

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 20 March, 1987.

Time — 10:00 a.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 Agriculture.

HON. B. URUSKI: Madam Speaker, I have several reports that I would like to table: The Milk Prices Review Act for the 1985-86 year; The Manitoba Water Services Board for the 1985-86 year; and the Department of Agriculture Report for the 1985-86 year.

I want to indicate to honourable members that we have limited copies of the Agricultural Report. We will have all copies for honourable members once they are received from the printer but, because of our Estimates coming next week, I thought I would provide a number of advance copies for both caucuses so that when they are back from the printers all the printed copies will be there, Madam Speaker.

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Madam Speaker, I have a ministerial statement.

I am pleased to table the Consultation Paper entitled "High School Education: the Issues" prepared by Manitoba's High School Review Panel.

It's been well over a decade, Madam Speaker, since we have taken an in-depth look at how well our high schools are serving the needs of today's students.

I think we all recognize that the time has come to renew the system so that students have the opportunity to acquire the necessary knowledge, skills and attitudes to meet the challenges of tomorrow.

Technology, the economy, and society have been changing at an increasingly rapid rate over the past few years, placing new demands on our schools that force us to re-examine our assumptions and readjust our perceptions of options.

Last August, I announced the details of the terms of reference for the review:

- to examine the strengths and weaknesses of the existing high school programs in Manitoba;
- to study problems, issues and opportunities in high school education;
- to provide an opportunity for public discussion about possible options for the future of high school education in the province; and

- to recommend appropriate changes to the high school programs.

A 21-member panel, representing all sectors of the education community and all regions of the province, was appointed to identify the issues for public discussion.

In addition, a youth subcommittee was formed to ensure that the views of those most affected by the high school system were heard.

This consultation paper is the result of a great deal of work by the panel and the subcommittee.

Madam Speaker, I would like to take this opportunity to express my sincere appreciation to those groups for the considerable time and effort that they have devoted to the task of defining for us the important issues which confront Manitoba's high schools.

The paper identifies for discussion such issues as youth employment, curriculum content, the balance between basic and optional programs, and the impact of technology on schools.

I want to stress that this is just the beginning of the review process.

The consultation paper is a point of departure for public discussion of the issues throughout the province.

This is an opportunity for us to set the direction for high school education into the next decade and beyond.

In order to truly reflect the concerns and expectations of all Manitobans, all interested groups and individuals are being encouraged to make representations to the panel.

The panel will begin a series of public meetings on April 29, and will visit 10 regions in the province during May and June to hear presentations from interested groups and individuals.

Written submissions will also be welcomed.

Following this consultative process, the panel is expected to prepare a final report by January 1988.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Fort Garry.

MR. C. BIRT: Thank you, Madam Speaker.

I welcome the opportunity to make comments on the paper, or comments that the Minister of Education has just made. I note with a bit of humour that the Minister refers to it as a discussion paper, but this document that is going to be provided to the public for part of this debate is anything but a paper. It's almost like a campaign brochure, because we'll find four pictures of the Minister spread throughout this particular document, and it seems to be a review here for the Minister's run for the premiership position of the province.

The other interesting thing, Madam Speaker, is that it has some 24 pages in it, but only about eight of them relate to the questions that the public are going to be involved in. So one has to wonder why the Minister squandered a great deal of taxpayers' dollars in

preparing this political brochure, instead of trying to husband those scarce tax dollars and spend them in a more meaningful way.

The last page indicates when there is going to be a schedule of public meetings. Now, it is the 20th of March. The first hearings are scheduled for the 19th of April in Winnipeg. As I've indicated, Madam Speaker, there are a great number of questions, all very broad, in this particular paper or pamphlet.

Just to give you an example of one of the questions that is being asked - it is going to take some considerable time. As it says, while the role of the school has always gone beyond simple transmission of knowledge, societal changes have made it necessary for schools to take an increasing responsibility for the moral, aesthetic, social, emotional, psychological and physical development of students. That cannot be answered in a matter of five weeks. All the other questions are of a very broad nature as well, Madam Speaker.

