** Madam Speaker, the Minister then confirms what I asked, and that is, that indeed \$14 million of the \$19 million is not infused towards economic development here, but indeed is a payment to outside lenders.

## Budget - MACC write-offs

**MR. C. MANNES:** My supplementary question to the Minister of Finance:

Was the additional \$5 million which he claims he directed into that economic development envelope, was the majority of that in support of MACC write-offs, the detail of which we do not have at this point, but was the majority of the additional amount directed, supposedly, to resource and economic development basically directed to MACC write-offs?

**HON. E. KOSTYRA:** Madam Speaker, we're getting to areas that we'll have ample opportunity, as we do the detailed review of Spending Estimates of all departments, to engage in the detailed discussion.

The numbers are there for the member to read. I believe the member can read and can understand the numbers that are contained in the Budget. Each department shows year-over-year spending.

In some cases, it shows increased spending such as that for the Department of Agriculture, which includes funds for the Manitoba Agricultural Credit Corporation. It also includes increased spending in the area of job creation through the Manitoba Jobs Fund. Those figures are spelled out specifically and in a great amount of detail, Madam Speaker. In fact, there will be more detail when we are able to present the Supplementary Spending Estimates for each of the departments. So all that information is contained in the Budget.

Yes, that does include funds for the Manitoba Agricultural Credit Corporation, unless the member is suggesting that we ought to foreclose on loans related to farmers and cause even further grief for some farmers in Manitoba.

### Budget - economic and resource development funding

**MR. C. MANNES:** A final supplementary, Madam Speaker, and I remind the Minister and members of the House that the government's credibility is on the line in the manner in which they choose to distort some of these figures.

My direct question to the Minister of Finance, Madam Speaker: Will the Minister of Finance tell us the true amount of additional new dollars that is going in support of economic and resource development in the Budget this year?

**HON. E. KOSTYRA:** Madam Speaker, I thought the purpose of question period was to get information which was not available through other sources. That information is contained in the Budget; it has been presented in the Budget; it's in there in the Detailed Spending Estimates. I'd be pleased to sit down with the member and take him through any area where he has trouble understanding the figures in the Budget, but you've got the Budget document, you have the Detailed Spending Estimates of the government, department by department, which outlines all of those areas, Madam Speaker.

Yes, there is increased funds going to those areas. Yes, they do support activities in the Department of Agriculture like the Manitoba Agricultural Credit

Corporation, which, I think, does support the economic well-being of farmers in this Province of Manitoba. That is of great concern to members on this side of the House, and we'll continue to give that kind support through the Department of Agriculture, through the Manitoba Agricultural Credit Corporation, through beef stabilization, through hog stabilization and other areas to support farmers, Madam Speaker, unlike the kind of action the members opposite would take when they say that they want to reduce spending in economic areas.

### Budget - Child and Family Services funding

**MADAM SPEAKER:** The Honourable Member for Fort Garry.

**MR. C. BIRT:** Thank you, Madam Speaker. My question is to the Minister of Finance.

In his statement on Friday to this House, he indicated, under the section Child and Family Services, that they would receive \$121 million, up \$20 million or 19.4 percent over the '87-88 Budget.

Given the fact that the Minister of Community Services and Corrections made three announcements during that year, indicating the funding in that fiscal year would increase in excess of \$11 million over that which was budgeted; given the fact that the Minister also proved Special Warrant for that funding; why did the Minister tell this House on Friday that the increase in the day care and child and family support would be \$20 million when, in fact, it was only \$10 million?

**MADAM SPEAKER:** The Honourable Minister of Finance.

**HON. E. KOSTYRA:** Madam Speaker, this is truly a good example of the way they want to play it both ways. They want to talk, on one hand, that overall spending has gone up year-over-year - this horrendous amount of 8.8 percent - but when they want to deal with specific spending in one area, they want to compare the spending year-over-quarter, or year-over-actual. In actual, we won't know until the end of the year.

If you want to do that kind of comparison, I'd be pleased to spend the time and go through every department of government on the basis of the second quarter or the third quarter when it's available, which will show that year-over-year spending - that is what's in this Budget, over actual - will be lower than the 8.8 percent that the members opposite are waiting around for. It'll probably be something less than that, Madam Speaker.

Yes, there is extra spending in the Department of Community Services this year. Yes, that will mean that the year-over-year actual increase will be somewhat less than the year-over-year Budget increase.

The pattern of presenting Budgets in this House, far before my time, including time when members were bringing down Budgets, was to show the comparison budget-over-budget. That's the way it has been.

We also admit that there was increased spending on Community Services this year. We don't apologize for that, Madam Speaker, because the needs of children

and families in this province are very important to members on this side of the House. We will continue to meet those needs where we can, within the overall fiscal policy of the government.

**MR. C. BIRT:** Madam Speaker, the question the Minister and the government has to address is the Minister's credibility in presenting the Budget to the people of Manitoba.

Given the fact that the increase in funding for this coming fiscal year for Child and Family Services and child day care is less than \$10 million; and given the fact that the amount of extra funding coming from the Federal Government for Child and Family Services is \$6 million, and also the child day care is at \$4.6 million; in other words, the total cost of increase for Child and Family Services being spent in the next fiscal year in this province is being funded by the Federal Government; why didn't the Minister give credit to the Federal Government in his speech that he gave on Friday? Why did he take credit for himself?

**HON. E. KOSTYRA:** That one rated two-and-a-half claps from one of the members there.

Again, the revenue from the Federal Government is shown in the Budget. I indicated right in the speech that there is a year-over-year increase in federal revenues. That was contained right in the Budget itself. The reality is that those increases are still not keeping up with the costs of services in areas like Child and Family Services, in areas like Health, in areas like Education, but yes, there is increased funding from the Federal Government for those sources under the usual cost-sharing programs that are in place either through CAP or the changes that were made in the day care funding programs.

The member seems to be indicating that there's not enough money spent on Community Services in this Budget; yet his colleague, the Member for Morris, was calling for a reduction of \$130-odd million more in spending. I would ask him where would he take it from? Would he take it from Community Services, from day care, from Child and Family Services? Would he take it from Agriculture? Where would they get that \$130 million they are talking about, Madam Speaker?

**MR. C. BIRT:** It's interesting that the Minister can fudge his figures but no one else can. According to him, it's a double standard but the facts speak for themselves.

Given the fact that we are only getting \$10 million allocated to the Child and Family Service area this year and all of that funding is coming from the Federal Government, the question is: What new monies will the province be putting into this area?

**HON. E. KOSTYRA:** It was interesting, Madam Speaker, that the member admitted he is fudging the figures. If you need a further elaboration of that, let me just go through what he said. He says that the Federal Government has provided this increase in revenue, budget-over-budget, not recognizing that, yes, there is increased revenue coming during this current fiscal year from the Federal Government as a result of the increase in expenditures which the government is including in this current year because of the increased pressures on the Child and Family Services system.

So he has showed the increase on expenditures from quarter-over-quarter or actual, this year over to next year, but he uses the revenue figure from Budget over to Budget. Talk about fudging the figures, Madam Speaker.

### Pharmacare - dispensing fee increase

**MADAM SPEAKER:** The Honourable Member for Kildonan.

**MR. M. DOLIN:** Thank you, Madam Speaker. My question is to the Minister of Health.

Yesterday, it was noted that the negotiations between the province and the pharmacists broke down. I'm wondering, people now going to pharmacists to get their prescriptions filled, will they be covered by Medicare and to what extent?

**MADAM SPEAKER:** The Honourable Minister of Health.

**HON. W. PARASIUK:** Yes, Madam Speaker.

I should indicate to members of the House that the Government of Manitoba had offered the Pharmacists' Society a 30-cent increase, or a 5.8 percent increase, which would have brought the dispensing fee covered by Medicare to \$5.55.

We also offered to provide, as an alternative, a fee based on a floating average of dispensing fees across the province. Both of these were rejected at this time and the pharmacists have said that they will unilaterally increase fees by as much as 45 percent to \$7.50 and I am not sure if all or even many of the pharmacists will indeed extra bill in this manner.

But I do want to indicate, as I indicated before, that the Province of Manitoba will indeed pay the \$5.55 that we have indicated we would pay, that extra billing beyond that would not be covered by Pharmacare. As in the case with doctors in the past who extra billed, I would advise people to look around for those pharmacists who do not extra bill because there are many pharmacists out there who will not extra bill and I believe would want to live within the spirit of Pharmacare, which I think has served this province exceedingly well.

On that basis, Madam Speaker, I hope that everyone will, in fact, deal in a reasonable manner with this because we, as a province, have increased our funding on Pharmacare from \$4 million, when it started, to some \$38 million now. We have a very, very good program, one that is the envy of people across Canada, Madam Speaker. I think it's a benefit to the consumers, to people who need the pharmaceutical drugs, and I think it's also been very good for the pharmacists.

**MR. M. DOLIN:** A supplementary to the same Minister.

Those individuals, due to handicap or geographical location, who are not able to shop around, is there going to be any advantage to those individuals? Will there be services provided, for example, in local hospitals which have licensed pharmacists, where they may not be able to do the shopping around that the Minister suggests?

**HON. W. PARASIUK:** I recognize that there are extenuating circumstances in rural Manitoba. We, in

fact, offered to the Pharmacists' Society a way in which we would try and provide extra fees for pharmacists in rural Manitoba. Again, that was rejected. There seemed to be the notion that you should treat rural Manitoba the same as urban Manitoba, and I think the economies of scale or the economies of doing business are probably different in Winnipeg.

What we will do for an interim period, Madam Speaker, is monitor the situation and determine whether, in fact, rural pharmacists are indeed raising their fees without options for local consumers. I would hope that that isn't the case.

But I am also considering establishing a fact-finding commission that would take a look at all aspects relating to Pharmacare and drug costs, because we're finding that there are very major differences in the costs per drug. Some pills are being sold by one pharmacist at 2 cents or 5 cents and another pharmacist is charging 14 cents or 18 cents for exactly the same medication. I think those types of anomalies should be looked at within a comprehensive fact-finding study with respect to drug use in Manitoba and Pharmacare itself. In fact, we would hope to look at that in a way that would make the system far better for everyone.

### Health Sciences Centre strike - contingency plan

**MADAM SPEAKER:** The Honourable Member for River East.

**MRS. B. MITCHELSON:** Thank you, Madam Speaker. My question is for the Minister of Health.

Has the Minister developed contingency plans with the Health Sciences Centre to avoid closing of beds and cancellation of elective surgery in the event of a strike by the International Union of Operating Engineers?

**MADAM SPEAKER:** The Honourable Minister of Health.

**HON. W. PARASIUK:** Madam Speaker, I recall being in the Opposition when there were strikes in the hospitals between 1977 and 1981, and I recall the Health Minister at that time saying, "This is an industrial dispute; it is a labour dispute that is best handled through collective bargaining. There are people who are involved as conciliation officers. It is a matter between the Health Sciences Centre and the union involved."

They have, indeed, indicated that they do have contingency plans. I would hope that things do work out, but, Madam Speaker, I do not think it is the role of the Minister of Health to intervene in those types of disputes which may arise from time to time because I believe that all parties will want to make sure they act in a responsible way so that essential services are, indeed, provided within the overall health care system.

**MRS. B. MITCHELSON:** Madam Speaker, a supplementary to the same Minister.

Given that other hospitals are full as a result of recent bed cutbacks approved by this government, can the Minister assure that patient safety will be maintained at the Health Sciences Centre in the event of a strike?

**HON. W. PARASIUK:** Madam Speaker, the premise of the member's question is wrong. At any point in time, there might be anywhere from 5 percent to 10 percent of the hospital beds empty. It is a matter of scheduling in the most efficient way. You will always have some vacancy within hospital beds and I would hope that there would be an extra effort on the part of everyone to ensure that people who, in fact, need emergency or urgent work will indeed have that emergency or urgent work done. We have had instances before, Madam Speaker, where there have been strikes.

When the Member for River East talks about hospital bed closures, she should understand that there are some 4,139 beds in Winnipeg, that there were some 111 beds closed, less than 2 percent. In fact, when those beds were closed, by and large, the services were still provided not on an admittance basis but on a day-surgery basis, Madam Speaker.

I think we have a health care system today that provides many more services in a far better way than it might have 10 years ago because our health care system, Madam Speaker, is always providing more and more, and I think we do have an efficient system. It should be fine tuned, improved, and we intend to do that, Madam Speaker.

**MRS. B. MITCHELSON:** Madam Speaker, a final supplementary to the Minister of Health.

Given that if half of the hospital beds at the Health Sciences Centre are closed down, as they were during a similar strike a few years back, that means there will be 500 beds closed in the City of Winnipeg as a result of this strike, Madam Speaker.

What assurance can the Minister give the people of Manitoba that essential services will be provided and patients will not be held ransom, Madam Speaker, by having beds closed and elective surgery cancelled and longer waiting lists?

**HON. W. PARASIUK:** Madam Speaker, when there were strikes between 1977 and 1981 when the Conservative Government was in office, and also in 1983 when the New Democratic Party Government was in office, I do not believe that people were held ransom. I believe that health care providers in all areas of health care try and act in a cooperative manner when it comes to providing essential services.

Madam Speaker, I believe the record in Manitoba is second to none in that respect and the Member for River East is trying to raise a set of hypothetical issues; and again, I would caution Conservatives against fear mongering in trying to raise emotions with respect to sensitive issues, because I think that the people in the health care industry and the health care field, as a whole, are very responsible and the record proves that.

**MADAM SPEAKER:** The Honourable Member for Brandon West.

**MR. J. McCRAE:** Madam Speaker, I think Manitobans listening to the Minister of Health showing such little concern for the closure . . .

**MADAM SPEAKER:** Does the honourable member have a question?

**MR. J. McCRAE:** . . . of over 500 beds should be shocked and very annoyed at this Minister.

**MADAM SPEAKER:** Does the honourable member have a question?

**MR. J. McCRAE:** Madam Speaker, my question is directed to the Minister of Labour.

**SOME HONOURABLE MEMBERS:** Oh, oh!

### POINT OF ORDER

**MADAM SPEAKER:** The Honourable Minister of Health, on a point of order.

**HON. W. PARASIUK:** Madam Speaker, when you have the deputy leader getting up and making a speech in question period, supposedly as a preface to a question, and then raises a question to another member, is that in order?

**MADAM SPEAKER:** Order please, order please.

**HON. W. PARASIUK:** I ask for your ruling on that.

**MADAM SPEAKER:** Order please, order please.

I couldn't hear the honourable member. Could the Honourable Minister please -(Interjection)- Order please. The Honourable Minister has risen on a point of order. I would like to hear what his point of order is.

**HON. W. PARASIUK:** Yes, Madam Speaker, I rise on a point of order.

The deputy leader of the Conservative Party, possibly trying to usurp the role of the present Conservative Health Critic, got up and indeed made a speech on health care, supposedly as a preamble relating to Health, and then directed a question to the Minister of Labour.

Madam Speaker, if, in fact, that is the case, I believe that is totally improper in terms of the way in which business has been conducted in this Legislature in the 10 years that I've been a member, and I ask for your ruling on that.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MADAM SPEAKER:** The Honourable Opposition House Leader, on the point of order.

**MR. G. MERCIER:** Yes, Madam Speaker.

Everyday the Ministers ignore the questions that are asked, do not answer the questions that are asked. Now they want to direct who the questions will be asked to, Madam Speaker. That is entirely out of order.

### SPEAKER'S RULING

**MADAM SPEAKER:** I don't think it helps the conduct of question period to confuse the difference between questions and answers. A preamble to a question is -(Interjection)- Order please. According to Citation 359(2), "The question must be brief. A preamble need not exceed one carefully drawn sentence."

I would presume that a preamble is the part of a sentence directed to the Minister to whom the question is being asked, and that question period is the time for seeking information and for asking specific Ministers questions, not for making speeches.

On the Minister's point of order, I had already requested the Honourable Member for Brandon West to place his question, not to make statements.

### **Health Sciences Centre strike - conciliation officers**

**MADAM SPEAKER:** The Honourable Member for Brandon West.

**MR. J. McCRAE:** I am sorry, Madam Speaker. I didn't realize it was so easy to confuse the Minister of Health.

Madam Speaker, my question is directed to the Minister of Labour, and if the Minister of Health had been patient, he would have realized that my remarks were part of the preamble to my question.

**MADAM SPEAKER:** Does the honourable member have a question?

**MR. J. McCRAE:** I do have a question.

The Minister of Health referred, Madam, to conciliation officers being involved. I'd like to ask the Minister of Labour when those services were asked for, or when they were offered, and what activity is going on in that regard.

**MADAM SPEAKER:** The Honourable Minister of Labour.

**HON. M. SMITH:** Well, Madam Speaker, I don't have to hand the information just when the services were asked for. I do get a regular report on the requests and progress made, but I can take that specific as notice. I've been informed that there is an orderly procedure going on.

**MR. J. McCRAE:** Madam Speaker, as Minister of Labour, I should think the Minister would be interested in relations between the employer and the employees, and as Deputy Premier of this province, I should think that she would also be interested in keeping . . .

**MADAM SPEAKER:** Does the honourable member have a question?

**MR. J. McCRAE:** . . . health services available to people in Manitoba.

Madam Speaker, can the Minister tell us why it is that she can't tell us today what activities are going on, and what assistance her office is providing to the parties in this dispute?

Madam Speaker, we're talking about the most important service possible to Manitobans being held from Manitobans, or the potential is there, and this Minister should know more about this than she does.

**HON. M. SMITH:** Well, Madam Speaker, I do regret that the Member for Brandon West is not more informed

about the legislation and the conciliation process. Our legislation makes services available. They are available through channels that are defined. It would be quite inappropriate for me to intervene on a daily basis.

What I am assured is that the service is available and that it is being used and that things are moving along, and that is the level of detail which is appropriate for a Minister to have; not to try and insinuate herself into the actual negotiations; so I really find the question of the Member for Brandon West quite impertinent, Madam Speaker.

### **Western Diversification Fund - health care exclusion**

**MADAM SPEAKER:** The Honourable Member for Ellice.

**MR. H. SMITH:** Madam Speaker, my question is for the Minister of Industry, Trade and Technology.

According to published reports, the Caucus Chair of the Manitoba Progressive Conservatives said that health diversification programs are not eligible under the Western Diversification Fund because he said health is a provincial responsibility.

Have officials from the fund stated that view to your department previous to that public announcement?

**MADAM SPEAKER:** The Minister of Industry, Trade and Technology.

**HON. V. SCHROEDER:** Thank you, Madam Speaker.

If Mr. Duguay wasn't misquoted, then it's pretty clear that he has not read our proposals to the Federal Government; nor has he been bothered to keep himself informed with respect to the discussions which have been going on with the Federal Government regarding the health industry development initiative for a period of close to three years.

What we were talking about and what we were applying for was a program that we think is a very good one, which the Prime Minister endorsed when he was here in this building back in the spring of 1987, which he set his Minister of Health up as the chairman of the federal part of a federal-provincial committee to implement this particular program.

Of course, it is an industry initiative, one which is very important for the diversification of Manitoba, and I would hope that Mr. Duguay and others who may not be informed about that whole initiative would take the time to inform themselves. I think that once they did, they would very quickly get on board and encourage the Federal Government to very quickly sign the agreement so we can get on with it.

### **Special needs education**

**MADAM SPEAKER:** The Honourable Member for Roblin-Russell.

**MR. L. DERKACH:** Thank you, Madam Speaker. My question is directed to the Minister of Education with regard to special needs students.

In light of the fact that in question period last week, Madam Speaker, the Minister of Education admitted

that, under his direction, the public school system cannot offer an education to every individual student in this province; in view of the fact that there are many students in this province who are today not receiving the kind of education they should under the special needs program, will the Minister now acknowledge the need for such specialized institutions as, for example, the Laureate Academy and will he acknowledge the fact that children, in fact, should be attending these types of institutions when they have severe learning disabilities?

**MADAM SPEAKER:** The Honourable Minister of Education.

**HON. R. PENNER:** I suppose, Madam Speaker, that's remotely in order. I'm asked not to give information but to acknowledge assumed facts.

Let me say, Madam Speaker, that there was a statement in the premise of the question which is incorrect. I did not say that it was under my direction that school divisions could not meet all of the needs of all of the children.

I stated, what must be palpably clear to anyone who thinks about it, that it is not possible for any system, no matter how well-funded, to meet the individual needs of every student in precisely the same way at precisely the same time; nor did I say - and that appears to be an implied premise in the statement - that there is no room for specialized institutions. I never said that at all; nor was I asked a specific question about that.