This type of paper and the questions being asked require a great deal of time for all of the public to consider, to digest and give an informed response to. I would suggest that the schedule set up by the Minister is nothing more than a whitewash system to run it through without proper consultation by the public.

It's interesting, Madam Speaker, that we on this side have pressed the government for some time to open up the whole debate on this high school review, and they seemed reluctant to have done so. One group that has been very involved over the past few years is a group called the Parents' Network. They have, this morning, given the Minister of Education this booklet outlining their position on education.

My request to the Minister is: As they have put together, on a voluntary basis, a very massive document dealing with the question of public education in this province, would he make this available to all the people who are interested in it and also get them involved in the review process so that people can see what some parents have done and are prepared to do and are concerned about in their public educational debate?

So I welcome this opportunity to respond to the Minister, and I hope that he would extend the time for hearings because it's important that we get all of the views of Manitobans involved in this review. If it's rushed through and finished by June 19, then I think the work of the committee will be poorly handled and perhaps the true answers and educational responses will not be met and we will be the poorer for it.

Thank you.

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 50 students of Grade 9 from the Windsor School. The students are under the direction of Mr. Alex Blando, and the school is located in the constituency of the Honourable Member for St. Vital.

On behalf of all the members, I welcome you to the Legislature this morning.

ORAL QUESTIONS MPIC - who will conduct internal review

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker. My question is for the Premier.

Yesterday, the Minister responsible for MPIC announced that he was ordering an internal review of MPIC with respect to reinsurance and retrocession losses. My question to the Premier is: Who will be conducting that review?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I'll have to take that question as notice.

MR. G. FILMON: Madam Speaker, is the Premier indicating that this review, the basis of which is going to form the information that we, as an Opposition, and indeed the committee that's to sit on Tuesday, are going to know the details of some massive losses of \$36 million at MPIC on reinsurance, that he doesn't know about this review or who's conducting it?

MR. D. ORCHARD: It's a hasty cover-up.

HON. H. PAWLEY: Madam Speaker, first, as indicated yesterday, and I know the Leader of the Opposition appears not to be anxious to await the full and complete meeting of the committee that will take place on Tuesday, a meeting that will attempt to deal with all the concerns, all the questions on Tuesday relating to the reinsurance losses from 1976 right on up to 1984, circumstances relating to same. The committee will deal with all questions of concern, all matters that honourable members would like to raise at that committee meeting, including any questions pertaining to the review of the reinsurance finances.

MPIC - terms of reference and reporting of review

MR. G. FILMON: My further question to the First Minister is: In view of the fact that the Minister had put this forward as his response to a very serious and legitimate concern about a \$36 million loss on reinsurance at MPIC; in view of the fact that this was put forward as the response, a review that he had ordered, can the Premier indicate what are the terms of reference of that review, and who will the review be reported to?

HON. H. PAWLEY: Madam Speaker, the question of the terms of reference and whatnot, are matters certainly the Minister will provide, either today or Tuesday.

MPIC - resignation of Minister and public inquiry

MR. G. FILMON: Madam Speaker, in view of the fact that the Minister is on record as having said that he raised concerns about reinsurance losses as early as

1983, and then subsequently said that he had no idea of the seriousness of the losses until just this past fall, will the Premier not now acknowledge that he must remove the Minister responsible and cause a full public inquiry into the matter, so that we can understand what the role of the Minister was, so that we can understand what his knowledge was, and so that we can understand why he was involved in what appears to have been a cover-up of \$36 million of losses in reinsurance at MPIC?

HON. H. PAWLEY: Madam Speaker, if there is to be a proper review and a comprehensive review as to all the circumstances, we have to certainly trace right back to 1976.

Since 1976, there have been three different Ministers, including the Honourable Member for Lakeside who was Minister during much of the period that is a matter of substantial concern, because of the large amount of losses that were encountered as a result of treaties that were entered into during the time that the Member for Lakeside was the Minister responsible for the Manitoba Public Insurance Corporation, and the Member for Minnedosa, at the same time as those treaties were being written, sat in the Manitoba Public Insurance Corporation.