Clearly, there will be very special kinds of needs which might have to be met by special programs and special institutions, so I'm not sure what the thrust of the question is, what it is that this member wishes me to acknowledge, other than that which is obvious and which is as known to him as it is to any citizen of this province.

### Laureate Academy - funds transfer

**MR. L. DERKACH:** Madam Speaker, if I could just correct the Minister of Education, and I'll quote from Hansard what he said last week in question period: "... it will never be the case, regrettably, that the school system, the public school system, can meet the needs of every individual student." That is what he said, Madam Speaker, in question period last week.

My question to the Minister is this: In view of the fact that the Laureate Academy is meeting the needs of some of these students who have special learning disabilities, will the Minister now allow the special needs funding to be transferred so that those students can receive it, who are attending the Laureate Academy?

**HON. R. PENNER:** Two matters, Madam Speaker. First of all, I would like to point out, so that there should be no mistake about it, once and for all - and I will have occasion to point out again and again, both in my speech on the Budget and in Estimates - that the expenditure on special needs in this province has increased from \$26.7 million in 1981 to \$81.3 million in 1987, a three-fold increase. There is no Department of Education in this country that can equal that record.

Secondly, which ought to be known to the member, as the Education Critic, school divisions have the direct

responsibility for determining the level of educational needs presented by all students and for making the appropriate arrangements. Those arrangements are made by the school divisions; they are not made by the department, and I think it's appropriate that, in fact, they should.

We lend a lot of support to the school divisions with respect to consultants on special needs, with respect to training, in relation to special needs, with respect to financing on special needs, but the assessment of the student and how that student is to be dealt with, where that student is to be placed, is a matter for the school division.

**MR. L. DERKACH:** Madam Speaker, nobody is arguing about the fact that the funding hasn't increased to special needs, but sometimes you cannot throw money at a problem and get the solution, and that seems to be the implication by this Minister.

Madam Speaker, Devlin Stevens has spent 10 years in a public school institution. He was told not more than a couple of weeks ago that the school which he is attending can do no more for him. They have run their course after some \$44,000 of special needs funding being spent on that student.

I ask the Minister whether he will allow Devlin Stevens to have the special needs funding transferred with him to the Laureate Academy where he can get the treatment which he requires?

**HON. R. PENNER:** That is a matter for the school division, Madam Speaker. I gave that answer in my reply to the last question.

With respect to this student or any other student who receives special needs attention - because in fact there are special needs as there undoubtedly are in this case - it is not possible that we can say with respect to a special needs student in some of the categories that with all of the attention we are able to give them, that we are going to be able to bring them up to the same level of academic achievement as others in that classroom. That is simply not going to happen. We're going to help them function to the best of their ability. We can do no more.

If it's thought, on an assessment of the particular facts relating to a particular student, that there is something more which can be done in some other program, then the school division can make arrangements with the other facility and will, of course, have to transfer its special needs money to that other facility.

### Western Diversification Fund - tabling lists

**MADAM SPEAKER:** The Honourable Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Madam Speaker, I direct a question to the Minister of Industry.

The Minister of Industry today has made reference to the Diversification Fund and he has previously stated in the media that he has supplied a large wish list, a long list to the Federal Government Diversification Fund, and also he has distributed or presented to them a short list.

I wonder if the Minister would be prepared to table both those lists in this House so that members could have a look at them.

**MADAM SPEAKER:** The Honourable Minister of Industry, Trade and Technology.

**HON. V. SCHROEDER:** Thank you, Madam Speaker.

Yes, I will do that. I think that's an appropriate thing. I have also indicated that we are prepared to provide a medium list if that is the desire.

### **Western Diversification Fund - specific programs**

**MR. F. JOHNSTON:** Madam Speaker, the project officers or development officers of the Department of Industry, for many years, have been working with industry for new investment and also for expansion. They would work with industries, and then with the Provincial Government, through the Department of Industry, would present the program to DREE later on, and now DRIE, and now we have the Diversification Fund.

What specific programs can the Minister present to this House which are related to expansion of industry or new investment of industry in the Province of Manitoba? What have they presented to the Diversification Fund in that respect?

**HON. V. SCHROEDER:** I thank the member for that question. We have, of course, presented the Health Industry Development Initiative, which I indicated has been worked on for a number of years with the Federal and Provincial Government, as well as a number of industry sectors.

We are also presenting another similar kind of project dealing with grain handling and storage, where the Provincial Government took the lead, about one year, one year-and-a-half ago, to take that industry together to develop them as a group to do general contracting in other parts of the world. In fact, that's becoming quite a success story, which I would love to get into during the Estimates.

A third area that we are looking at is the space technology where again the Provincial Government and the agents the member refers to took the initiative to get companies that might be able to get involved in the Space Technology Program together to share expertise in different areas.

In the next 10 years, there will be more than \$1 billion spent in space technology by the Government of Canada, so we better be involved with that if that's where the money is being spent. Our companies are working together on projects to take advantage of RadarSat and other projects to come through.

There are a number of areas in the aerospace industry that we are encouraging the Federal Government to look at in terms of the Western Diversification Program. There's just a great number of good projects on the drawing board which we would love to get busy with. Of course, as I say, there's many more projects. We've been criticized for presenting too many projects, it was too thick a list. I've indicated we presented a thin list and we're prepared to present a medium-sized list as well.

**MR. F. JOHNSTON:** Madam Speaker, my supplementary question to the Minister is really to ask for an answer to my second question; not be told what's on the boards or anything of that nature.

The Manitoba Industry Minister, Vic Schroeder, said that he expects more money to flow to Manitoba in this direction by the end of this month. That's dated February 14.

Can the Minister tell this House what specific projects have been taken forward to the Diversification Fund, which has now been in existence for a long time, not what's on the drawing boards?

**HON. V. SCHROEDER:** I was very hopeful that there would be money flowing by the end of the month. I, of course, have no control over when it will flow.

As the member knows, there was concern expressed recently by the Atlantic Premiers who have had their fund in existence for many months longer than the Western Diversification Fund. They've yet to have the first penny flow under that project. Maybe it's because they're attacking the feds too much, I don't know. In any event, they haven't had any money flow. We've had some money flow. We're hoping to have more flow by the end of the month, but I don't have specifics for the member.

### **Health Sciences Centre - conciliation officers**

**MADAM SPEAKER:** The Honourable Minister of Labour.

**HON. M. SMITH:** Madam Speaker, I undertook to get more detail about the conciliation efforts.

I did know that there were conciliation officers involved at the Health Sciences Centre. In fact, the strike began on Friday, February 5, at 7:30 p.m. We had a conciliation officer active with them starting that afternoon. They are exercising every effort to resolve the issues, Madam Speaker.

### **RCMP protection - closure**

**MADAM SPEAKER:** The Honourable Member for Arthur.

**MR. J. DOWNEY:** Thank you, Madam Speaker. I have a question for the part-time Attorney-General, Madam Speaker.

When the RCMP Detachment at Reston was closed, there was a commitment from the Government of Manitoba that the community of Reston and surrounding area would see no less RCMP coverage or protection.

Madam Speaker, I ask the Minister: How can that RCMP protection be handled when they've reduced the staff or they're at half-staff complement for the rural area out of the Virten detachment at this particular time?

**MADAM SPEAKER:** The Honourable Attorney-General.

**HON. V. SCHROEDER:** Thank you, Madam Speaker.



I've had discussions with the Assistant Commissioner for the RCMP. Although I don't spend 24 hours a day at it, I spend enough time to do a complete job as Attorney-General, I want the member to know.

I'm told that there's no particular difficulty, in any way, with respect to policing in that particular area. I would suggest that less than a half day would be quite sufficient to do more work than the Member for St. Norbert did when he was Attorney-General.

**MR. J. DOWNEY:** Madam Speaker, in view of the fact that I've had three incidents reported to me now in the last year of incomplete RCMP protection, a shortfall in protection by the program that is arranged under this administration, will this government come to their senses and provide essential services and restore the RCMP detachment in Reston so those people can have the same protection that all other communities have in this province?

**HON. V. SCHROEDER:** Madam Speaker, the member has gone through this now for more than a Session. He should be aware that we are not going to be closing any more detachments. However, the one- or two-person detachments, which were quite inefficient in terms of deployment, are gone. I've indicated that the Assistant Commissioner for Manitoba feels that we're getting adequate policing down there.

We're in a position where we're attempting to deploy our forces in the most efficient manner possible; not in accordance with the political desires of that particular member who on one day keeps talking about how we have to cut our deficit in taxes and on the next day he tells us how to spend more money on highways, on agriculture, on beef and on policing.

**MADAM SPEAKER:** The time for Oral Questions has expired.

## ORDERS OF THE DAY

### BUDGET DEBATE

**MADAM SPEAKER:** On the adjourned debate on the proposed motion of the Honourable Minister of Finance, and the proposed amendment of the Honourable Leader of the Opposition, the Honourable Minister of Energy and Mines has 25 minutes remaining.

**HON. J. STORIE:** Thank you, Madam Speaker.

The difficulty of having your remarks interrupted is that you, of necessity, have to rehash the preamble. Madam Speaker, I was trying to establish in my initial remarks the basis for drawing some conclusions about what the government should and shouldn't be doing, and whether in fact we should be taking the observations of the members opposite seriously.

Madam Speaker, I began my remarks by indicating that the Leader of the Opposition had asked a very important question, and the question was: What has this government done in its tenure?

I started by outlining a series of the legislative initiatives of this government which have run the gamut from issues relating to working people, the protection of wages, the protection of pension benefits, the

protection and introduction of additional rights to working people; through to initiatives that are on the economic front, which reflect our concern about the continuing health of our economy and important sectors in that economy.

I talked about the Homes in Manitoba Program, the Interest Rate Relief Program, the Manitoba Jobs Fund, the initiatives in the area of the beef and hog stabilization, Madam Speaker, a whole range of initiatives that were designed to stabilize our economy, to allow us to grow on our strengths, and to achieve what is undoubtedly one of the best economic records in the country.

Madam Speaker, I won't repeat the observations which were made by groups like the Royal Bank and the Bank of Commerce, the Investment Dealers Association, the Conference Board of Canada, all of which have remarked upon the success of this government, the success of this province, the success of our strategy of having working men and women in this province cooperate with government levels, with the private sector, to make things happen in Manitoba.

There is no doubt the Budget Address, the Budget documents, particularly the economic review in the Budget, show very clearly that this province has outpaced the economic growth and the economic development in most other provinces over the last six years. Whether we talk about increases in the Real Gross Domestic Product, whether we talk about improvements in unemployment, the decrease in unemployment that we've seen in the province, whether we talk about the real output in Manitoba's goods producing sector, which has averaged 6.2 percent, 50 percent more than the national average, the province's economic record is second to none. That clearly, Madam Speaker, is something to be proud of.

So when the Leader of the Opposition asks his rhetorical question, "What has the government done?", the answer is a substantial amount of positive, constructive, long-lasting initiatives which will serve the province well in the decade to come.

Madam Speaker, the main criticism from members opposite focuses on what they call mismanagement, and I have indicated, and members on this side have indicated, that where there have been errors, there has been corrective action. In terms of the Crown corporations, in terms of management of government, Madam Speaker, we are a province that is less encumbered with bureaucracy than virtually of any other province.

We have fewer civil servants per capita than most other provinces in Canada. It costs us less, Madam Speaker, to provide services in Manitoba than most other provinces. Our record of providing services, particularly in the vital areas of health care and education are absolutely second to none. My colleague, the Minister of Education, released the results of a Globe and Mail poll which said that Manitoba has the highest level of satisfaction in public school education of any province.

Madam Speaker, the Member for Brandon West asked why don't the people believe me? Madam Speaker, one of the difficulties of being an island of sanity in a morass of Tory mediocrity is that people do not want, certainly members opposite don't want, to acknowledge what is going on around us. They don't

want to acknowledge that in the Province of Alberta, last year, there was a 3 percent real reduction to funding in education as opposed to a 5.2 percent increase in Manitoba. The result, I can tell you, is going to show up in the quality of the education that the people in Manitoba are receiving and the people are going to be thankful when they realize what is happening in other parts of the province. So the record, Madam Speaker, in terms of legislation, in terms of economic performance, is a good one.

I indicated, when I spoke last night, that deficit reduction, if you consider that an important priority - and I indicated that the Minister of Finance and members on this side are as concerned about the long-term financial stability of this province as anyone - our record surpasses any government, and I defy any member on that side to show me contrary facts. Our government record on deficit reduction in the last two years is superior to every single administration in this country, certainly superior to administrations like the Reagan administration.

In terms of deficit - (Interjection) - The Member for Portage la Prairie, of course, who wears his Reagan badge on his sleeve, wouldn't acknowledge the fact that his economic plan for the United States has been a failure.

However, Madam Speaker, back to the more important, the more germane facts, the facts are that since 1986-87, when our deficit was \$559 million, it has been reduced to the point that in 1988-89 we are projecting a deficit of \$334 million. We have achieved a 35 percent reduction in the deficit.

Madam Speaker, the Member for Morris, the Opposition Finance Critic, applauds the Federal Government and his leader applauds the Federal Government for a one percent reduction, and let them not suggest that the Federal Government has not, contrary to their stated position, been the real Robin Hood - not Robin Hood, that's not right - Sheriff of Nottingham is more like it.

Madam Speaker, the personal income tax has been raised some 13 percent under the Federal Government; the federal sales tax has risen from 8 percent to 12 percent. In the last year-and-a-half, the tax on gasoline has risen 3 cents. We have the new tax, the extended tax on telephone services, a broadened federal sales tax base, Madam Speaker. Let them not kid anyone.

There has been more money withdrawn from the Province of Manitoba by federal action by far than by provincial action and their deficit isn't moving. Even if you accept their criteria that that's how government should be evaluated, Madam Speaker, their government has been a failure, this government has been a success.

Madam Speaker, I'm not saying that we shall rest on our laurels. There clearly is more to do and we will do it. Madam Speaker, I am not going to spend time right now talking about Crown corporations. I did spend some time last night talking about the action that we have taken.

Now we are starting to see the MPIC story come out fully, that it wasn't mismanagement in Manitoba; that in comparison, it wasn't deception. Madam Speaker, the facts have been put on the record. It's been distortion, half-truths being told by some other people. No, Madam Speaker, the facts will come out and Manitobans want to know that this government is going

to keep MPIC, we're going to protect the interests of car insurers in the province and we're going to protect the interests of the young people in Manitoba, unlike Oppositions whose motives clearly are suspect.

Madam Speaker, I want to switch gears. I want to say that in terms of management, this government needs to take no direction from members opposite or their ilk in Ottawa or any other provinces. For the Member for Emerson, who probably doesn't know this, the Federal Government Crown corporations lost \$757 million last year. Now this is your basic competent Tory administration. Madam Speaker, look what happened to the Saskatchewan Government. Ask what happened to their Crown corporations under incompetent Tory management.

Madam Speaker, we have made some small mistakes. They continually refer to Flyer Industries. They continually refer to Manfor. I remind you this government had the guts to say Flyer Industries is not likely to ever return its investment to the Province of Manitoba and we resolved that issue in a successful way.

Madam Speaker, the Member for Gladstone doesn't know anything about history because the Roblin administration and the Weir administration were at the inception of that problem by providing loans in the first place. The same with CFI - Manfor - in The Pas. So let's not get into that argument.

Madam Speaker, I can only indicate that we have taken the necessary action to make sure that the taxpayers' money, to the extent that is at risk in Crown corporations, is directed in a responsible way and that has been done.

No one has turned, Madam Speaker, to the question that was raised by the Leader of the Opposition when it comes to the question of record of the government. I know that members opposite don't have the privilege of representing a northern riding. But I want to talk for a minute, actually a few minutes, about the success of this government in Northern Manitoba.

It is no accident, Madam Speaker, that the northern representatives in this Legislature, the provincial Legislature, are New Democrats, because I want to tell you that the people of Northern Manitoba remember what Conservative Government means when it comes to services, when it comes to jobs, when it comes to dignity of northern living. They know. I want to say to the members opposite that if they have any doubt that our performance as a government in terms of economic and social policy has been successful, they should come to Northern Manitoba.

Madam Speaker, Northern Manitoba is experiencing a boom. It's experiencing a boom in mining. We had the highest level of value of mineral production in our history, over a million dollars. The first new mines in two decades are being developed, or have been developed, in Northern Manitoba. They include gold mines, of which there are at least three and will be five. There is a new nickel-zinc mine, Madam Speaker, coming into production in 1988.

We are seeing an increase in jobs, an increase in exploration and, Madam Speaker, that has not been without concerted effort on the part of the government, on the part of the mining industry, on the part of exploration companies - a cooperative effort.

Madam Speaker, I'm going to come back to the importance of mining in a minute. I want to say, as

well, that through the initiative of this government at least three other areas have also received tremendous boosts and incentives. For example, in 1982 my colleague, the Minister of Cooperative Development, the Member for Churchill, was responsible for signing a new Northern Development Agreement, a five-year agreement which brought \$186 million of money for development of our human resource and our communities and for economic development into Northern Manitoba.

On top of that -(Interjection)- Yes, those agreements are cost-shared Madam Speaker, but there had to be the initiative, there had to be the willingness of the province to take those steps, to take the initiative, and those agreements didn't come without a concerted effort on behalf of the province.

There was consultation. There was significant consultation on the best way to structure those programs to serve northern Manitobans. We have a mineral development agreement which is worth \$25 million, which has served to enhance exploration activity, which has served to enhance the development of new technology, which will serve the mining industry.

Then you can move to the forestry agreement which provided some \$25 million for the development of a nursery in Manitoba, to develop in Manitoba the capacity to reforest our harvested timber. Madam Speaker, it is with a great deal of pride as a Northerner that I say that by 1990 this province will have in place a full reforestation program; probably, if I'm not mistaken, the only province which will be able to say that by the year 1990. It is important to Manitoba.

Madam Speaker, Manitoba Mineral Resources, which is a Crown corporation, a profitable Crown corporation, has been instrumental in making sure that northern development occurs and that our interests in developing our resources have been maintained. It has been an instrument which other companies, private mining companies, have used, I think, with enthusiasm.

Manitoba Mineral Resources is involved in joint exploration projects, involved in mining projects, important mining projects, Madam Speaker, for communities like Flin Flon, Lynn Lake, Leaf Rapids. The province has been prepared to take the initiative, to lead the way through some difficult times to provide financial incentives, financial support, so that those activities can take place and the results are today hundreds, if not thousands, of jobs retained or created in Northern Manitoba - important initiatives.

Madam Speaker, not only in the area of mineral development, Manfor - a term that is used with derision sometimes by members opposite, and I think unknowingly, or certainly it is unfortunate if their understanding of that corporation, its history and what it currently is achieving is that limited, it is unfortunate because Manfor has made a recovery.-(Interjection)- The Member for Portage la Prairie is going to chirp from his seat, "How much did you write off?" Well, Madam Speaker, we wrote off a sufficient amount which accounted for the incompetence of the government which got us involved in that, and the government from 1977 to 1981 that refused to make the investment decisions that were needed.

Madam Speaker, we are involved in an opportunity here to diversify the economies of Northern Manitoba, particularly The Pas and the surrounding communities,

and we're about to do that; but the only reason or one of the reasons that we're in a position to do that is because we made the necessary management decisions to improve the circumstances of that company.

Madam Speaker, I want to move on and say that in terms of the economy of Northern Manitoba, if you look at tourism, if you look at forestry, if you look at mining, things have and are improving in Northern Manitoba. There are jobs being created.

Madam Speaker, the Destination Manitoba tourism program, which was the precursor of the current Canada-Manitoba Tourism Development Agreement which has allocated some \$30 million for tourism development in the province, provided millions of dollars of incentives to small resort owners and tourism establishments in Northern Manitoba. The bulk of the money was spent in Northern Manitoba and the current agreement is structured so that sports angling, wilderness adventure, naturalist self-education, the kinds of things that are tailor made for development in Northern Manitoba can move forward and can get the support of this agreement. In fact, there have been at least four major developments in Northern Manitoba. Madam Speaker, over the course of that Tourism Development Agreement, there will be others of significant size and significant import for the economy of Northern Manitoba.

I want to move on to another area, Madam Speaker, that is very, very important to not only the people in Northern Manitoba but people in the province in general, and that is education. Since 1981, the Provincial Government has provided support for the establishment of new high schools in Northern Manitoba, the construction of schools in Northern Manitoba, including Flin Flon and Cranberry Portage, and many other communities as well.

We have spent approximately \$20 million per year on educational and training initiatives in Northern Manitoba. They include activities which are funded through the Northern Development Agreement, the ACCESS Program, which in a single year is currently graduating more than 250 people who are trained professionals, para-professionals from Northern Manitoba.

I don't think members on the opposite side can understand the importance, the significance, of those figures because what it means to northern communities is that trained individuals, individuals who have sympathy and understanding and empathy for those communities, are going to end up providing the services in those communities. Let no one misunderstand the economic implications of that fact, because for many northern communities, in a paradoxical kind of way, educational training and the mobility and the opportunity that training provides is economic development, because what you are doing is replacing professional people. Professional jobs are being assumed by local people. Professional jobs which come with a significant income, that have stability, are being assumed by northern residents.

The long-term benefit, therefore, of those programs is not only training and the advancement that that means for the individual in the community in the North but it also has meant jobs. The spinoff benefit is that those people with those new skills are going to be the leaders in our communities in Northern Manitoba

tomorrow. So we have graduates in the field of nursing, in the field of education, in the field of social work, in the field of business management and engineering and civil technology, all graduates from northern institutions, northern programs and all from Northern Manitoba - tremendously important.

As I said, some \$20 million being spent on an annual basis to support those programs, to support individuals in developing the skills they will need to carry themselves and their friends and their families in their communities into the next decade. I shouldn't leave that section, Madam Speaker, without talking about the success of the Limestone Training and Employment Agency, an agency which was established primarily to deal with the training needs of northern Manitobans as we develop the next generation of hydro electricity - the Limestone Generating Project.

Madam Speaker, some 3,000 students have had various levels of training in the past number of years. It has been a tremendous success. Not only because the 75 percent of those who undertook the training graduated and that 75 percent of that 75 percent went on to be constructively employed almost immediately, but because the skills that they learned are now infiltrating the communities and providing service and benefit on a much more broad base than previously. So, Madam Speaker, the record of the government and economic policy and social policy is clearly a positive one when it comes to Northern Manitoba.

Madam Speaker, there are so many other areas where policy initiatives of the government have had a positive effect on Northern Manitoba: Main Street Manitoba, a program which has revitalized and rejuvenated the community, the downtown, the main streets of Flin Flon, The Pas, Cranberry Portage; Snow Lake had a project approved; Swan River, Madam Speaker, improved the quality of life, improved the attractiveness of those communities to tourists, to the business community, and the potential for new business in those communities.

Water and sewer: The Manitoba Water Services Board has developed new infrastructures in the communities of Flin Flon, millions of dollars, in Cranberry Portage, in Sherridon, in Snow Lake. Madam Speaker, throughout the constituency this government has provided leadership, programs and initiatives, which support the desires of northern Manitobans.

Madam Speaker, we know that there are always things which are left undone. I said when I was first elected in 1981 that my goal was to establish priorities for each of the communities. I sat down and I talked to the community councils, I talked to the mayor and council, I talked to community leaders, and I said, "What are the priorities of these communities?" And when I look over the record of this government's performance in the last seven years for each of my communities, I can say with a great deal of pride that we did what we said we were going to do; and, Madam Speaker, while we may have our faults, we are certainly better than the alternative.

**MADAM SPEAKER:** The Honourable Member for Morris.

**MR. C. MANNES:** Thank you very much, Madam Speaker.

It is with great delight that I find myself rising to debate the Budget, Madam Speaker. I did not have the opportunity, as you probably know, to debate the Throne Speech. May I offer you, in the accustomed tradition, good wisdom in making decisions. Madam Speaker, we all need wisdom from time to time and I'm sure you would agree that you are no exception to that rule.

**HON. R. PENNER:** I don't know. Would you speak to the Queen that way?

**MR. C. MANNES:** Well, Madam Speaker, the former Attorney-General wishes to take my thought process away from the real issue here, which is the Budget, but I refuse to be tempted. I refuse to be tempted; there will be another time.

(Mr. Deputy Speaker, C. Santos, in the Chair.)

**MR. C. MANNES:** Mr. Deputy Speaker, the Budget in many respects, without question, is the most important document that the government lays before the people of Manitoba. It's almost the sole reason that there is a parliamentary system, Mr. Deputy Speaker, and it's very incumbent that those of us, all of us, who represent constituents come forward and give our views on this very important fiscal document.

Mr. Deputy Speaker, my time is going to be limited and yet I have four points I wish to make; namely these:

Firstly, I believe that the Minister of Finance and the government have hurt their credibility to a large degree in the manner in which they brought forward the numbers and the supporting figures within the Budget document itself.

Secondly, I believe that the government has missed a great opportunity to reduce the deficit significantly.

Thirdly, I honestly believe that some time should be directed to the tragedy of where we are headed financially as a province; and I daresay, for members opposite, if they want to throw in, in their view point, other government jurisdictions east or west or south or any direction they want to go, if they want to say, "What about them?"; I then would include some of those jurisdictions in my comments also.

And, fourthly, I would like to say, for the record, where I think we could provide alternatives that would be acceptable to the people of Manitoba and would provide a greater security of social services in the future.

Mr. Deputy Speaker, the general theme of this Budget can probably best be captured by a little story I once heard where two long-lost friends who hadn't seen each other for a long period of time happened to run into each other on the street, and one of them went up to the other and said, "Jack, I want you to lend me \$50; I will pay you back on pay day." Jack says, "Oh, well, Joe, that's fine, but tell me before I give you, when's payday?" And Jack says, "I don't know; you're the guy that's working."

Well, Mr. Deputy Speaker, I think the theme of this Budget can go something like this. We have the Manitoba Government going to the lenders domestically - Canadians, and going to the lenders in the United States, and going to the lenders abroad, and saying, "Will you lend me \$1 billion?"; and the lenders say, "Yes, I would, but when are you going to pay it back?";

and the Province of Manitoba saying either, "Well, don't worry about it," or, as was shown by the Premier, "Well, when you decide to invest in Manitoba," as he said to the Japanese people.

Mr. Deputy Speaker, just remember that theme because I think, to dispel what I claim to be the essence of the Budget Speech, the Minister of Finance missed the opportunity he had to say to the Member for Morris, "You're all wet"; that we are correcting the finances of this province; we are setting them into order.

Mr. Deputy Speaker, this is the great paradox contained within this Budget. This government, through and because of the tax measures they brought into effect last June, was presented with two years of revenue flows unmatched, by my analysis, at least, as I try and look back to study revenue flows over the last number of years, back-to-back revenue flows in the order of 11 and 12 percent, respectively, and yet, Mr. Deputy Speaker, the government, in their wisdom, decided not, in a significant fashion, to address the problem that is going to threaten the very services that they rise to their feet to defend on a daily basis.

My first point, though, Mr. Chairman, of the four that I hope to make within the next half hour, dwells specifically in the area of what I consider to be the dishonesty, the distortion and the misrepresentation in the presentation of the material.

Mr. Deputy Speaker, for two days now I have asked the Minister of Finance specific questions. Yesterday, I asked him as to how he, in reading the Budget, could rightfully stand in his place and claim that the cost of servicing the debt was \$523 million, knowing fully well, like he does, that virtually all of the costs associated with the Manitoba Properties Inc. - the newest Crown corporation on the block - that the costs virtually associated with that new Crown corporation really, for all purposes, could be deemed to be interest.

**A MEMBER:** How much?

**MR. C. MANNES:** Well, \$61 million, Mr. Deputy Speaker, is the total cost. Not quite all of it is interest or dividend payments, but the point being, Mr. Deputy Speaker, I've engaged this Minister of Finance on two occasions, if not three, in Public Accounts and indeed within debate within this Chamber, asking him how it is that we should consider payments in support of Manitoba Properties Inc. Mr. Deputy Speaker, I guess on one of his moments when he was a little bit less defensive, he admitted that it was interest.

Mr. Deputy Speaker, the Provincial Auditor has admitted that, for all intents and purposes, is interest, and yet, as that number continues to grow, it becomes more obvious with each passing Budget that the Minister of Finance is trying to not capture the effect of that payment.

Mr. Deputy Speaker, I'm not going to go into the detail, but I'll tell you that if you go to the last pages of the Budget, the appendices, and you look at the comparison as to between province versus province and the amount of money that's directed towards interest payments, Manitoba looks in the mid-range. It looks a little favourable.

Mr. Deputy Speaker, I implore upon the Minister of Finance to bring forward that same information, in a

graphic form, including, on Manitoba's side, the additional costs associated with our borrowing and indeed associated with Manitoba Properties Inc., because if he had the courage to do so, the picture would be so much different.

Mr. Deputy Speaker, today, we also brought up in question period the whole area of the government's distortion in the contribution that it claims it made within the economic and resource development envelop. Mr. Deputy Speaker, how can the Government of the Day rightfully say to Manitobans that they've increased expenditures within that major area to the tune of I believe 6.7 or 7.4 percent, Mr. Deputy Speaker, and yet under the fine and specific reflection of the microscope, it becomes most apparent that what the Minister has done is nothing more than included in that figure two basic write-offs: one, where he has sent money outside of the country in support of currency devaluation as a result of Schreyer borrowing; and, secondly, MACC write-offs. Distortion, misrepresentation, and I dare say deception, Mr. Deputy Speaker.

We also talked about the other social services area. The Minister has made the claim that his spending within that area has increased \$53 million. Mr. Deputy Speaker, does the Minister come forward and say that welfare, though, represents \$14 million of that increase? Does he come forward and say that tax credit payments, Mr. Deputy Speaker, in support of worthy causes, represent \$31.5 million?

Yet, Mr. Deputy Speaker, the government deliberately leaves to the community the perception that they've increased spending in this area in a large measure. Mr. Deputy Speaker, we haven't even moved yet into the opportunity to discuss this item called "Soft Capital." If one looks closely at the Budget, they'll see an item for the first time - I don't recall having seen this before - where there's an item now called "Soft Capital." Mr. Deputy Speaker, we know the government, for a number of years now, has been wanting in some way to be able to say to Manitobans, "Well, look it, this really isn't a deficit because if you can, in your own mind, believe that we're making contributions in support of some capital asset, something that has a benefit to the citizenry over a number of years, it should not be considered in the form of a cash cost."

Mr. Deputy Speaker, what is minor capital? Is it paper clips? Is it education? Is it some facet of education? What is minor capital? I'll draw to the attention of the members opposite: if you want to get involved in that type of discussion, that type of argument, you can make the case that almost every aspect of government spending really is capital. Mr. Deputy Speaker, there are some jurisdictions in the United States that are trying to do just that.

Mr. Deputy Speaker, I also again point out for you what my colleague, the MLA for Fort Garry, brought forward in his questions today, the manner in which this Minister and this government attempted to hide the fact that their increased contribution in support of community services is virtually nothing. The Minister of Finance, he looks at me with his face askew. Mr. Deputy Speaker, I can take you through this Budget and show you where the Minister of Finance quite often, in the past - if not here, in other documents - has taken the better comparison, whether it's print over print or

whether it's print over the past year's revisions. So let not the Minister of Finance stand in his place and make the claim that he's pure in this regard, because I've seen him do it, Mr. Deputy Speaker, to support his own argument.

Mr. Deputy Speaker, let's move into the areas of revenue. Why didn't the Minister of Finance, in reading the Budget, be so forthright as to tell us that the projected sales tax revenues for this fiscal year that we're in right now are not going to hit Budget? He admitted that in question period yesterday. But why did we have to drag it out of him, Mr. Deputy Speaker? Because, Mr. Deputy Speaker, it's a very, very important figure.- (Interjection)- Well, he says he made the announcement on Budget night. I didn't hear it on Budget night. Did anybody here hear it on Budget night, Mr. Deputy Speaker? Why couldn't the Minister of Finance be forthright at least on the revenue side? Well, I can't answer the question. Why couldn't he tell us? Why couldn't he tell us, for instance, that on the income tax flows, the increase of \$185 million, that maybe as much as \$25 million - I would ask the Minister to listen to the comment I'm about to make - is a result of a new Federal Government policy where no longer do they hold in trust or abeyance two years tax revenues.

For those people who believe that there is something not right, who want to take issue with their specific requirement on their part to pay, why doesn't the Minister of Finance say the Federal Government released one full year of those, and Manitoba's share, a windfall of maybe \$20 million or \$25 million, is a result of that. Well, he chose not to tell us that either.

But, Mr Deputy Speaker, what I find most misleading was that the Minister of Finance in reading his Budget on page 25 - and of course, we've heard a lot about this in the past and we'll continue to hear much more of it in the future - when he talks about equalization and he talks about Established Program Funding, fails to point out that if today we were under a 10-province average, for purposes of equalization, that Manitoba may be receiving less than they would receive this year. And secondly, the Minister of Finance, within this whole transfer area, fails to point out that under Established Program Financing, Mr. Deputy Speaker, that the 54 percent that was apparent in the year '78-79 was basically an aberration, that from the best knowledge that we have in '75-76 that Manitoba's share was 43 percent, the same as it is today.

Mr. Deputy Speaker, that's the trouble that I have with reading the document and going into it in some great detail and attempting to give some type of praise to government and the Minister of Finance. If the man had the good courtesy to present fairly the figures, then I could be a lot more laudable towards the Budget, Mr. Deputy Speaker, but I can't. I can't as long as he's going to continue to present the figures and facts in this respect.

Mr. Deputy Speaker, the members opposite continue to like to throw at us what other Conservative Governments are doing, particularly the Federal Government. Mr. Deputy Speaker, I want to put something on the record. I was mildly critical of the Federal Government this last Budget. I was hoping that they could reduce the deficit somewhat more than they did, Mr. Deputy Speaker, so let that go on the record.

But, Mr. Deputy Speaker, when the members opposite have the gall to say that the Federal Government can't seem to do much with this deficit, I say in some respects that they're right. It's not from a lack of trying, Mr. Deputy Speaker, everybody knows that and the people who have been crying the loudest, because of some of the decisions made by the Federal Government or the members opposite.

But, Mr. Deputy Speaker, remember four years ago when 28 percent of all Federal Government expenditures were directed towards interest? Now that figure is starting to come down, under 25 percent this last Budget. Mr. Deputy Speaker, there is a major, major issue here.- (Interjection)- No, it's not, Mr. Deputy Speaker, by the facts I have presented to me, there are now just under 25 percent. But the point, Mr. Deputy Speaker, is that it's taken a Conservative Government for the most part of four years to try and turn around that massive inflationary growth of servicing debt.

Mr. Deputy Speaker, right here today, even though the deficit has diminished some \$60 million, if one wants to look at the interest costs of the total expenditure, that proportion that is directed to debt servicing, there is no end in sight. It's growing, Mr. Deputy Speaker, exponentially. Mr. Deputy Speaker, last year it was a little over 11 percent; this year it's 13 percent and beyond. Mr. Deputy Speaker, we've been saying this for years.

**A MEMBER:** Did he say that?

**MR. C. MANNES:** Yes, Mr. Deputy Speaker. Of course, the Minister of Finance claims that's only 11.4 percent, but he's, of course, neglected a couple of other interest sources, one of them very large. But the point I'm trying to make, Mr. Deputy Speaker, it's taken a Federal Government four years to try and work away the amount of the expenditure that is to be directed towards servicing debt. Mr. Deputy Speaker, today, in the Federal Government, it's still in the order of 25 because of wanton spending during the Trudeau years.

Mr. Deputy Speaker, that is what's at issue here and that's why I have difficulty with the Minister in charge of Crown corporations, when he will want to point to us, and point out other Provincial Governments to us, as having increased their deficit, it's not decreasing the deficit. Mr. Deputy Speaker, if they don't look at Manitoba and see what's happening here, within two or three years, they will be in the same position regardless if they decrease their deficit or not. It's too late, Mr. Deputy Speaker, if you aren't prepared to handle the problem immediately.

The second point I want to make, Mr. Deputy Speaker, is the great opportunity the government has missed in not reducing the deficit lower. This government was given a once-in-a-political-lifetime opportunity to lower the deficit, and I honestly believe that they suffered their political lost last year, for the most part. That's when they announced the massive increases in taxation. Mr. Deputy Speaker, that's the worse part about it, because you can make your cut in a tax sense, but the blood in the taxation flow sense really doesn't begin to flow in large measure until some period of time later, maybe a year later, in this case.

So the government had taken - and I'm sure in their minds at least it survived some of the heat associated

with the '87-88 Budget, but, Mr. Deputy Speaker, this was the year that they had the opportunity, if they cared at all about how future governments are going to provide services and also pay debt back, if they cared at all about the future, this was the opportunity they had and, of course, they chose to ignore it.

The Deputy Premier talks about Herbert Hoover and the former President Roosevelt in the United States. She was trying to make the point, I think, that Hoover was hard-fisted, that all he cared about was the deficit, and all he cared about was the bottom line, Mr. Deputy Speaker. Yet Roosevelt came in and said well, I'm going to now open up the purses; I'm going to borrow; I'm going to deficit finance; and the American economy took off. I think that's the point she was trying to make, and she was trying to bring it forward into a modern day context, saying, well, as long as we do the same thing here, prosperity will continue.

Mr. Deputy Speaker, are we not in prosperous times now? We certainly are not in all our sectors. We certainly are not in agriculture, but, Mr. Deputy Speaker, when you look across the mix of industries and sectors within this province, are we not in a relatively prosperous time? Mr. Deputy Speaker, are we not? The members opposite would like to take the credit for that, Mr. Deputy Speaker, but you have a nation as a whole that's outperforming every industrialized nation in the world.

So, Mr. Deputy Speaker, every economist, whether they're ones that are of socialist flavour or one of conservative flavour, will tell you this is a prosperous time. But, Mr. Deputy Speaker, they'll also tell the time of prosperity is coming to an end. Everybody will tell you that this cycle, this present so-called boom cycle, is not here for a much longer period of time.

Mr. Deputy Speaker, I think it's in that setting that this Minister and this government missed the greatest opportunity that any government has had, in my recollection, to do something significant. I dare say, Mr. Deputy Speaker, to do something to dispel what they would call the myth in their minds that they cannot handle management of government, because they would have appeared to be one of a few governments that could really cut the deficit.

Mr. Deputy Speaker, I've talked about the major revenue inflows unheard of in two good years, but let me say to you today that even the Minister of Finance is hedging with respect to economic growth and the reason is quite obvious. We all have seen what's happened to the Canadian dollar over the last month-and-a-half. All one has to do is see what happened to the Canadian dollar yesterday. Mr. Deputy Speaker, it's to 79.5 cents; it could be breaking upwards of \$80.00. That's good news in many respects. But, Mr. Deputy Speaker, members opposite, particularly the Minister of Finance, knows what impact that's going to have on the Canadian economy, knows what impact that's going to have on Canadian trade. Mr. Deputy Speaker, you don't have to be an economist, you don't have to be trained in this discipline to know that if the Canadian dollar breaks through 80 cents, that we as a trading country are in some difficulty. I think that hedge is what the Minister of Finance tried to bring forward in his comment. Mr. Deputy Speaker, we missed a great opportunity.

Moving on to the third point I want to make, Mr. Deputy Speaker, where is it that we are headed as a

province given this latest Budget, hopefully, that forecasts are more or less accurate? Mr. Deputy Speaker, we seem to be so conditioned to deficits that when members opposite talk about reducing it to \$334 million, it's as if they forget that basically is a third of a billion dollars, as if it's going well. I remind members opposite; I remind them of this information. Personally, you cannot pay for services out of interest costs. In my view, the choice of the government is not services today versus services tomorrow. The choice of government right now is services today versus no services tomorrow if this borrowing is continued. Mr. Deputy Speaker, that's the choice; that's how simple it is. There's no alternative to that axiom. It's right there. That's the state that this government, over the last six years, has taken this province.

Let me expand on that. I've done some straight-line projections, Mr. Deputy Speaker. These are the assumptions that I brought in and I'm glad that the Minister of Finance keeps filed away some of the forecasts that we do because, Mr. Deputy Speaker, as you know, I don't have an \$800 million Budget, scraps of which can be directed towards supporting my arguments or, indeed, my analysis.

Mr. Deputy Speaker, if one wants to look at what's occurred in Manitoba over the last few years and do a linear projection - just a linear - and if one wants to make these basic assumptions, revenue growth 8 percent a year for the next 10 years, revenue growth of taxation - mind you, Mr. Deputy Speaker, I know you are fully aware that in the last two years it's surpassed 10 percent, it's been in the area of 10 and 11. Let's just say revenue growth of 8 percent, given an economy that's going to turn down. Let's plug in continued expenditure growth of 8 percent, Mr. Deputy Speaker, and let's plug in debt servicing, costs increasing at the rate of 10 percent per year. This year, by the way, they increased 20 percent - 20 percent - but let's plug in only 10 percent.

If you do straight line projections, Mr. Deputy Speaker, this is what happens to the deficit over the next series of years: year-end 1990 - \$350 million; 1991 - \$376 million; 1992 - \$406 million. And that projection keeps going right up to \$670 million in the year 1999. But, Mr. Deputy Speaker, what's so important here as the interest rate keeps going up, or the interest portion, the amount that is directed to an increase in service costs, the amount that's left over for non-debt expenditure increases only a pittance, hardly at all.

Now, Mr. Deputy Speaker, if you were to use the same analysis but this time increase debt servicing costs at a 15 percent increase year-over-year - and again remember, this year is 20 percent, but let's plug in only 15 percent - those deficits then may remain the same, but the amount of money that the government has to direct to expenditures, other than debt servicing, the amount of money that the government has to direct to social services and all of the responsibilities of government, Mr. Deputy Speaker, by the year 1999 is in the realm of \$7.5 billion dollars. Mr. Deputy Speaker, that represents some year-over-year increase of roughly, within all the social areas - and I don't have quite the figure, but I think it's roughly - in the area of 3 percent. That's the legacy that this Minister of Finance and the government is leaving to the next government, Mr. Deputy Speaker. That's what they're saying to

Manitobans. We have sufficiently tied your hands that when you come to try and want to increase the amounts spent in all areas of government, you may have 2 percent to offer. And, Mr. Deputy Speaker, inflation then may be 6 percent, but they are saying to governments to come, you will have 2 percent to direct towards expenditures of government. That's what this Minister of Finance has done; that's what this government has done over six years. Mr. Deputy Speaker, I defy the Minister to tell me what's wrong with the logic that I have used here.

Of course, what we're leading to is what my leader said yesterday, Mr. Deputy Speaker. It's on this basis that we need desperately this three-year forecast. We need it in the worst way, if for no other reason than to provide self-discipline on the members opposite for their remaining tenure in government, and of course all governments to come, and also to show Manitobans some of the impact of the spending decisions over the past six years.

Mr. Deputy Speaker, the government applauds themselves for decreasing the debt. Why don't they be so honest as to tell us the impact of a \$334 million deficit over the years to come? Why don't they tell us, for instance, that the interest next year, that they're going to have to put in next year's Budget, will be equivalent to almost the entire increase in education this year? Why don't they tell us that it's greater than the increase in Community Services this year? Just the interest they will have to put in next year's Budget to cover off the deficit of this year.

Mr. Deputy Speaker, I say to you in all honesty that they don't really give a damn about the economy to come and the provincial finances to come over the next 10 years. The tragedy is, and I honestly believe that it is, that the members opposite believe that we have a fixation or some of us have a fixation with the deficit. Mr. Deputy Speaker, I do have a fixation. It's not with the deficit though, it's with the ability of governments to come to maintain services. That's the fixation I have. I have no difficulty in offering that statement and it is a real hang-up I have. I only wish the Minister of Finance shared it with me.

Mr. Deputy Speaker, the pure arithmetic, in my view, suggests that this government has no escape. There are going to have to be some major, major decisions made in the next number of years. What I worry about the most is that the members opposite collectively are saying to themselves, well, there is nothing wrong in being out of government for a while. Hopefully, though that will coincide with the downturn in the economy. Therefore, we'll be able to then go to the people and say, see, uh-huh, see what happened, see what happened when you put a Conservative Government into place. They'll bring out all the economic indicators to prove their point.

Mr. Deputy Speaker, that's where we're heading because there is no magician. There is no politician. There is no political party that has the miracle solution to what we're in now. We have never claimed to and you won't hear us claim, but at least we recognize the position whereas the Minister of Finance, indeed the government, have chosen not to. Please, Mr. Minister of Finance, provide to Manitobans a three-year forecast, particularly, of expenditure.

The fourth point I want to suggest is what would we do differently. My leader yesterday in his Budget Speech

covered a number of areas, Mr. Deputy Speaker. I honestly believe there is greater efficiency in government that could be brought to bear. I honestly believe that there is potential for the private sector to have a greater role in providing services to the people. I honestly believe that through that there is greater opportunity for the government, if they so wish, to provide Manitobans relief in taxation and at the same time, Mr. Deputy Speaker, maintaining services.

See the people opposite, they like to perpetuate the myth that if you elect a Conservative Government, those that have a fixation with the deficit that it will represent or will cause to be brought into effect major, major decreases in public services. Mr. Deputy Speaker, that doesn't have to happen. It doesn't have to happen at all, but I say to them there are other ways. Nationally, I think it is important that we support all trade agreements, including the Free Trade Agreement. I think it's important that we appeal to provinces within the country to remove their barriers and I support the government. I can't understand how it is that governments east and west would put barriers to Manitoba-produced goods, so I am an ally of theirs on that argument.

Thirdly, Mr. Deputy Speaker, I think on a national sense we can try to develop a greater consensus as to the services we want now, the services we want in the future and, more importantly, how it is we should pay for them bearing in mind of course the indebtedness a government such as this have pushed our province and our people.

Provincially, Mr. Deputy Speaker, I support a program-by-program review. Now, I honestly believe that our party can give it clearer focus; we can bring greater objectivity to that type of review and consequently can find more efficiency within government than the NDP could ever do, Mr. Deputy Speaker. I also believe that there are massive bureaucracies in our major social fields that must be closely scrutinized.

Mr. Deputy Speaker, I think you will hear critics of ours in the days and weeks to come who are going to highlight some of the major increases in bureaucracies. I am not talking about the people providing the services, Mr. Deputy Speaker. I'm talking about the bureaucracies. In my mind there is great potential to bring greater efficiencies within government.

Mr. Deputy Speaker, in closing, I give the NDP some credit for some of their cost reductions. As has been pointed out, programs that were put into existence five years ago, some of them have run their course and they should be removed and they should be shut down. When it's justifiably right to do so, I will not criticize it. But, Mr. Deputy Speaker, as I point out, I honestly believe we could bring about that exercise, that task. We could do a better job in a more objective way than they're doing.

You have to believe that there is a better way of running government because if you don't, in my view, we are doomed to destruction. There has to be a better way of doing it. I can't reiterate that enough, Mr. Deputy Speaker. If not, health care will continue to diminish; roads will continue to deteriorate. Until I hear the Minister of Finance stand in his place and tell us what the long-run solution is, Mr. Deputy Speaker, I say he has no solution.

The great paradox in this Budget is the fact that the government has had a boom in revenues. The great



paradox, Mr. Deputy Speaker, as the members spout Keynes to us all the time saying that in times of toughness, you're supposed to spend as a government and borrow. But the great paradox, Mr. Deputy Speaker, in times of relative good you're supposed to save and pay back the debts so you can be in a position to do something for the people when the next tough time comes.

That's the great paradox, Mr. Deputy Speaker. The members opposite had the opportunity to play out the whole Keynesian theory; this Budget decided not to. In my view, they fell miserably and I therefore support the amendment of my leader.

**MR. DEPUTY SPEAKER:** The Honourable Minister of Agriculture.

**HON. L. HARAPIAK:** Thank you, Mr. Deputy Speaker.

I'm pleased to have this opportunity to participate in the Budget Debate. I must tell you that I was awaiting for my opportunity to speak. I thought that perhaps I had been somewhat unfortunate in having to follow on the heels of the critic. I thought that he would identify the \$134 million that he said should be cut from the Budget. I had some fear that perhaps my own Department of Agriculture might be eliminated totally. But I'm somewhat disappointed and relieved, disappointed I guess that the critic did not identify those areas that he said there was great opportunity for savings, but relieved I guess that those departments perhaps which would have been the victims of that kind of a decision have indeed been spared.

Before I go into the details of my presentation, I guess in keeping with the spirit of the Olympics, Mr. Deputy Speaker, it was identified yesterday by the Member for St. Norbert where he, I thought, paid us a tribute in likening us to Eddy the Eagle, indicating that we had courage and determination and staying power. As he pointed out, Eddy the Eagle's mission was to survive and indeed he did survive, but in thinking about a comparison in that he likened us to Eddy the Eagle, I was thinking that we might liken them to the Jamaican bobsled team. With all due respect to the Jamaicans, the sled didn't make the journey, and I'm not sure that the group on the other side is going to make it either. In the case of the Jamaican bobsled team, it seemed that the responsibility was attributed to the driver, and I'm not sure yet at this moment who the driver on the other side is. There's some conflict as to who is at the wheel.

Mr. Deputy Speaker, reverting to the critic for the Opposition, I have some respect for what the critic was trying to address in his comments. I think he generally portrays a reasonable approach, though we're not always in agreement. He was reasonable in his suggestion of prudent management, but I think he, despite the statements that he has made outside this Chamber that there was room for cuts, failed to identify what it is in fact that he would, if given the opportunity, eliminate from the Budget.

I want to say, Mr. Deputy Speaker, that this is a good Budget. I think this Budget demonstrates an approach which is reasonable and rational in terms of making decisions. I think it clearly demonstrates sensitivity to the choices that had to be made, and again, as the

Member from Morris recognized, that there are no easy choices. I think we are at a point in time where, having exercised the choices, there won't be some pain experienced on the part of those who would be excluded.

But I think given the expectations, Mr. Deputy Speaker, of the public that there is a commitment on the part of this government to maintaining health services, maintaining social services, dealing with questions of the economy, dealing with questions of agriculture, I think you will find that indeed they will be satisfied and they will be supportive of the decisions that have been made.

This Budget, I maintain, seeks to gain the maximum benefit from those dollars that will be expended. I think it recognizes the limitations of the province's financial resources and demonstrates that the government is committed to responsible fiscal management.

But again, using the words of the critic opposite, there is no magic in government, Mr. Deputy Speaker - no more magic in budgeting for government than there is magic in budgeting for our families, budgeting in our farming operations or budgeting in our business operations, whether they be large or small.

Money, Mr. Deputy Speaker, is earned. Money flows in for government. The large portion of that will be by way of taxes that are collected and decisions are then made on how those resources should be allocated. Most would recognize again, whether in government or in our families, the demands on the available resources will most often exceed the resources that are available to meet those demands and that requires some prioritizing of the decision-making. Some decisions have to be made as to what will be the priority of the particular expenditure, and that, I think, is reflected well in the Budget that has been brought forward by this government. There is a clear indication of where our priorities as a government are.

But it is also clear that we cannot meet our commitments always on the basis of current revenue. We borrow and we incur a debt, and we know full well, whether in government or in our private lives, there is a price attached, there is a cost attached to that borrowing, but very few of us would suggest that that borrowing is irresponsible. In fact, if you look across to members opposite, it is many of them who espouse to be the entrepreneurs, and it is many of those entrepreneurs who have built and done well - and I give them credit - on the basis of having borrowed.

You would not see members opposite, nor members on this side, criticize those who would borrow. I can look about this Chamber and I can recognize people who would have borrowed for an education. There are many who are in this Chamber and were able to have a formal education because they borrowed. It was an investment in the future; it was something that would be repaid.

If you look at the quality of life that we enjoy today, much of what we enjoy today is there because someone was prepared to make an investment to in fact borrow. Very little of the economy of the province and very little of the economy of the nation is operated on a cash basis, if you like. How many of us would enjoy the standard of living that we do today if we relied strictly on that cash that was available to us from our sources, from income sources or investment sources? That would not be there.

How many of us have a mortgage on our home? That is a debt. How many of us have a mortgage on our farm? That is a debt. I am in that situation on both counts, Mr. Deputy Speaker, and I don't think that I was reckless in either one of those. I was not reckless in that. It was a commitment that I felt I wanted to make because I saw an opportunity and it was a debt that I could service. Much of that happens in society by members on all sides of this House and the public at large.

I would ask members to consider: what is the average indebtedness of a Manitoba citizen today just in terms of their personal affairs? It is far in excess of what it was at one time. We don't criticize most of those people. There are some who will have made unwise decisions with respect to borrowing and incurring a debt, perhaps incurring a debt for the wrong reason or incurring a debt which exceeds their capacity to service. Now, should it be, Mr. Deputy Speaker, any different in terms of what government would do? Governments have demands on their resources. There are programs that we, as government, are asked to deliver, that cannot be met from the current expenditures of the government.

I would ask members opposite, if they would suggest that what we had to be doing was providing all services on a cash basis, how many hospitals would exist if they were built on a cash basis? How many elderly persons housing units would exist? What kind of infrastructure would we have in our community? We have debt attached to many of those kinds of services, and I think it will be seen by most people as being responsible borrowing.

It is true that in addition to considering debt for those longer-term purposes, we, in our individual lives, in our businesses, can, in a given year, in a given time frame, incur a deficit. We do not have sufficient funds to meet our current commitments, and that cannot go on indefinitely, and I don't think anyone has ever suggested that that is what should be happening. In fact, Mr. Deputy Speaker, if you look at the present Budget and you look at what we have done in terms of reducing the deficit, most objective people would recognize that we have done a much more effective job in that respect than indeed the Federal Government had done. So I, for one, think that we are making good progress in terms of managing our deficit, Mr. Deputy Speaker, and I look forward for improvement in that respect.

Certainly, I don't think that we can proceed blindly in terms of addressing the question of the deficit without addressing at the same time what the consequences would be of proceeding at a faster rate to reduce that deficit. It could be done but what would be the consequence of that? It is true at the same time that by incurring that deficit and adding to the debt, there is indeed a price to be paid for that. But as we make those decisions, I think we have to say, is it worth it? I think we make those same kinds of decisions in terms of the investments that we make as individuals, that debts that we incur as individuals, we recognize that there is a place, there is a time in which to incur a debt in a responsible way, and I feel the debt that has been incurred by this government has been incurred in a reasonable and in a responsible way.

I want to point out, Mr. Deputy Speaker, that in terms of the operating deficit that I referred to only a few

minutes ago, that in putting on the record the progress that has been made, we have reduced the operating deficit of the government by 78.7 percent over the last two years. I think that's a notable achievement.-(Interjection)- Now the Member for Arthur suggests that it was out of line. It would be out of line given the values that he holds, that he would not want to provide the services that were provided or he would not want to use vehicle of public spending to deal with the economy when it was in a period of down turn. If, in fact, he does not subscribe, and I don't believe that he does subscribe to that - he is being honest in that respect - he would see that as an unwise expenditure.

I, for one, Mr. Deputy Speaker, want to say that there is a role for public expenditure and public debt in terms of meeting the needs of the citizens of the province and, indeed, for playing a more proactive role in the economy using the vehicle of public investment to stimulate the economy at a point in time when the economy from private sector investments might have been on a down turn. We are not blind to that cooperative kind of approach, Mr. Deputy Speaker. We recognize that an economy such as we have in Manitoba, which is a very stable and diversified economy, has served the people of Manitoba well relative to other jurisdictions.

That economy, Mr. Deputy Speaker, is diversified and balanced not only in terms of the natural resources of this province, a diversity of opportunity related to agriculture, related to the mining industry, related to forestry and those in turn leading to opportunities in terms of further processing and manufacturing, but it is also an economy which is built on cooperation between the private sector, the cooperative sector and the public sector. We see nothing wrong with that. In fact, we think it is desirable to have that healthy mix.

Again, I would recognize that some of the members opposite would not be comfortable with that kind of a mix in our economy. They would look to shift that balance. I think that was demonstrated clearly by some of the members opposite when we had some of our discussions on the question of public insurance. The Member for Ste. Rose and the Leader of the Opposition - the Member for Tuxedo - indicated on more than one occasion that in their view, a public ownership concept to insurance should be perhaps reconsidered, put out for competition with the private sector, and they would want to see that eliminated.

Well, I would want the record to show, Mr. Deputy Speaker, that I think there is a very useful role. I think there is a demonstrated record here in Manitoba of the benefits of public insurance, the benefits that accrue not only to people in terms of insurance coverage but to the benefits that accrue in terms of having that pool of investment capital available for Manitobans.

I want to refer, Mr. Deputy Speaker, as the members on this side did yesterday, to the Budget Speech which clearly puts on the record the achievements of this government, and I think the Member for Kildonan did so particularly well last night, referring the members to the record, asking them, imploring them to read it, because obviously they had not. What they were doing was making statements which did not at all reflect the evidence which was presented for the public for all to see in terms of the achievements of this government.

The financial statistics which are included as an addendum to the Budget Address clearly indicate, as

I have already, that the operating deficit of this government has been reduced very significantly, the operating deficit being projected to be some \$66 million in the up-coming fiscal year.

Of course, we said you cannot talk only about questions of expenditure; you have to make reference to revenues. It is important to note what is happening in the mix of revenues within the province. As I said, the bulk of the revenues for the province are in the form of taxation, some direct taxation by the province, others being in the way of federal transfers and then other Manitoba collections as they are referred to here.

But if you look at the record, Mr. Deputy Speaker, you will see that for the period from 1980-81 and the Budgets for 1988-89, federal transfers as a percentage of Manitoba revenue will be declining from 42.4 percent to 30.5 percent. Given that, Mr. Deputy Speaker, there obviously have to be some changes made if there's going to be a reduction in federal transfers and we are to maintain our programs. There has to be some offsetting increase at the provincial level whether in the way of provincial taxes or other charges, or there should be, I suppose, some corresponding reduction in programs.

We have had to make those assessments on programs. The reduction in federal transfers do in fact restrict what we are able to do in terms of the delivery of programs. We are particularly concerned in the area of health care and education, where we have made major commitments, and I am proud to say we have been able to maintain our commitments. Despite the reduction in federal transfers, Mr. Deputy Speaker, we have been able to maintain our commitments.

But I find it rather interesting that members opposite would, on the one hand, criticize us for the level of the deficit which I maintain is very responsible, and at the same time the members saying, spend more. I think they cannot have it both ways. The Member for Arthur, Mr. Deputy Speaker, wants to dissociate himself from that kind of a statement. Now there are the people on that side of the House who are consistently saying spend more. Then they say as long as it's in my area, but then they say reduce the deficit. They cannot have it both ways, Mr. Deputy Speaker.

Now, I think it's important as well to have the record clearly show where we are in Manitoba in terms of expenditures compared to other jurisdictions because, depending on the mood that the members opposite are in, they would paint at one moment as being chintzy and not being prepared to spend; on the next, they would suggest that we were spending recklessly. I want to indicate, Mr. Deputy Speaker, that Manitoba, in terms of its expenditure, has been proceeding at a reasonable and steady pace, as a reflection of that reasonable, steady economy that we have.

When you look at the level of the per capita expenditures in Manitoba, Mr. Deputy Speaker, we are the fourth lowest in Canada. We are below the average of the 10 provinces. So it cannot be said that we are spending recklessly. I think we have been spending in a very reasonable and responsible way.

Now, it would also be suggested by some of the members opposite that we have proceeded irresponsibly over the years on capital expenditures, adding our deficits to the debt and burdening Manitobans excessively. Now I have never suggested

that we shouldn't be trying to address the question of the debt, but given that there are reasonable circumstances under which you would incur a debt, let us compare, Mr. Deputy Speaker, the debt load in Manitoba, or let's take the deficit firstly, the deficit per capita.

When you take the per capita deficit and compare it other jurisdictions for the '87-88 year, Manitoba is again the fifth lowest. We're slightly above the average for the 10 provinces, but take note of our two neighbouring provinces to the west that are often referred to by members opposite, particularly when we are dealing with issues on agriculture, and I hope to get to that point. Saskatchewan's deficit is far in excess of ours, and Alberta is at the top of the heap, Mr. Deputy Speaker. So clearly, there is an indication from the record that we, in Manitoba, have proceeded in a very responsible way in terms of our expenditures and our deficits relative to other jurisdictions are in a respectable range.

Now the same can be said, Mr. Deputy Speaker, in terms of the total debt load. We do have a significant debt load because of our preparedness to invest in publicly-owned facilities, but our debt load is not out of line in any way with neighbouring jurisdictions.

Mr. Deputy Speaker, what I would like to do for the balance of my comments is refer to the area of agriculture, and I think it's important that we place on the record some of the questions related to the economy, the agricultural component of our provincial economy, and the level of expenditure in this area compared to other jurisdictions.

I'm pleased, Mr. Deputy Speaker, that we see once again the level of expenditure in agriculture up in the Province of Manitoba compared to the previous year. In fact, at \$90 million, it has never been higher and that represents an increase of 28.2 percent over the last two years and 129 percent more than was included in 1980-81 in the last Budget prepared by the members opposite. So this, clearly no room for a statement which suggests that we on this side of the House are not committed to agriculture.

Let me read into the record, Mr. Deputy Speaker, some comparisons. If you look at the provincial expenditures on a per farmer basis and compare that to Saskatchewan and Alberta, it's rather interesting. In 1985 in Manitoba, Mr. Deputy Speaker, the average expenditure on a per farmer basis was \$2,124.00. That has increased slowly, steadily, to the level of \$3,090 in 1987, and that obviously again will continue on that progression, an increase for 1988. Now compare that with Saskatchewan, Mr. Deputy Speaker, where in 1985 they had a level of \$4,430.00. They are continuing on a straight-line progression but rather than being upward, as we are in Manitoba, they are consistently moving downward from a level of \$4,430 in 1985, as I said, to a level lower than Manitoba's in 1987, at 2,979.00.

Now we have not seen their figures for 1988, but there are indications from people in Saskatchewan; there are concerns that the level of spending on agriculture in Saskatchewan will be reduced again. So there is no doubt in my mind, Mr. Deputy Speaker, that the expenditure in agriculture in Manitoba, relative to Saskatchewan, compares well. We are at a higher level. We are increasing ours and I am confident that we will

be ahead of Saskatchewan in the year ahead. Alberta's, of course, is higher than either of Saskatchewan or Manitoba with their level of expenditure being in the range of \$4,500.00.

It's important to make this point, Mr. Deputy Speaker, because the Member for Roblin-Russell, in question period today in speaking to the Minister of Education, said you can't just throw money at a problem and hope to bring about a solution. I'm wanting to quote these figures so that I can indicate to members opposite that our approach has not just been to throw money. It has been a reasonable approach and it has been effective.

I want to demonstrate its effectiveness, Mr. Deputy Speaker, by referring to income levels in Manitoba and Saskatchewan, and Alberta as well. These figures will show that the average income per farm in Manitoba exceeds that of Saskatchewan, and both Manitoba and Saskatchewan incomes will exceed that of Alberta. So in 1986 the average farm income, realized net income for Manitoba farms, was \$18,474.00. It went down in Manitoba to \$17,742 in 1987. In Saskatchewan the figure was, in 1986, \$12,000, approximately 66 percent of what it was in Manitoba. It did increase in 1987 to \$16,747, still below that of Manitoba. So though the members opposite are critical of what is happening in Manitoba, I have to say to you that what is happening in Manitoba is bringing better results than what is happening in our neighbouring jurisdictions.

Now I would never for a moment claim that what is happening, in terms of farm income, is totally the responsibility of the government because that level of income I think is again a reflection, Mr. Deputy Speaker, of some of the natural attributes of the agricultural economy of Manitoba, which has provided for a much more diversified economy than that in Saskatchewan, and, yes, more diversified than that which exists in Alberta.

So, in making those comparisons, we cannot simply say, as the Member for Roblin-Russell said, you can't solve a problem simply by throwing money at it. Yet I hear from members opposite - there seems to be the suggestion that what you have to do is throw money. We have not thrown money; we have targeted money. We have provided funding in different areas. We have looked to provide this funding in a reasonable and in a responsible way.

In listening to comments from the members opposite and in reviewing the materials of yesterday, I notice that there seems to be some, dare I say it, objection to the matter of writing down or making a provision for losses on some of the MACC loans. In fact, the Leader of the Opposition was the one who suggested that this was in some way misleading.

Let me tell you, Mr. Deputy Speaker, that the Federal Government has taken considerable credit and I think some credit is due to them for writing down some of the deficit for the Western Grain Stabilization Program. They have indicated that they are making a provision for some write-down or write-off on accounts with the Farm Credit Corporation. If it is acceptable, and this is not just a question of what might be acceptable in terms of policy there, it is required in terms of proper accounting to make that provision.

Clearly, if you went to any other lending institution, now you would see that they would make provisions for doubtful accounts. Whether they are dealing with

agricultural lending or lending in any other sector, they would be making that provision. We have made that provision here in recognition of what exists in the agricultural community particularly, as I've said on so many occasions amongst the producers of grains and oilseeds, that there is a very significant shortfall in income and they are indeed under stress. We are prepared to stand by them.

I want to point out as well that I was rather amused to see the questions raised by the Leader of the Opposition with respect to the feedlot program. This is clearly a program that I think will be a well-accepted feature to the existing Manitoba beef plan which has served Manitoba farmers well, some 75 percent of the cow herd in Manitoba still being enrolled under this plan. But it is clear that we are facing a problem, in terms of the extent to which animals are being finished in Manitoba, Mr. Deputy Speaker, particularly in the last two years. We have introduced a commitment here that we will be having a feedlot program. Indeed, I want to say, Mr. Deputy Speaker, that a round of meetings will start tomorrow. I believe the first meeting is in Gladstone tomorrow where there will be discussion in a public forum to talk about the options that are available for implementing a feedlot program.

It is, I think, somewhat regrettable that the Leader of the Opposition would derive the efforts to bring this added feature which will be useful not only for those who are in the land but, as is so often the case in agriculture, the benefits accrue to those who are involved in handling the product beyond the farm gate. I think there will be an excellent opportunity for further solidifying the economy of Manitoba.

I want to point out as well that I am pleased, Mr. Deputy Speaker, that we were able to see again the extension of the special Farm School Tax Assistance Program which had an allocation of \$12 million last year and will have that same provision in this year. There will be, in terms of the administration of the program, a slight change where we will be advancing approximately two-thirds of the 1987 claim to the local government when the tax statements come out. There has been some controversy about the eligibility for the program as to whether landowners should be eligible rather than just those who are operators.

We made a clear decision, Mr. Deputy Speaker, that the benefits of the program should accrue to those who were most under stress, and I think it would be generally recognized that the operators of the land were most under stress. There may have been some room for criticism last year on the part of the landlords in that they were not aware of this and they did not renegotiate, if you like, their arrangements with the landowners. I think in this case there's clear indication that the program is in place and if there is a desire on the part of the landowners to renegotiate with the operator of the land, that should be done. But it should be pointed out, as well, Mr. Deputy Speaker, that in terms of eligibility we are not alone in excluding the landowners and yet bringing benefits to the operators because, under the Western Grain Stabilization Program, you must be an operator to benefit from the program. If you are simply an owner but not an operator, you do not enjoy the benefits, and the same is true with the Special Grains Program.

I want to add very briefly in that area that I was surprised - perhaps I shouldn't have been surprised -

by the sensitivity of some of the members opposite when I was referring to an article in the Brandon Sun dealing with some suggestions by Charlie Mayer that there may be a revision to the premium contribution by the farmers, increasing from 1 percent to 5 percent, which I said, and is accurate. If that were implemented that would be a 500 percent increase. The members opposite very quickly said, "well, that's not fair of you; what you are doing is talking only about the premiums, but you're not saying anything of the benefits."

I say to you, Mr. Deputy Speaker, their discomfort came from being skewered on their own hypocrisy because they were not in any of their comments with respect to the Public Insurance Corporation saying anything about benefits, and they were saying that a 24 percent increase was too big. Twenty-four percent, we recognized was a significant increase, but I was suggesting that what would be happening, if there was need to criticize a 24 percent increase, surely a 500 percent increase would deserve attention as well. It would surely deserve attention as well.

I want to point out as I conclude my remarks, Mr. Deputy Speaker, that I'm looking forward to working with Brandon University in terms of seeing the Rural Development Institute come forward. I think this a clear commitment on the part of this government, again, to rural Manitoba. It will provide an opportunity, Mr. Deputy Speaker, for further participation with an open government and with the institutions throughout the province in terms of developing the policies for Manitoba for the future.

In conclusion, Mr. Deputy Speaker, I would like to note that I recognize, and I think some members on the opposite side recognize as well, that there are no simple solutions to the challenges that face society today, and that it is misleading to suggest that there are those simple solutions. I say to you that members opposite cannot have it both ways, they cannot say, spend more, then they say at the same time, cut the deficit.

I look forward, Mr. Deputy Speaker, to seeing this Budget unfold. I look forward to seeing that strengthening of the economy of this province where we see a healthy balance between the respective roles of the private sector, the cooperative sector and the public sector. With that mix and with good government, I am sure that we will continue to serve the people of Manitoba well from this side of the Chamber for years ahead.

Thank you very much.

**MR. DEPUTY SPEAKER:** The Honourable Member for Portage la Prairie.

**MR. E. CONNERY:** Thank you, Mr. Deputy Speaker.

This Budget that has been presented by the Minister this year is worse I think in many senses than the Budget that was presented last year. Actually, Mr. Deputy Speaker, this Budget, I would call it a postdated Budget, because last year, the Government of Manitoba wrote a cheque on the people of Manitoba that they were going to collect or cash in this year. Mr. Deputy Speaker, this Budget is a tragedy because it fools people into thinking that things are okay and where really, it's not.

Mr. Deputy Speaker, listening to our leader, the next Premier of this province, it was quite obvious that he

did research and he knew the things he was talking about. He brought, I think, in generalities, the major parts of criticism for this Budget. He did an excellent job, Mr. Deputy Speaker. He said it was a smoke-and-mirrors Budget, or a let's pretend Budget, and it definitely was that. It was a let's pretend that all of these things are right and that we have no problems in this province.

Mr. Deputy Speaker, it was interesting, too, to listen to the Finance critic for our party to speak in this House earlier this afternoon and wouldn't it be something to have a Finance Minister of that calibre running the Province of Manitoba's finances. Mr. Deputy Speaker, we will have that opportunity after the next election, and I hope it's much sooner than it is later because, in the interest of the people of Manitoba, we need to put the financial position in a straight line back to survival.

Mr. Deputy Speaker, it was obvious in reading the news in the Saturday and Sunday newspaper that the Leader of the Liberal Party doesn't really understand finance too much. She was quite pleased with this government that they had reduced the annual deficit by \$61 million down to \$334 million. She was pleased that took place. Well, that just shows the Leader of the Liberal Party is not all that bright when it comes to finances and this province wouldn't do well under a person like that.

But, Mr. Deputy Speaker, to have an increase in spending of 8.7 percent is ludicrous - 8.7 percent in spending. They got \$450 million extra in revenue - an increase of 12 percent in revenue. One hundred and twenty million dollars of that came from those nasty feds and that was a 10 percent increase, Mr. Deputy Speaker - 10 percent increase from the Federal Government. What increases is this government, the Provincial Government, giving to the municipalities, the hospitals, the educational field, the universities - (Interjection)- That's right. They're getting the shaft; they're not getting 10 percent increases which this province is getting from the Federal Government. So really, Mr. Deputy Speaker, this is a hypocritical Budget put forth by a hypocritical government and it is a shame.

Mr. Deputy Speaker, they gave large increases to health and education, but much of that increase in income was swallowed up because of their mismanagement by such Crown corporations as MPIC, the Workers Compensation Board, Hydro and others, a lot of it used up because of the waste in those areas.

Mr. Deputy Speaker, when we look at the estimates of income and we see that the ordinary individual person in Manitoba is the one that is carrying the load for this province, it is not the businesses in this province because they're not doing well. So, to get the money, they've had to dump it on the backs of the average wage earner and a lot of them are not able to afford it.

Mr. Deputy Speaker, if we go back in time and if we go back three years, we find that the personal income tax level has been increased some 64 percent. If we go back to March of 1982, we see a 100 percent increase; and if we go back to 1981, we see somewhere in the area of 160 percent increase of personal income tax, and I think that is sad.

Mr. Deputy Speaker, we looked at the retail sales tax revenue sector and we saw only an 8 percent increase.

It was obvious that something was wrong if there was only an 8 percent increase. But, did the Minister of Finance tell us that it was because they weren't going to achieve what they had projected for this year? No, Mr. Deputy Speaker, they tried to fool the people of Manitoba into believing that there was just not going to be that kind of an increase.

He should have been honest and said that this year's figures were not right. What other sectors of the Budget then for March 1988 are also not correct? Are we going to find a lot of other areas that are wrong? I have some other worries that might just take place.

Mr. Deputy Speaker, the mismanagement of Crown corporations, such as Manfor, McKenzie Seeds and Flyer Industries lost dollars from foolish borrowing in foreign currencies due to the fluctuation, which has left us very little money to fuel the economy.

This government introduced a labour-sponsored investment fund in this particular Budget. But, I went back to 1986 and, in the Budget of 1986, they also made mention of a labour fund in 1986. Now they're mentioning it again in 1988. When will it come to fruition?

Mr. Deputy Speaker, I ask the government, who will be eligible for this labour-sponsored investment fund? Will it be restricted to the unions, just to people who belong to the unions who are funding this government, or will it be available to all of the labour in Manitoba?

Mr. Deputy Speaker, I think we're going to be right when we think that it will be restricted to the union movement. Hopefully, if we put enough pressure on, they'll open it to all of the people of Manitoba and all of the ordinary people, not just to the people who are paying their way.

Mr. Deputy Speaker, I have also one word of caution to the government, to members opposite, that when they start to make these labour people into business men, they are going to start to think like businessmen and start to realize what this government has done to the business community. Once that happens - and Mr. Deputy Speaker, I hope a lot of union people take advantage of this because that's when they will realize how bad it is.

We can look at one of the members of our party, Mr. Deputy Speaker, who is now the secretary, whose father was a very high-profile person within the labour movement, and a very good gentleman, but did not understand the business sector. When this lady moved into business, she realized how much harm the NDP party was doing to the Province of Manitoba, and she now works for us very strongly and very hard. She knows where this province has to go and she's going to do her darnedest to move it in that direction.

Mr. Deputy Speaker, we also see mentioned in the Budget the Manitoba Equity Fund. I think this is the same fund that was promised in the 1986 Budget and during the 1986 election campaign, which was the Small Business Loans Fund and they still haven't got the program in place. They're still talking about it. How long does this government have to talk about something before they can put it into effect?

Because of the wasted money, there is no money to fuel the economy. Mr. Deputy Speaker, if we look at our Estimates book we can see the Manitoba Government, how they have cut back in the Department of Business Development and Tourism. Mr. Deputy

Speaker, if they hadn't wasted the money and all of the Crown corporations and Manfor, ones like that, we would have had the money to put into programs to fuel the economy which is what we have to do if we want to maintain our health, education and social programs and reduce the deficit at the same time. Mr. Deputy Speaker, it can be done. Unbeknown to members opposite, it can be done.

Now, Mr. Deputy Speaker, we look at several areas in the business development and we see the regional and community development area. This is for the rural area of Manitoba. I'm very upset and very concerned over what's happening in rural Manitoba, Mr. Deputy Speaker. We see the businesses not thriving. We see people moving to Winnipeg and, because of this, we see the lesser demand for services and a snowball effect that is really hurting rural Manitoba.

What is going to be left for the citizens who are left in rural Manitoba? Poor hospital services because we haven't got the numbers to keep them up, a poor educational system. We're not going to be able to get the care for the troubled students or students who need special care, as the Member for Roblin-Russell was pointing out. As we lose our population base in the rural, we're not going to have the services that are required.

Mr. Deputy Speaker, we look at the Business Development Centres that they talk about, and we see a reduction in the revenue to be spent on business centres.

Mr. Deputy Speaker, I can go back to the 1986 election, when the Premier of this province promised that there would be business centres in the regional development offices. This did not take place. Now, they're even reducing the budget to those Regional Development Corporations and the business centres in Dauphin and Brandon that will help the small businessman of Manitoba.

(Madam Speaker in the Chair.)

Madam Speaker, they don't have a concern for the business in the rural area. In small business, they also have a reduction. We see the business community really taking a pounding and not much in the way of assistance for them.

Madam Speaker, I think it's important that we discuss the business community, the manufacturing, the processing industries in Manitoba because this is really where we will get enough money to fund the things that we need. This government has an understanding that if you need more money, you raise the taxes. Madam Speaker, as a businessman, if I wanted more money, I went out and I earned it. The old Smith-Barney way, you go out and you earn it. If I wanted a bigger car or a better house, we grew more vegetables to get it. We weren't able to just raise the price of vegetables because we had to be in a competitive market, and we had to sell them at the going price. This government just knows, and because of the union background of so many of them, including the Minister of Finance, that if you need more money, you just raise the dues. This is what this government has done to the people of Manitoba to live here - they've raised the dues.

Madam Speaker, I think if we had a government that was concerned about business, they don't have to give

them a whole host of money. We don't need the money. All we need is an attitude of business - we want you, we will work with you. Turn away from some of the union leaders, not the union workers because they're the people who are being punished with the programs of this government. The union leaders who are the ones who pay the bill for this NDP Government, if they would move away from that and say, we'll get rid of FOS Legislation; we'll reduce the payroll tax; we'll make sure that the climate here is friendly; we'll work with business.

Madam Speaker, this government, through its attitude towards business, has cost this province thousands of dollars, thousands of jobs. They can point to a few businesses that have come here. This last one, Fibre, I think the name of it is, came here but with great government contributions. I don't blame them. I'm happy to see them here. It cost a lot of provincial money to get them here. Madam Speaker, we don't have to put all that money out because the location of Winnipeg, in the relation to the rest of North America, is in an ideal centre for marketing south. We'll do that marketing, Madam Speaker, with free trade.

Madam Speaker, we can look at the taxes and all the problems that are created by this government. I think it really is a very quick window into why business is not looking at Manitoba. It's in the business magazine and it's called, "Friendly Manitoba, a great place to visit, but would you want to work here?" It was written by Don Benham who is a writer in the Sun. Madam Speaker, I'll quote, "He's the J.R. Ewing of Nairobi and he had \$10 million burning a hole in his pocket. But like the wealthy oil men on TV's Dallas, he didn't make any deals he doesn't want to. When he took a good look at Winnipeg, he left town before sundown."

Madam Speaker, this just indicates why people are not coming to Manitoba in droves. And this consultant who was working with him said that, "It is very frustrating. I'd like to have these companies locate here. I want to continue to have them as clients, and Winnipeg is my home town, but no one in his right mind would locate here if they can locate elsewhere. I have to give them that advice."

Madam Speaker, this is a person who is dealing with the business community all the time. The article goes on to say, "J.R. didn't need anyone to draw him an elaborate picture. A simple pocket calculator told the tale. In Manitoba, his \$10 million investment would be subject to an immediate capital tax, whether or not he made any money. Not so in Alberta. In this province you'd be subject to payroll tax, regardless of profits. Why should I be penalized every time I hire someone, he asks. That doesn't happen in Alberta. The sales tax provision alone would have cost him \$560 thousand before he even opened the door. On top of those considerations, J.R. had to think about corporate and personal income taxes.

"In Manitoba, the corporate rate is 10 percent on the first \$200 thousand, 17 percent above that. The Alberta figures are 5 percent and 15 percent respectively. The top rate for combined federal and provincial income tax is 58 percent in Manitoba and 53 percent in Alberta. It doesn't take him very long, based on those differences to decide to establish in Alberta. When some of the provincial guys heard he had made the decision, they tried to give him a grant of \$2.5 million to come here." Madam Speaker, they

once again tried to close the barn door after the cows got out.

Madam Speaker, there are a couple of other parts in this article that really is indicative of what the problems are in Manitoba. It says, "Statistics covering manufacturing employment are grim. During Tory years, during those good old Tory years 1978 to 1981, employment rose at a rate higher than the Canadian average. But since the NDP took power, manufacturing employment has gone into a tailspin, dropping 12.1 percent. Businesses are also discouraged by labour legislation as they see as skewered against them, says Harry Marden, president of the Manitoba Chamber of Commerce. Business feels that the government isn't listening." Madam Speaker, I could read the whole article and it would really tell the people of Manitoba what the problems are in this province, but I've got other sectors that I would like to deal a little bit with.

Madam Speaker, the NDP have said, and I've heard today in the House members opposite saying the economy in Manitoba is good; and they bring up the Bank of Commerce, the Royal Bank, the Bank of Nova Scotia and the Economic Council of Canada, and they say, it seems it's doing well. But, Madam Speaker, when you read the whole article, it says, initially they didn't - they finally started to say that, because of Limestone, North Portage and the core area, the economy of Manitoba is doing well. But people are not so confident that when that dries up - and we see North Portage drying up now - that will continue.

Madam Speaker, we also see a definite drop in housing starts and this is going to have a severe impact on what's happening. Madam Speaker, this government continually knocks the Federal Government for what they are not doing in Manitoba.

Madam Speaker, I mentioned earlier that the rural communities were not being serviced very well by this provincial government, and we do have Regional Development Corporations that I think have done a yeoman job under the circumstances of very poor funding from this province. But those bad Feds, the ones that supposedly do nothing for Manitoba, Madam Speaker, have 11 centres in Manitoba to assist businesses in the rural communities. Madam Speaker, they are prepared to lend up to \$75 thousand per person and each centre has a million-and-a-half dollars to spend. Multiply that by 11 and it doesn't take a genius to know that we've got millions of dollars in rural Manitoba from the Federal Government to get the economy back on stream. But this Provincial Government is not prepared to do anything and wisely say we don't need a lot of money, all we need is an attitude change. But, Madam Speaker, a lot of the problems in Manitoba are also related to agriculture and the lack of effort being put forth by this government. We just heard the Minister of Agriculture stand up here and tell us all what Manitoba is doing for agriculture.

Well, they're very well-known for creative accounting, Madam Speaker, and there was a classic example of creative accounting. How he could ever find figures that would show what he presented to us, I don't know. It's a miracle but they're sure not accurate. Madam Speaker, the farmer of this community really, at this point, needs some sort of assistance. The Alberta Government and the Saskatchewan Government have gone a long way to doing it. We can't see huge influxions

of money, but we think we can have some areas of the consultation and bookkeeping and that sort of thing to try to help the farmer.

We take a look at the Farm Debt Review Boards and we see it is the federal group that are doing all the work. They're in somewhere over 800 or 900 claims that they've gone through for adjudication, where this province has only been into something like 250.

Madam Speaker, the Minister of Agriculture spoke about the feedlot operation. We talked about the feedlots and giving them assistance for some time, and now they're going to do it. How ridiculous of a government to put in a program after they've driven the feedlot operators out of business, and they've basically driven the packing houses out of here! We'll see any cattle that we have going to Alberta. The feeders are going to Alberta right now, where they're not staying in Manitoba. For the packing plant to work at Brandon, they've got to ship those cattle back in. Madam Speaker, that's not going to last for an awful lot longer.

But this is typical of this government to act in this way. Remember The Farm Lands Protection Act? Madam Speaker, the Minister of Agriculture, the former Minister of Agriculture, says at one time I supported that program and I did. But it was long, long before the foreign buyers had driven the price of land up. When did this government put it in? After the price was at a high level and the farmers needed the price to stay there for their equity and their financing. Then this government put it in and helped to drive the price of land down and get a lot of people into trouble.

Madam Speaker, I've got another article here and it's by John McCallum, who was a known supporter of the Progressive Conservative Party. But he's at the University of Manitoba and he's a very intelligent and very sound-thinking individual. Just a couple of paragraphs from it, Madam Speaker. He says Manitoba has embarked on possibly the closest thing to a socialist economic experiment that North America has ever seen. Further, he says the province stands in sharp policy contrast to the rest of North America, where deregulation, privatization, and tax reductions to varying degrees are the order of the day. He ends up the article by saying Manitoba's economic experiment should provide some real insights, but as a Manitoban it is not heartening to note that most guinea pigs never make it out of the lab. Madam Speaker, that's from a university professor who really, I think, has a lot of intelligence in the area of economics.

This government likes to talk a lot about how they're doing a lot of things for labour. Madam Speaker, when we look at the latest stats that we have, and in January, if we had taken the 6,000 people who disappeared from the labour force from a year ago - 6,000 people disappeared from the labour force - and if we had taken those 6,000 people and still had them here with the same employment numbers we have, we'd be adding at least 1 percentage point to the unemployment rate in Manitoba.

Madam Speaker, we don't have a good employment rate in Manitoba. We used to be in the area of 5 percent, 4 percent, 6 percent, when the Conservatives were in power. They are lucky to see it now to be below 7.5. Madam Speaker, we only had 20,000 unemployed at the height of the unemployment under Sterling Lyon. But what have we got in unemployed now? - 46,000 unemployed Manitobans, Madam Speaker.

**A MEMBER:** Twenty thousand more working.

**MR. E. CONNERY:** Twenty thousand more working. Make it 46,000 more unemployed.

Madam Speaker, members opposite like to talk about the increasing numbers of people in Manitoba. Yes, the numbers are still increasing in Manitoba but aren't they suppose to get a job? It's the unemployment percentages that are important. We're still getting an out-migration of people to Ontario and other provinces, not people that are coming from the Third World countries because they're quite happy here. Anybody from those countries would be happy, but Manitobans who have been here for a while are not happy in Manitoba and they are moving out. That number is accelerating every quarter.

Madam Speaker, the Federal Government in Ottawa under Brian Mulroney understands the importance of enterprise and understands the importance of getting the manufacturing and the processing sector working better. Madam Speaker, he will be entering into, with the United States, an agreement which will put Canada and Manitoba, if we can get into power, to make the industry work. We will make Manitoba and Canada one of the better industrial nations in the world.

But, Madam Speaker, this government is so afraid of free enterprise and free thought, they will do anything to discourage a Free Trade Agreement. Madam Speaker, it's time that this government got on stream and started to work together with the industry to make sure that they're in a position to take advantage of the opportunities that free trade is going to present.

Madam Speaker, this free trade manual is quite an enlightening manual if you read it. I don't think many members opposite have, but if you read it it will tell you very clearly that, yes, there are some concerns about free trade. But when you take it and look at it from a balance sheet perspective, then this free trade deal is a good one.

Madam Speaker, there's one last item I would like to deal with and it's a very important one to Manitoba, and it's tourism. Madam Speaker, in the last three Budgets tourism has not been mentioned. Not one mention of tourism. Madam Speaker, tourism is the third largest earner of export dollars that we have and we don't make one mention of tourism.

Madam Speaker, it's obvious that why these things happen is what they do to the Department of Business Development and Tourism, and a similar respect, to the Industry, Trade and Technology portfolio. But especially Business Development and Tourism has become a dumping ground for worn-out, ineffective politicians on their side. Madam Speaker, this last Minister that we've got is the insult of all times to the business community and to the tourist trade of Manitoba.

Madam Speaker, we've got a Minister now who, in my estimation, hates business, hates anything that is of value. He hates Americans, obviously, Madam Speaker. Surprisingly, he went to a demonstration at the American Consulate. He knew the demonstration was at the American Consulate because he got there. So why was he going to a demonstration there in the first place against the Americans? They burned the flag and I don't think he tried to put out the flames, and



then tried to scare students by saying the marines will come in if we sign this Free Trade Agreement. Madam Speaker, this is the man that the Premier of this province would put into such a position.

**A MEMBER:** Mackling shared the flame.

**MR. E. CONNERY:** Well, it's too bad he didn't get caught in it. But, Madam Speaker, it really is a disaster. Madam Speaker, the Americans are our best advantage, the best possibility of increasing tourism in Manitoba. Madam Speaker, the department, I think, knows what has to be done but this government continually plays politics with the department.

Madam Speaker, the program called "Go World Class" co-sponsored with the Federal Government, 50-50 agreement, \$15 million from each side which is a 50 percent increase over the previous agreement. Madam Speaker, that is quite a contribution to this province. But the Minister of Business Development and Tourism for the Federal Government doesn't understand why this Provincial Government isn't taking advantage of the monies that are there. Why, I don't know, because this money will disappear. This is a five-year agreement and, unless an extension is put in, in 1990 the money will be gone.

Madam Speaker, when we look in the Estimates this year of Business Development and Tourism, and if we look at the Tourism sector, we see that they have cut in the very critical areas of Tourism.

Madam Speaker, in the Tourism sector, when we get into the important ones, the Canada-Manitoba Tourism Agreement, because it's 50-50, we see only \$1.5 being spent through the incentives of financial assistance and program support. Madam Speaker, half of that comes from the Federal Government. Why aren't we spending more?

Madam Speaker, when we look at the capital sector - and this is assistance to lodges and to the IMAX Theatre and all of that sort of thing which can be tremendous for Winnipeg and Manitoba - they're only going to spend \$1,691,000, and half of that comes from the Federal Government.

Madam Speaker, if they were to spend their proportion this year, and they're into the third year of a five-year agreement, they should be getting into the peak of their expending of these monies. They're not even going to be halfway there. Madam Speaker, I don't know what the Federal Minister is going to do, but if he doesn't give us an extension, we're going to lose out on that money.

Well, Madam Speaker, the last comment I would have to make is a constituency one, and it's to do with a Manitoba Developmental Centre in Portage la Prairie. Madam Speaker, last year there was a report done by the Ombudsman on the Manitoba Developmental Centre, and he had a list of all the concerns and shortcomings of that facility.

Madam Speaker, we're dealing with people who are mentally retarded and physically handicapped, in some cases both, people who can't look after themselves. And what did this government do in a department where they increased the spending by \$28 million? Madam Speaker, they increased the funding at the MDC 2.2 percent. Madam Speaker, that's an insult to a

government that says they're caring and sharing. They say they are a caring and sharing and I'm sure we have members opposite who know the tragedy of mentally retardation. Madam Speaker, it is terrible that people of this government wouldn't have any more sense.

And, Madam Speaker, on that I will quit because that is an indication that this government has no caring and sharing for the people of Manitoba. They don't have their priorities set and, yes, there's a lot of places that we can cut the expenses and we'll bring those forth. I would rather see a lot of income cut in the area, personally, of the recreational, and maybe some of the cultural things can be reduced. And, if you can imagine, Madam Speaker, when I went home one weekend, and I saw a note in my mailbox, and it said: "We're having a community club fundraising because the government isn't going to fund us this year." That shows you the degree that the people of Manitoba have got to depend on government because they have done all of these little things to buy votes.

So, Madam Speaker, this is not a caring and sharing government; this is a greedy, self-centred government who will do one thing only. They will do anything to stay in power and to heck with the people of Manitoba.

Thank you, Madam Speaker.

**MADAM SPEAKER:** The Honourable Minister of the Environment.

**HON. G. LECUYER:** Merci, Madame la Présidente.

Puisque c'est pour au canal un et deux, puisque c'est pour moi, Madame la Présidente, la première occasion de parler depuis le début de la Session Législative, je voudrais d'abord vous féliciter et vous offrir mes meilleurs voeux dans l'acquiescement de vos fonctions.

Je voudrais aussi, en passant, signaler les progrès énormes que vous-même avez réussi à faire dans l'utilisation dans la langue française. Je suis aussi, confiant que vous saurez remplir vos fonctions de façon juste et équitable et avec tout la sagesse dont on vous connaît. Ensuite je voudrais, Madame la Présidente, reconnaître et remercier les contributeurs du compte de Radisson et en cette occasion réitérer mon engagement dans aller servir consciencieusement et diligemment dans la mesure de mes capacités.

En troisième lieu, je félicite le Ministre des Finances, d'avoir présenté à cette Chambre un Budget qui reflète un long labeur à la recherche de mesures et équitables pour les contribuables de cette province. En particulier il est claire que ce Budget tient compte des besoins et des priorités qui touchent de plus près les Manitobains dans leurs vies quotidiennes car ils visent la création d'emploi et le maintien d'un économie équilibrée et progressive.

De plus il est taxé sur le maintien des meilleurs et les plus enviés programmes sociaux du continent Nord Américain. Je parle bien sûre des programmes de santé, de soin aux personnes âgées, de garderie pour enfants, d'éducation, pour n'en mentionner que quelques un.

Je lève le chapeau à mon collègue, le Ministre des Finances, pour avoir guidé avec une telle maîtrise le processus. Je dit bien processus car un Budget se prépare de longue haleine après avoir obtenu toutes les données possible et ayant mesuré l'impacte de chacune des options.

Il a fait des choix responsables et équilibrés, reconnaissant nos obligations à fournir des services et des programmes accessibles et à maintenir les taxes à un niveau juste et compétitif. Enfin, reconnaissant qu'il fallait faire un effort important pour réduire le déficit de sorte à ne pas compromettre l'avenir.

Madame la Présidente, une réduction de \$81 million de dollars, une baisse de 19,5 pourcent du déficit illustre mieux que toute paroles ce que je viens de dire. Même si le gouvernement Mulroney s'était engagé à présenter, lui, de son côté, un Budget sans déficit, avant la fin de la présente décennie, voilà que son Ministre des Finances, M. Wilson, dit que ce sera vers l'an 1995. Et si les Conservateurs pouvaient être réélus dans quelques années, ils nous diront que le Budget, qu'un Budget sans déficit ce sera pour l'an 2000.

En attendant ils continuent à nous présenter des Budgets avec des déficit au-delà de 30 milliards de dollars comme l'avaient fait les Libéraux avant eux. Et aussi comme les Libéraux avant eux, il ne souci pas d'un rétablir, la justice et l'équiter dans l'imposition des taxes.

Je répète, Madame la Présidente, il ne souci pas de rétablir la justice et l'équiter dans l'imposition des taxes. Malgré leur engagement dans ce sens pendant la dernière campagne électorale. Encore une fois, Madame la Présidente, des paroles qui sont vides.

Ils ont annoncé le processus de réforme dans la taxation puis ils se sont arrêtés là. De sorte, que cette année, encore nombreux seront ceux avec des revenus et profits importants qui ne paieront aucune taxe ou tout au moins ne paieront pas leur juste part. Tandis que la majorité des gens à faible et moyen salaire devront encore payer plus. Non pas seulement pour les services essentiels, mais aussi pour payer des luxes et des privilèges à ces monsieurs les riches et encore pire, ce payer des jouets comme des sous-marins nucléaires et des avions réactés. Tout en coupant le pourcentage des contributions aux provinces pour le financement de la santé et l'éducation poste secondaire.

Voilà, Madame la Présidente, où sont les priorités des Conservateurs. Ce sont des priorités qu'ils ont à Ottawa, et ne nous pouvons pas supposer que leurs priorités seraient différentes ici au Manitoba.

Notre gouvernement maintien son engagement envers les programmes prioritaires dans ce Budget. Tel l'empli, la santé et l'éducation. Pour le NPD ce ne sont pas là uniquement des programmes pour les mieux nantis, mais plutôt des programmes qui doivent être accessible à tout Manitobain car il est va de leur droit.

C'est une attitude qui remonte au temps de Tommy Douglas. C'est lui-même qui racontait un jour qu'il s'était fait mal à un genou, et que le mal avait atteint les os de sa jambe. Il avait l'ostéomélie. Son père salarié dans une fondrie n'avait pas les moyens de payer les soins de spécialistes. Trois ou quatre ans plus tard, le mal rempirant, le médecin de famille examina l'enfant et dit au père, qu'il fallait amputer la jambe. Heureusement un orthopédiste se cherchait des cas à traiter dans le cadre de son enseignement à des étudiants en médecine.

C'est ainsi, sous le régime de la charité que le jeune Tommy Douglas subit une intervention chirurgicale et qu'il put garder sa jambe. Dès lors Tommy Douglas promis que si un jour il en avait la possibilité, il verrait à ce que plus un seul jeune au Canada soit dans sens

services médicaux parce que ses parents étaient trop pauvre. Et il a retenu cette promesse. Il n'a pas oublié quand il en a eu la possibilité, il a institué le premier programme de soin de santé, le Medicare, tel qu'on le connaît en Saskatchewan. C'est-à-dire le programme avant coureur du Medicare dont nous jouissons et prenons tous pour acquis aujourd'hui.

Pour nous, Néo-Démocrate, nous savons très bien que les autres partis, en particulier les Conservateurs, sont beaucoup moins engagés au maintien du système Medicare. Et selon les paroles que nous avons entendues de quelques un des membres de l'autre côté de la Chambre ces derniers temps, ont même en droit de se poser la question à savoir s'ils ont réellement l'intention de le maintenir ce programme.

Nous n'avons qu'à constaté aussi ce qui se passe dans certaines provinces voisines. Pour se rendre compte que graduellement on introduit des primes supplémentaires, des frais de changes, etc., nous savons que Medicare, ce système qui permet à tous accès aux meilleurs soins de santé, ne survivra que si nous nous y engageons.

C'est pourquoi, encore cette année, il y aura une augmentation de \$111 millions de dollars vouée au service en santé, dont \$40 millions envers une fiducie de \$50 millions devant favorisé l'innovation et la réforme qui seule nous permettrons de maintenir Medicare en place. Et de plus \$500,000 pour la recherche.

Ce Budget contient aussi un apart de financement important pour le maintien des services de qualités en éducation. Pour le bien-être social, pour les garderies d'enfants, etc.

Enfin, reconnaissant que les périodes de difficultés qui persistent dans le secteur agricole, le Budget annonce le maintien en place de mesures déjà annoncées l'année dernière pour venir en aide à ce secteur et en particulier, il s'agit d'un appart de 12 millions en bénéfice que recevront les fermiers sous forme de crédit en réduction de taxe scolaire, et une augmentation de 28.2 pourcent sur deux ans dans le Budget du Ministère de l'Agriculture. En plus nous prévoyons une aide en près de \$48 millions sous la corporations du crédit agricole.

Madame la Présidente, notre engagement dans le domaine de la santé vaut envers les Manitobains qu'ils soient riches ou pauvres, ce principe nous l'avons aussi incorporé dans les politiques mis en place dans le Ministère dont j'ai la responsabilité. Aussi bien du côté de la sécurité . . . au travail, que de l'environnement. C'est ainsi que j'ai pu annoncé il y a quelques semaines deux mesures devant s'ajouter aux mesures déjà adopter ces quelque quatre et cinq années passées. Je parle de deux règlements.

Le premier est le système d'information sur les matières dangereuses utilisées au travail ou le STUNEDUTE. Et le règlement sur les risques sanitaires dans le lieu de travail. En anglais on parle de le Workplace Hazardous Materials Information System and the Health Hazard Regulation.

Le premier de ces règlement vise l'identification et l'autre le contrôle des risques pouvant porter atteinte à la santé au travail. Nous voulons ainsi rehausser de façon significative le droit à l'information et le droit à la participation des travailleurs et des patrons de sorte qu'ils puissent à travers les comités conjoints intervenir pour la sécurité et pour leur propre sécurité éligière.

Ainsi ils peuvent, Madame la Présidente, prendre les décisions ou contribuer à la prise de décisions pour assurer leur propre bien-être. Ce sont là des mesures préventives, des mesures préventives qui auront un impact énorme favorisant la diminution des maladies occupationnelles. À condition bien sûre, qu'il y est coopération, consultation, consensus, et évaluation sur une base continue entre les employés et les patrons.

Il ne s'agit pas simplement une fois par année lorsqu'il est temps d'aviser les employeurs sur leur cotisation pour la commission des accidents au travail, il ne s'agit pas simplement une fois par année de parler des conditions de sécurité et d'hygiène au travail.

Il s'agit, Madame la Présidente, à partir de mesure préventive, d'y voir tout au long de l'année, et c'est par là que nous arriverons à diminuer les accidents et les maladies occupationnelles.

Au Canada il y a un travailleur blessé au travail chaque 12 secondes. C'est inacceptable, bien entendu. La compagnie Dupont a évalué que chaque accidenté représentait un coup moyen de \$18,650 en coût directe, en 1985. Et que les coups indirectes, des accidents et maladies occupationnelles et qui valaient de 4 à 10 fois ce montant.

Bien sûre, on ne peut évaluer en dollar la souffrance, le traumatisme et l'inquiétude que doivent endurer les travailleurs et leurs familles.

Madame la Présidente, le principe de l'égalité, d'opportunité, l'accessibilité selon notre gouvernement sont fondamentale à la fédération Canadienne. Le chef de l'opposition dit que le gouvernement n'a pas de vision. Non seulement est cela un annoncé faux et sans fondement, mais c'est aussi plutôt un commentaire curieux de la part d'un individu qui aspire à être chef d'état alors qu'il n'a jamais lui-même exprimé une seule notion indicant ses plans d'avenir, ses plans long-termes pour le Manitoba. Même pas dans la dernière campagne électorale. Si non d'indiquer qu'il maintiendrait les programmes existants, qu'il couperait le déficit et cela tout en proposant \$300 millions en nouvelles dépenses et en abolissant la taxe sur les salaires. Quand on lui demandait, comment proposer vous accomplir ce miracle? Il répondait, nous savons administrer de façon efficace.

Naturellement les Manitobains ne l'ont pas élu, car ils ne l'ont pas cru et avec raison. Connaissant ce que les Conservateurs avaient fait sous la dictature de l'ancien chef Lyon, alors qu'on avait sommairement unilatéralement et sans consultation gelées les dépenses dans les domaines de la santé, et des soins aux personnes âgées. Qu'on avait injustement coupés les postes sans ce préoccuper des gens en chômage. Ce que proposait le chef Tory en 1981 et encore aujourd'hui, c'est coupé à coup de hache, et pour le reste adopter le même laisser faire qui avait amené cette province à la dépression.

Leur leadership est fondé, Madame la Présidente, sur le principe suivant, que le plus fort gagne. Les Manitobains savent que ce gouvernement aujourd'hui a une vision pour l'avenir de cette province et savent que cette vision est partagée par la majorité des Manitobains.

Madame la Présidente, les citoyens de cette province ne se sont pas laissé tromper par les slogans mensongers parce qu'ils connaissaient dans leurs vies quotidiennes le sous-emploi sous l'ancien

gouvernement. Il connaissait le salaire minimum et parmi les plus bas au pays. Le manque de préoccupation pour la sécurité et l'hygiène, elle était un autre facteur auquel ils étaient habitués. C'était, Madame la Présidente, le sens foutisme général pour les programmes sociaux.

Le Manitoba se situait au dernier rang, ou parmi les derniers rangs des indicateurs économiques. L'économie était sur son lit de mort. Aujourd'hui, le chef de l'opposition a le culot de dire que nous sommes acréé un désert économique, alors qu'aujourd'hui le Manitoba se situ en tête de ligne, qu'il s'agisse d'emploi, de construction, etc.

On a, Madame la Présidente, qu'à regarder les statistiques et les prognostiques des grandes sociétés financières, qu'il s'agisse de la Banque de Commerce, qui dit, Manitoba will have the best growth record in Western Canada, qu'il s'agisse de la Banque Royale qui disait en 1987, en décembre, The main source of growth in Manitoba this year has been the construction sector and related industries spurred by continuing work on the Limestone Hydro Project. On pourrait, Madame la Présidente, mentionner plusieurs.

Il y a aussi la Banque de la Nouvelle Écosse, the Investment Dealers Association, les exemples sont nombreuses pour indiquer qu'aujourd'hui quand qu'il s'agit des indicateurs économiques, le Manitoba se situ, est bien placé par à port aux autres provinces.

Enfin je cite un rapport du Dominion Securities de janvier, le 15, 1988, parlant de l'avenir économique du Manitoba, et je cite, "Manitoba's gross domestic product is expected to rise 3.2 percent in volume terms in 1988. This represents a repeat of the estimated growth in 1987 encounters the trend of decelerating growth at the national level."

Un peu plus loin on dit ceci, Madame la Présidente, "Manitoba enters its sixth year of economic expansion backed by solid economic fundamentals and a minimum of unsustainable imbalances. The consumer sector will benefit from lower interest rates through much of 1988 and a further decline in unemployment rate."

Alors on parle donc en certainement en bien de l'avenir du Manitoba sous la période du gouvernement Néo-Démocrate.

Madame la Présidente, le chef de l'opposition prétend que s'il était au pouvoir il saurait balancer le Budget. Il pourrait effectuer les coupures nécessaires, dit-il. Et il accuse le gouvernement actuel de créé un déficit et des dépenses trop élevées. Pourtant il félicite le gouvernement d'Ottawa alors que ce dernier ne maintien pas son engagement à balancer le Budget. Alors que ce gouvernement à Ottawa dépense plus de 27 pourcent de ses revenus en intérêt sur la dette. Et en parenthèses, je voudrais indiquer qu'au Manitoba il nous en coupe 11 pourcent de revenue en intérêt sur la dette.

De plus ce gouvernement à Ottawa contribut moins de 20 pourcent du revenu du Gouvernement Fédérale aux provinces pour la santé, l'éducation, et le bien-être social. Alors on paie de plus-en-plus vers la dette et de moins-en-moins donc pour le maintien des programmes sociaux.

Voilà ce que fait le gouvernement d'Ottawa. De plus ce gouvernement qui reçoit les accolades du chef de l'opposition, dans ses sois-disantes réformes de l'impôt, en réalité favorise ceux qui gagnent le plus au détriment

de ceux qui gagnent le moins. Et si il y a des doutes l'a dessus, Madame la Présidente, permettez moi de citer encore quelques passages, et je cite du Brandon Sun, February 11, 1988, speaking on the Wilson Budget says: " 'The richest people in the country are the biggest winners.' Shirley Seeward, the Director of the Social Policy Studies Branch at the Institute, said this week. 'The Budget presented by Finance Minister, Michael Wilson, makes virtually no major tax change except for an increase of one cent a litre in the tax on gasoline.' "

J'y reviendrai à celle-là, Madame la Présidente.

Also under in the Sun, of the same date, is said: "In the first three fiscal years of Conservative rule, personal income taxes brought in an extra 8.6 billion to the treasury, an increase of 29 percent. Corporate taxes, by comparison brought in only 5 percent more revenue in the same period." Who's paying?

In the Winnipeg Sun, on February 15, and this message is for the Leader of the Opposition: "Filmon sounded more like he was a candidate for the federal Tories rather than an objective politician discussing the benefits or liabilities of the Budget for Manitoba."

At the end of that article it says, "Filmon said after last week's Throne Speech, that the NDP has no plan, no blue print. While he should take a look at his own words. Praising deficit cuts of 2.4 percent nationally, and criticizing cuts of 30 percent provincially, is hardly a stellar plan for the economy. The Tory leader had better start to create a consistent policy, not one on which he automatically praises anything done by the Federal Conservatives. And automatically criticizes the Manitoba Government. He is after all supposed to be running to lead Manitobans, not angling for a seat at Brian's right hand. If he wanted a federal apologist, we would have drafted Jake Epp."

Voici ce que disait donc les journaux. Alors qu'en 1987, 3,000 nouvelles entreprises ont été créées au Manitoba, et 9,000 nouveaux emplois. N'est-ce pas plutôt, Madame la Présidente, le chef de l'opposition qui a perdu la notion de la réalité. Et ce désert dont il parlait, ce pourrait-il qu'il soit dans son cerveau?

Madame la Présidente, notre gouvernement n'est pas parfait car il n'y a pas de gouvernements parfaits. Nous avons fait des erreurs, nous en ferons d'autres, mais ce seront généralement des erreurs résultant d'effort et de mesure en faveur des Manitobains. Même si nous ne réussissons pas toujours à obtenir des résultats désirés, il y a au sein de ce gouvernement une volonté et une conscience au service des citoyens de cette province. Nous ne cherchons pas à nous laver les mains de nos responsabilités comme il se passe au moment, par exemple, en Colombie Britannique. Bien au contraire, parce que nous nous sommes fixés en 1981, au plein creux de la récession, l'objectif de la création d'emploi et de développement économique, nous avons mis en place des programmes et des Budgets en conséquence.

Ce n'est donc pas par accident qu'aujourd'hui cette province se situe au deuxième rang des provinces avec le plus bas taux de chômage, et ce n'est pas par accident non plus que nous avons atteint le deuxième rang sur le plan de développement économique. Bien en avant de la performance des provinces plus riches en ressources à l'ouest administrées par les cousins de l'opposition.

Il n'est pas nécessaire aujourd'hui, comme les Conservateurs le faisaient en 1981 de s'efforcer de convaincre les Manitobains, et de se convaincre soi-même au moyen de slogan comme, "Sitting on a gold mine" and "Don't stop us now", alors qu'ils avaient laissé au secteur privé le soin de veiller au progrès économique de cette province.

(Mr. Deputy Speaker in the Chair.)

Quand est-il au Manitoba, bien sûr il a fallu pour notre gouvernement aller chercher des revenus supplémentaires pour fournir au Manitobain les services essentiels qu'ils réclament. Cependant, pour le Manitobain qui gagne \$20,000, le fardeau des taxes est le deuxième plus bas au pays. Pour celui qui gagne \$35,000 nous arrivons au quatrième rang en taxe imposée. Et pour celui qui gagne plus de \$50,000 nous sommes au premier rang. Donc celui qui gagne beaucoup paie plus, non pas moins comme c'est le cas présentement avec le Budget Wilson.

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

(English translation will appear in a subsequent issue.)

MR. DEPUTY SPEAKER: (Fifteen-minute signal)

HON. G. LECUYER: Well, Mr. Deputy Speaker, it was not necessarily my intention to use all the time allocated to me, but certainly I would be remiss if I did not at least address one of the comments made by the members of the Opposition, and repeated a number of times, and that is the fact that they have alluded to this nine-tenths of a cent tax that we have included in the Budget on the leaded gasoline. They say, Mr. Deputy Speaker, that this is a measure that unduly attacks the poor. I am told that all vehicles made after 1968 can use unleaded gas and that, Mr. Deputy Speaker, is what the mechanics tell us, not the Member for Sturgeon Creek, who obviously is not a mechanic.

The measure is being introduced and as a smaller one which was introduced by the federal Finance Minister, of which they don't speak of. They like to mention the fact that we impose a big tax grab, they say, last year on Manitoba.

What they forget to mention is that the biggest tax grab ever imposed on Manitobans was by the Federal Government, since the Tories are there. That's the biggest tax grab ever imposed on Canadians of all provinces, but if we are concerned, if we can put our actions where our mouth is and do something about the leaded gas, and indeed, it is a serious environmental problem and a serious health problem. Even the Federal Government has realized that, and the Federal Minister of the Environment has given a commitment that cars will not be allowed to use leaded gasoline after 1991, so it's a measure that is in keeping with something that they've announced to come at any rate. When one considers, for instance, Mr. Deputy Speaker, the problem that leaded gasoline has been causing and the cumulative effect that it's been causing on the environment, especially amongst children because of the absorption and toxicity of lead in their blood, and the effects that it may have on their development and nervous system.

**MR. F. JOHNSTON:** Well, it's certainly really made a mess of all the people before now, hasn't it, eh? We're really in terrible shape.

**HON. G. LECUYER:** Mr. Deputy Speaker, we hear some yapping coming from the Member for Sturgeon Creek, as usual, but we never hear a single idea of substance coming from that member.

The Leader of the Opposition, Mr. Deputy Speaker, says, and I quote, "For two years, thanks to the Member for Gimli, the NDP hid re-insurance losses that grew from \$12 million to \$13 million." They didn't respond to the increase in claims that had grown by 17 percent in two years. Why? Because there was an election on the horizon.

I remember, Mr. Deputy Speaker, during the last election, the Conservatives were saying, if elected, they would require MPIC to reimburse \$30 million of their reserves. They would reimburse that money. That's what they were proposing, Mr. Deputy Speaker.

The Leader of the Opposition said, again, and I quote, "In its misguided attempt to take over ICG, it became abundantly clear that this government knows absolutely nothing about negotiation; they're totally ignorant of sound business principles and practices."

Of course, the Tories were only concerned about their corporate friends. They call all successful attempts to lower costs to consumers and small businesses misguided attempts. Manitobans, of course, know who stand up for their interests, and they know they could not count on the Tories and the Liberals to stand up for them in the past. Look at the unfairness and the inequity in the income tax system that these two tired parties continue to maintain in place.

Of course, they do not mention - and they don't mind distorting the facts in terms of when they make comparisons in the cost of automobile insurance. They don't mention how much, for instance, the automobile insurance has increased in British Columbia. They don't mention the fact that in Ontario they pay two, three, and four times the amount that they pay in Manitoba. Mr. Deputy Speaker, the Opposition is truly grasping at straws.

The 1988 Budget is truly a responsible one. Manitoba's economy continues to grow at a rate that surpasses even the national average. Indeed, we have a responsibility to balance the interests of all Manitobans and, with the cooperation of labour, business, non-profit and all other sectors, the government is working to build a bright and secure future for all Manitobans. We will do this by prioritizing our resources to meet the needs of our citizens, and those priorities, of course, are health care, community services, education, agriculture, and jobs.

The government's Budget reflects its commitment to the environment also by charging a surcharge, as I indicated before, on leaded gas. It's quite ironic, Mr. Deputy Speaker, that we should charge less. After all, it should cost more to add the lead to gasoline, should it not?

Mr. Deputy Speaker, in closing, I would like to again compliment the Minister of Finance for presenting to this Assembly a just and well-balanced Budget which is going to keep us in line with the commitments and the priorities we have made to Manitoba, to the

economy of this province, rather than allow it to come to a standstill as that bunch across the way did in their years under the last Tory administration. If we are today in Manitoba experiencing an economy that is performing at a level that is above and beyond what is experienced nationally, it is by no accident but certainly as a result of well thought of programs and programs introduced by this government.

Mr. Deputy Speaker, before I sit down, I would like to draw attention to two of the five clauses that are in the Leader of the Opposition's Motion of Non-confidence. He says, among other things, he moves a Non-confidence Motion because the Budget has dipped into the pockets of ordinary Manitobans for an enormous tax haul of \$185 million more in personal income taxes. Now, as if this was a measure announced in this particular Budget. He had that in his last Motion of Non-confidence a year ago. So that shows you what kind of a Leader of an Opposition we have.

As well, he adds, has absorbed the largest increase in revenue in the province's history while applying less than 15 percent of it to the deficit reduction. Even the Liberal leader realized that that figure was incorrect, and the figure that was given in the Budget was 19.5 percent going towards the deficit reduction. So, Mr. Deputy Speaker, he cannot even get his facts straight.

And while we hear of the Leader of the Opposition tell us and expound here using his campaign style language that he would be able to cut the deficit and develop new programs, we hear his colleagues sitting in the back benches asking in each one of their speeches for more money to be spent. Even in question period today, if you had noticed, Mr. Deputy Speaker, how many questions were intended or asked for the government to spend more money? More money for hospitals, more money for roads, more money for all kinds of services. At the same time, their leader stands up and in his Budget Speech he says he knows how to cut the deficit, he could do the job in that regard. Well, I'm sorry, Mr. Deputy Speaker, all we have to do is watch his colleague in Ottawa and know how they do in doing that.

Thank you.

**MR. DEPUTY SPEAKER:** The Honourable Member for Arthur.

**MR. J. DOWNEY:** Thank you, Mr. Deputy Speaker.

I will make a couple of brief comments, basically about the speech that we have just heard, and it's very easy to understand why the Province of Manitoba is in such a disastrous financial state of affairs, Mr. Deputy Speaker. The member who has got such a short memory that he borrowed some \$20,000 to put into a tax scam to cheat the tax system, I think should make a reassessment of his position as a Treasury Board member, to give to the people of Manitoba and the Opposition a lesson as to how to direct the financial affairs of the province.

Enough said, Mr. Deputy Speaker, about that particular issue because that's as much credibility as that member has and we will carry on to talk about some of the things that the people of Manitoba are facing with this particular Budget. Mr. Deputy Speaker, I guess the main point of accuracy one has to refer to

is - I guess the picture in this year's Budget is probably as accurate as anything, the most accurate thing that we have. The numbers are having a hard time jibing with what's actually taking place out there and the story that we are hearing from the government. And, of course, it's a credibility factor.- (Interjection)- That's right, it's a continued credibility factor that this government have with the people of Manitoba. It doesn't matter whether it's Crown corporations and the reporting of the difficulties that they are in, and the coverups of taxpayers losses.- (Interjection)- That's right, again trying to paint a picture that things in Manitoba are a lot better than they are financially; that this government have got a monopoly of honesty; that this government don't do anything to the people of Manitoba but tell them the truth - take the money out of their pockets and do what's in their best interests.

There's one principle, Mr. Deputy Speaker, that we subscribe to that this government have a hard time subscribing to, and it's a matter of philosophy. We believe, Mr. Deputy Speaker, that the people of Manitoba are better with the tax dollars left in their pockets; that they themselves make the decisions how best to spend. That's a basic principle we all should start subscribing to. Even the socialists I'm sure should take consideration of that. It's a basic principle, Mr. Deputy Speaker, that should be utmost in the Budget Debate.

You know, we heard the Minister of Agriculture speak some time ago. Actually, it was very disappointing because I had really thought in his period of time in the House that he would have learned to make a little more speech of substance, to give a little more firm direction and confidence to the community which he represents. But I'm sorry, Mr. Deputy Speaker, it just wasn't there. I'll make further reference to it as I get on into my speech, but that's something I want the people of Manitoba to clearly understand, that the Conservative Party firmly believe that the tax money is best left in their pockets and they themselves should make the decision as to how it should be spent, not a collection of incompetents who are now in charge of the Treasury in this province.

Mr. Deputy Speaker, budgets should outline, I think with some optimism, where the people of the province can expect to go; that over a period of time, as my leader and as the critic for Finance has indicated, that a little bit longer-term projection of where we're going and what we should be trying to accomplish should be a major part. Well, here we go. Let's look at the opening page, page 1, Introduction. Read the first comment, Mr. Deputy Chairman. "A commitment to defend the right of all Manitobans to live in a just and equal society." Those are fine comments, you bet. I have no problem in saying that the people of Manitoba should live in a just and an equal society. But, Mr. Deputy Speaker, saying it is one thing but delivering it is another. This government has done a pretty poor job in delivering a just and equitable society in the distribution and the handling of taxpayers' funds. As pointed out for the Member for Charleswood a year ago, where did the majority of the funds go out of the Lotteries program? Community Places Manitoba, where did the money go? It went to the NDP ridings of this province en masse, Mr. Deputy Speaker. Yes, Mr. Deputy Speaker, it went en masse to the NDP ridings.- (Interjection)- Well, that's

equal and just if you live in an NDP riding, but what if you live in the riding of the Member for River Heights, the Member for Roblin-Russell or any of my other colleagues? Would these constituents deserve just as much as those people in the NDP ridings, Mr. Deputy Speaker? Is that their just and equitable society? Well, I think not, Mr. Deputy Speaker.

Let's look at No. 2, a commitment to create jobs by supporting economic development. Well, this really has to take the cake, Mr. Deputy Speaker, this really takes the cake. What happened to Canada Packers? What happened to the expansion of Burns? Yes, Mr. Deputy Speaker, what happened to those hundreds of jobs? You know Manitoba used to be the meat-packing industry capital of Canada, next to Toronto and Montreal. It's gone, Mr. Deputy Speaker. Oh, yes, I've heard some comments come at me that what happened, you were the Minister when Swift Canadian closed. You know why Swift Canadian closed, Mr. Deputy Speaker? Under the Schreyer administration - this is important for the people of Manitoba to know - they were so concerned that the hogs from Saskatchewan flow through the Hog Marketing Board that you know what the hog producers of Saskatchewan said? Ha, ha, we'll process them at home. And 250 hogs that were flowing from Saskatchewan to Manitoba to be killed in Burns were restricted under the Schreyer years. That's why Burns closed and it was too late for us to salvage that on taking office, Mr. Deputy Speaker. That's the truth of Swift Canadian; it was a dogmatic socialist control mechanism that killed Swift Canadian.

(Madam Speaker in the Chair.)

We have further seen the killing of the packing-house industry by one former Minister of Agriculture from the Interlake in the restricting of support to the feedlot industry. Where have they gone? They have gone to Saskatchewan. Why have they gone to Saskatchewan for feeding? Here's a headline in the Manitoba Co-operator, "Cattle drain is worrying." You bet it's worrying, Madam Speaker, and I'll put some numbers on the record in case the Minister of Agriculture doesn't understand the industry.

In Saskatchewan, just a little bit west of us here, and I happen to border that particular province where there are some progressive agriculture policies, the producers and the feeders of livestock in that particular area, Madam Speaker, receive a support of \$1.68 per cwt. dressed beef. Do you know what the packing-house industry in Manitoba and the feedlot industry here get for their dressed product? About \$1.44 to \$1.48, a full 20 cents a cwt. less. On an average carcass weight of 550 lbs., that's a \$110 more per animal they get in Saskatchewan than they do in Manitoba. There is a 200,000-some heads capacity of slaughter, or produced in Manitoba for slaughter. That's a lot of money that is not being kept in the Province of Manitoba in the pockets of the farmers.

We've lost our industry. Well, of course, there's a major chain reaction. All these feedlot animals eat what? They eat barley. Who produces the barley? The farmers of Manitoba. Who processes it? The feed mills of the Province of Manitoba, creating jobs. What do they use? They use hydro-electric power, using energy in the province. It's a tremendous industry that has died and

gone under the New Democratic Party. They say they're committed to job creation and economic development. Madam Speaker, again, a false statement of this administration.

Okay, let's look at the next one - a commitment to protect and enhance health education and other vital services which improve the quality of life. Again, Madam Speaker, hollow words of the Minister of Finance.

Madam Speaker, tell the people of Winnipeg Beach, tell the people of Brandon who have lost hospital beds, tell the people of Reston that don't deserve RCMP coverage, as they had prior to the NDP administration. The Attorney-General gets up today and again tries to mislead the people of the province in saying it was for a cost-saving measure.

**A MEMBER:** Part-time Attorney-General.

**MR. J. DOWNEY:** The part-time Attorney-General, that's right. Thanks to my colleague for the reminder of that.

Let's go to page 17 of the Estimate Book, this great cost saving on policing in the Province of Manitoba. Let's look at page 17 in the Attorney-General's Department, and it says, Law Enforcement; Line No. 4 - Current Operating Expenses. Line No. 4 last year was \$32,024,900. What is the projection this year? - \$33,434,900.00. Where is the saving of the cutting out of the Reston RCMP detachment? Where is the savings reflected in any cutback in RCMP?

Again, misleading the people of Manitoba, Madam Speaker. Again, hollow words, and the Budget by the Minister of Finance means nothing. What he says is for political posturing to try and encourage the people of Manitoba to again vote for this collection of incompetents. That's what it is, Madam Speaker, a collection of incompetents.

Madam Speaker, a commitment to restore fairness in taxation. Let's look at the fairness in taxation, let's look at the fairness in taxation. Let's just look at - first of all what we have to do is let's go back, let's take a look at a little bit of history. We won't go back to Tommy Douglas; we'll go back to a far more important leader in this country. It was the year of the Conservatives' final year of office in 1981, but let's look at where their source of incomes come from. I'll just take a minute and we'll make some comparisons as to today.

We look at here in the Estimates of 1982. First of all - and we'll compare it to this year - we look at the page here and the sources of revenue. We've got Insurance and Corporation tax; okay, it's \$10 million. But here, let's look at the current one; there's something different about it. It's not only Consumer and Corporate Affairs Insurance Tax, which is now \$21 million income, but there's another line on there. It's Land Transfer tax. Oh, a new tax - \$12,960,000. So, there's been a basic change. They know a lot about taxation and fairness in taxation.

Let's go down the list. In 1982, we have corporate tax, yes. We have gasoline tax, yes. Oh, but here's another line in here. They've replaced d); it used to be Manitoba Succession Duties and Gift Tax, but now we have a new line in this Budget for revenue; it's called Levy for Health and Education. But how much is it,

Madam Speaker? It isn't even in the Conservative list, but here we've found a new one in this year's and last year's - it's \$197 million.

Who did it come out of, Madam Speaker? - (Interjection)- Yes, that's just one year. Who did that come out of, Madam Speaker? It came out of the pockets of the employers and the employees of this province. Madam Speaker, it didn't stay in the pockets of those hard working people in the union shops, or in the non-union shops, or in small business. It's now in the pockets of Big Brother. Big Government took that \$197 million last year, this year away from the people who have worked their hearts out to make that money. Just a small thing we should mention when it comes to their fairness in taxation, Madam Speaker. That money, prior to this government, was in the pockets of those workers.

Okay, let's go down the list. We found two already, Madam Speaker, that weren't there in 1981. Let's go down the list. Oh, we've got a levy in Health. We'll go down to the next one. We've got a Reciprocal Tax Agreement here. Reciprocal tax - I can't understand that - Reciprocal Taxation Agreement. I can't find that in 1981, but that's an \$18 million revenue, another \$18 million revenue. But then there's another major change - there's two more points on the retail sales tax.

You see, that's what he calls in his Estimate Book, or his Budget Address, fair taxation. That's what it says: A commitment to restore fairness in taxation. Well, I'd say, Madam Speaker, a fair way to share taxation would be to leave the tax money with the people who earn it so they spend it themselves.

Well, we've had some major new tax announcements, but he has referenced to that, taxation sharing. Again, Madam Speaker, a bunch of balderdash. They're raping the people of tax money every time they turn around.

Madam Speaker, let's go to the final one: A commitment to conduct our government's affairs in a fair - oh, yes - balanced and fiscally-responsible manner.

Well, I'm sure, and I have words for the Member for St. Vital. You know, he made a lot of to-do about - he was really drawn back and forth as to who he should have voted for. You know, he couldn't make his mind up in just that short period of time. He made quite an excellent speech at condemning the government - (Interjection)- Yes, that's what he - well, no I don't think he was trying to represent his constituents. I think he was more interested in his own personal well-being, Madam Speaker.

When a member has that kind of selfishness and greed and the province suffers, he'll pay the price, Madam Speaker. He'll pay the supreme price by carrying on and supporting a government of such incompetence after telling the people how he dislikes their money management or mismanagement. A commitment to conduct our government's affairs in a fair and balanced - well, I don't see very much fair about the people of Manitoba suffering high taxes, increased telephone costs and somebody playing around with \$27 million in Saudi Arabia. Do you call that fair? Do you call that looking after the affairs in a responsible manner, Madam Speaker? \$100 million dumped into Flyer Bus and then cost us a million dollars to get rid of it. Is that fair and equitable?

Madam Speaker, please, please, something, somebody on that side has to start getting up and

supporting this document. That's what they're supposed to do.

There's one other point I want to make because it's extremely important, and a lot has been said about it by the media, by the people of Manitoba, and that is where the Department of Finance is at today. Just a couple of figures, because I think it's important, again, for the people to know this. In 1981, the cost of carrying the provincial debt in Manitoba - well, what would anybody guess if you asked them on the street? Well, they may say \$200 million, \$300 million, you know. Today it's over \$600 million. It's not reported as that by the Minister of Finance, but it is actually that when you take the Manitoba Properties into consideration and the rent is paid.

I'll tell you what it was, Madam Speaker. It was an astounding \$80-some million dollars. What a burden! What a burden! Four percent of the expenditures of the province. Today, Madam Speaker, what do we have? We have a \$4.5 billion expenditure, over \$600 million going to the banks to pay interest for the people of Manitoba because this government frittered away the taxpayers' money. Thirteen percent of the expenditures of the Province of Manitoba goes to carry the debt of the incompetent spending of this government.

Now, the Member for St. Vital thinks that he can get away if the people of St. Vital say, well, during the last Conservative Government \$87 million went to our debt carrying charges or 4 percent of the expenditure. We had more hospital beds; we had more police protection; we had more tax money in the pockets of our individuals, our friends, neighbours and families than we have today and they know that. They're not dumb, Madam Speaker. Yet today he's going to support a government that have run up the provincial debt to a horrendous \$500 million or \$600 million in debt-carrying charges, or 13 percent of our expenditures; when we're seeing police protection cut; when we're seeing hospital beds cut; when we're seeing line-ups for hospital care, Madam Speaker. That's what he's going to support?

I think, Madam Speaker, he better take a pretty clear look at himself in the mirror before next Tuesday night's vote. Because I tell you, Madam Speaker, the downhill spiral that we're on in this province, if he votes to continue to support this administration, then it all hangs on his head. It all hangs on his head from now until this government is finally turfed out of office, Madam Speaker. He may well be called the billion dollar man. It will be the taxpayers of Manitoba, not just in St. Vital that he'll answer to, but it will be to the total province, Madam Speaker. If he wants that kind of a record to leave the Legislative Assembly with, then he'll get it and we will make sure that he does, Madam Speaker. He has a commitment not to himself, he's got a commitment to the people of Manitoba to do what is right for this province, for this economy and for every person, man, woman and child, young and old. I would hope he would look at it in that light, Madam Speaker, and quit playing games for his own personal benefits.

Madam Speaker, we have got certainly some interesting things being said by the Minister of Finance. Well, let's take a look at a couple of them. I guess he calls them initiatives; I guess he calls it new direction. I call it treating a level of government below the Provincial Government or the municipal corporations with some disrespect. Because, Madam Speaker, after

all, we continue to hear we've got a caring and sharing government, great conciliatories, you know; they're great consultants. They have meetings prior to the Budget to go to meet with the business community, that great handholding exercise. Madam Speaker, the Minister of Finance, and I turn to page 23 where he read the portion on the transfer. I'll just read it back to him just to see if I clearly understand it.

The province is facing a more difficult task in finding needed resources for health and other priority services. Goodness knows, they've taken enough tax money and yet they can't find any. Every new tax and the millions of dollars of additional taxes, \$185 million in personal income tax. Anyway, because of the increase, they've run into a little bit of a problem. The province has faced a more difficult task in finding needed resources for health and other priority services in the light of constrained federal funding.

Legislation will therefore be introduced to limit the growth of provincial municipal tax-sharing to 3 percent increase over amounts paid in 1987, a unilateral decision. That agreement, Madam Speaker, if I understand it correctly, came about several years ago, was put in legislation. Now this government is planning to cap that transfer of funds without any discussion with the municipal corporations, holding municipal corporations in the City of Winnipeg hostage, Madam Speaker, so they can blackmail the Federal Government. That's what they're doing. It's taking them hostage and blackmailing the Federal Government. That's what they are saying, Madam Speaker.

Limits will apply until such times as the federal funding in health and higher education is restored to an equal 50 percent. Now, if that isn't blackmail and hostage taking, I don't know what is. What reasoning would they give for that particular purpose? Why are they saying to the municipal corporation, we're going to make you suffer. They've got \$110 million more from the Federal Government, a 10 percent increase. Yet they're restricting the municipal corporations.

Fair is fair, equality is equality, Madam Speaker, and I call on this government to rethink their unilateral decision to cap that transfer of funds to the municipal corporations. I understand the estimated figure would be, in the first year, not a tremendous amount of money, but possibly some \$200,000 and some. It's the principle of the thing as well as the money, Madam Speaker, because it will continue to grow at the rate in which these people are grabbing at the taxpayers' money through the personal income tax. So, I disagree with that kind of blackmail hostage-taking approach by this irresponsible collection of incompetents.

Madam Speaker, we talk about - and again some editorials, and I find them interesting to read - the editorials on why the imposition of taxes on leaded fuel. The same on cigarettes. The principle is, it's bad for the environment, it's bad for the people of Manitoba so it justifies adding a tax to it. Well, let me run that through another system, Madam Speaker. Debt is bad for the people of Manitoba. High interest rates are bad for the economy of Manitoba. It makes businesses sick, it makes the people of Manitoba sick. So, reduce the deficit greater that you have and take some of the interest carrying charges off the backs of people. Try that principle through that as well, because it makes a sick economy. If that's the kind of principle you want to use, then use it. Don't have a double standard.



Madam Speaker, it was interesting to hear the Member for Brandon East have his big press conference and his big to-do about that he's going to do great things about the price of gasoline. You know, I think it was just about two years ago now that we heard the Premier of the province say he was going to lower the price of gas 9 cents a litre. What did he do in this Budget? I don't care whether it's leaded or unleaded, he put it up. And what happens in 1991? He's now taxing leaded gas because it's bad for the health. Where is he going to transfer that tax to in 1991 because there isn't going to be leaded fuel after 1991?

**A MEMBER:** He won't be around.

**MR. J. DOWNEY:** Well, that's right, he won't be around. Brandon's gas prices are now 50-some cents a litre, 50-some cents a litre, and the Premier promised it would be 9 cents less. So much balderdash. Well, Madam Speaker, we must carry on because there are a few more points that I want to make.

Madam Speaker, I want to touch briefly on our health care. Let's touch briefly on the funding for health care. There has been a major introduction or change in principle that has been introduced by this government. I don't know whether the people of Manitoba truly understand it but we now are going to be funding some of our health care through the process of the system of gambling. That's a solid foundation to build your health care system on.

I haven't made my final decision as to whether I am opposed or not, but I at least think it should go through public debate. I really believe the people of Manitoba should have the opportunity to go through public debate as to whether or not, in principle, they want to have health care funded by lotteries. It's a basic principle. I think it's a good campaign issue, a good thing that the people of Manitoba should clearly have a chance to vote on. I really do. I don't see anything wrong with the people of Manitoba deciding in principle whether they want their health care supported by lottery funds. Now that the Government of Manitoba has made that decision, they'll have to live with it. They are so hungry for funds, Madam Speaker, that of course they will go to any extent to get it.

But here is another one. If I remember correctly, of the election campaign, we were going to take the profits off of Hydro, we were going to take the profits off of ManOil, we were going to use all those profits to support our health care system, Madam Speaker. But I can't find it in here, Madam Speaker. I have been looking for days to find where the profits are to support our health care system.

In fact, Madam Speaker, I am still looking for the line in our Estimates or our revenue for the interest off our heritage fund. You know, we passed a bill two years ago. We have a heritage fund, but where is it? Could you help me, Madam Speaker, to show me? I am not a fast reader. Show me where the interest off our heritage fund is. How much money is in the heritage fund? Would I be so bold to ask the Minister of Finance how much is in the heritage fund? Is it \$1? Is it \$2? Or is it in a deficit position like the rest of our Crown corporations? I guess possibly we'll go down in history that we are the only province in the country to have a deficit in our heritage fund. How about that?

Well, if it wasn't so serious, Madam Speaker, it would be funny. If it wasn't so serious, Madam Speaker, it would be humorous. That's true, Madam Speaker. It is to the point of sickening sad, the financial affairs of the province and the manner in which this government is truly continuing to cover up for their incompetence and mismanagement, Madam Speaker. Today's Free Press, and again I have to say this, because here we are continually transferring costs onto the backs of landowners and education taxes. Yes, Madam Speaker, the homeowners in the City of Winnipeg continue to carry the responsibilities of the province.

A continued reduction in education funding through the General Support Program, supposed to be 90 percent by now, but I think it is something like 74 percent. The Premier of the province continues to go round with all these false promises and then tries to make excuses for why it hasn't come about. Well, Madam Speaker, the people of Manitoba are fed up, are fed right up to the teeth, whether it is Autopac, whether it's MTS, whether it's Workers Compensation. Whatever it is Madam Speaker, every time this government turns around, it's either they want more money to waste or they want to take us in a direction that the people don't want to go.

And when we look, Madam Speaker, at the amendment that has been introduced by my leader and by our caucus - No. 5, as far as I am concerned, is the one that really tells the tale. Maybe you could tell me, Madam Speaker, how much time I have left or am I at a deficit in that too? Nine minutes. Thank you, Madam Speaker.

I'll leave this for a few minutes because I want to conclude with that. But here we have the Minister of Agriculture making all these comparisons to the other provinces in Western Canada. You know, as I said earlier, Madam Speaker, I would have expected more out of the Minister of Agriculture that we currently have. But you know, let's go back and take a look at his record. Let's take a look at his record. We have the Minister of Agriculture from Swan River, and he really set an example of how straightforward and the kind of drive and decision-making ability he has.

He goes to Cabinet, Madam Speaker, and when you go to Cabinet it's fairly serious. You have a Cabinet document, you have everything prepared. You have done a little lobbying with your Cabinet colleagues ahead of time and you want it to go through because you don't want to go back to your department with the embarrassment of having lost an issue and not being able to provide it. So he charges to Cabinet, he's going to have elk ranching in the province of Manitoba. My gosh. We are going to have elk ranching, the best elk ranching you ever saw. That was on Wednesday. Well, something started to happen. Something started to happen at home or elsewhere, and by Friday things were starting to turn around a little. The elk were starting to break out of the fence and things were starting to go astray on him. By Monday night, he had made a complete turnaround. Elk ranching wasn't the best thing for Manitoba. In fact, he had to hold a public press conference saying we can't have elk ranching in Manitoba; it is not good. Wednesday and Thursday it was the best thing going.

Madam Speaker, the farm community deserved better. It was a definite "Yes, we want it," and then

something happened that he didn't want it. We need long-term planning in this province - financially, fiscally, policy-wise. We don't need, Madam Speaker, a flake for a Minister of Agriculture. We don't need someone who is so determined one day to do something and has a complete reversal the next day that he doesn't know what he's doing. That's what we have for a Minister of Agriculture. Now he makes great to-do, Madam Speaker, about a 500-percent increase from the Western Grain Stabilization Program.

What a phony comparison to Autopac. How many people buy Autopac to wreck their car? How many people buy insurance to burn their house down? Not many. But how many people join the Western Grain Stabilization to get money? Eighty-some percent of the farmers of Western Canada bought it and they got something because they new they needed support from the Federal Government. Yes, Madam Speaker, the farmers of Western Canada received several hundreds of millions of dollars. In fact, in Manitoba, from the Federal Government, they've received in excess of \$400 million over the last year.

The \$80-some million that this government put in their Budget for one year is a pittance compared to the support the Federal Government got. I'll just give the Minister of Finance a little lesson in how he should look at some of the policy initiatives in development.

Here is what happened in Ottawa, Madam Speaker. I'm proud of the Ottawa Government. I'm proud of the Conservative Government in Ottawa. Madam Speaker, they'll be there for a long time because they've done some things that have given confidence to the people of Manitoba and to Western Canada.

Again today, Madam Speaker, I've talked to a few farmers. They've received their cheques from the Western Special Grains Program. I didn't hear the Minister of Agriculture stand up saying we're pleased that the cheques are in the mail from the Western Special Grain Program, or the Member for Lac du Bonnet who is more interested in looking after his friends on a quick land flip than he is the farmers of Western Canada. Yes, Madam Speaker, he's more interested in his buddy making a quick land flip and a big profit than he is in acknowledging the fact that farmers of Western Canada got a big payment and the cheques are in the mail today. I would have thought it would have been appropriate for the government to acknowledge that.

Anyway, Madam Speaker, how about the federal farm fuel tax rebate? There's another one. They extended that for \$200 million worth of benefits to western Canadian farmers. Federal Governments take taxes off; NDP Governments put taxes on.

Madam Speaker, I could touch on a lot more, but there are some positive initiatives that mean something real to the people of Manitoba. I should take the time again to refresh the member's minds. Of course, I am a strong supporter, Madam Speaker.

**MADAM SPEAKER:** The Honourable Member for Arthur only has three minutes left. Surely, members can be patient with their remarks until he finishes.

**MR. J. DOWNEY:** Madam Speaker, I just want to touch on a couple of more initiatives. I think they're extremely

important to the people of Manitoba and I'll make reference to them.

I understand, and this is a document which I have just received from my colleague from Gladstone: Together with the provinces, the Federal Government will discuss implementing the use of alcohol-blended gasolines. This could provide a new domestic market for grain. I would fully encourage this Government of Manitoba to pick up that initiative and support and work with the Federal Government because it, in fact, will be the replacement for leaded gasoline by 1991, making a tremendous market for the feedstocks and the grains of this country, leaving a by-product for livestock feeds. I encourage the Minister of Agriculture to get off his duff, get his head out of the socialist sands and get on with something constructive.

Madam Speaker, there are major initiatives in soil conservation which could enhance the incomes of farmers living on marginal land and preserving that land for future generations of consumers and farmers, putting it into a reserve that's going to conserve that soil for a time when we need it when we don't have such large grain stocks - again a major initiative which one would encourage the Minister of Agriculture to participate, to get into the real world of what's going on and not keep his head buried in the sands of socialism with his colleagues. I'd expect better of him.

Madam Speaker, I will conclude my remarks by saying that No. 5 in the resolution that was introduced by my leader, when it says, "Thereby lost the confidence in this House and the people of Manitoba," I believe this government has lost the mandate to govern. They're hanging on, Madam Speaker, by a dissident member who spoke strongly against him; who, if he was truly representing his constituents and not himself, would vote with the Conservative Party to bring some economic sanity to guarantee health measures and policing care to the people of this province and essential services to Manitoba and bring down that ever-rising deficit to a more manageable level and remove some of the dead weight of interest charges on the people of Manitoba.

I, therefore, urge the Member for St. Vital to represent his constituents as they would have him do, Madam Speaker, and vote for this amendment and against an incompetent collection of people who are on the government side.

Thank you.

**MADAM SPEAKER:** The Honourable Minister of Government Services.

**HON. H. HARAPIAK:** Madam Speaker, it's always interesting to get up and follow the Member for Arthur, a former Minister of Agriculture who, if he feels strongly about the whole issue of agriculture, would have gotten up and given us some positive suggestions as to what we are doing in the whole area of agriculture. Instead, he goes into the usual rhetoric that he goes into and condemns us. I'm not surprised, Madam Speaker, because I received today some calls from the Member for Arthur's constituency, and he must suspect that there's an election coming because he is planting the old idea of socialism and communism being one and the same very strongly in his constituency. That's the

message we are getting back from the members from his community. I guess that's the old scare tactics that they've used to great success in previous times, Madam Speaker, where they feel they have to pull out all the stops and start hollering communism every time they talk to one of their constituents and they are trying to scare their people off, but it isn't going to work.

I am pleased, Madam Speaker, to speak in favour of this Budget. It is a Budget that is showing the direction that we're going to be following in as a government during some very tough times. Madam Speaker, I am proud of the Minister of Finance who has presented this Budget. I think it is very responsible. It shows the

priorities that we as a government have and we are continuing to follow those priorities.- (Interjection)-

Madam Speaker, I'm wondering if the members want to call it six o'clock and start fresh tomorrow. Maybe I could be heard tomorrow.

**MADAM SPEAKER:** Order please, order please. Order please.

Is it the will of the House to call it 6:00 p.m.? The hour being six o'clock then, the honourable member will have 37 minutes remaining when this matter is again before the House.

This House is accordingly adjourned and will stand adjourned until 1:30 p.m. tomorrow. (Wednesday)