So, Madam Speaker, all matters from 1976 to 1984, including questions pertaining to the responsibility of the present Minister responsible for Public Insurance Corporation, will be reviewed, and this government is anxious to be as open as we can, but not to be open and ignore what took place from 1977 to 1981.

Madam Speaker, we will want to address questions relating to that period of time and to answer concerns that certainly members on this side of the House will raise in regard to treaties that were entered into from 1977 to '81, losses that were encountered as a result of those treaties, also of course, to deal with the legitimate questions that honourable members are raising pertaining to the more recent stewardship.

MPIC - availability of information to Committee

MR. G. FILMON: Madam Speaker, in view of the fact that the Minister responsible has publicly contradicted himself about when he knew about reinsurance losses and what he knew about insurance losses and who caused the matter of reinsurance losses to be investigated; in view of the fact that he has contradicted himself about whether or not the matter was raised at the committee hearings in April of '85 and again in July of 1986; in view of the fact that the Minister is the one who's accused of having ordered a cover-up; and in view of the fact that the Board of Directors, the NDP-appointed Board of Directors have been accused of asking that the matter of reinsurance discussion not be included in the minutes of the board meeting of MPIC, will the Premier not acknowledge that these allegations, that this information and the apparent contradictions of the Minister are of such a serious nature that the integrity of this Minister and the integrity of the government are at stake, and we must have a public inquiry? Will he not cause that public inquiry to be formed as of today?

HON. H. PAWLEY: Madam Speaker, I understand very well the concern of the Leader of the Opposition to restrict any questions to the last several years, to restrict public inquiries so it can be a judge, jury and prosecutor, and not to deal with the larger issue of what took place from 1976 right up to 1984.

Madam Speaker, we're anxious to deal with the entire eight years and responsibilities spreading over the period of three Ministers responsible for the Manitoba Public Insurance Corporation, not the Minister who was the effective cause of cutting off the continued issuance of the treaties that gave rise to the province. It was this Minister, in 1984, Madam Speaker, that took action that should have been taken earlier.

MR. G. FILMON: Madam Speaker, I accept the concern of the Premier and I'll allow it to go back as far as he wants - 1975, 1984 - a full public inquiry, open it right up.

MADAM SPEAKER: Does the honourable member have a question?

MR. G. FILMON: Madam Speaker, in view of the fact that when a member of the Board of MTS was removed just a month or so ago, one Bidhu Jha, the Minister responsible said he was removed because of a perceived conflict of interest and that it was a very, very awkward situation that his company had some business dealings, will the Premier not acknowledge that this is a very, very, very awkward situation in which the Minister responsible stands accused? In fact there is evidence to indicate some verification of that allegation, that he had some prior knowledge - a great deal of prior knowledge - of reinsurance losses and that he was involved in a cover-up of those losses. Is that not a very, very awkward situation that should call for the removal of this Minister responsible and a full public inquiry?

HON. H. PAWLEY: Madam Speaker, I am disappointed that the Leader of the Opposition would suggest the removal or the adjudication of guilt upon any individual at this particular stage. The House Leader yesterday, for the government, indicated there will be a meeting of the Public Utilities and Natural Resources Committee.

What is the Leader of the Opposition afraid of? Why does the Leader of the Opposition want to prejudge this matter before the Minister's had an appropriate opportunity to speak to the committee to address the concerns and questions that will be raised?

Madam Speaker, we intend to be just as open with the information as we can be on Tuesday, but we will not prejudge; we will not predetermine; we will not restrict our questions to one Minister, to one great period of time, Madam Speaker. We want to deal with the larger question involving eight years, involving three or four Ministers who were responsible, so that we can, in an open and a clear manner, in a comprehensive manner, obtain all the information, unlike the Leader of the Opposition who is simply interested in making partisan points ahead of the Public Utility hearing next Tuesday.

MPIC - Opposition to review minutes

MR. G. FILMON: Madam Speaker, I'm delighted that the Premier is offering to give us full information. Will

he then now instruct the president and general manager of the Manitoba Public Insurance, one Robert Silver, who yesterday refused to allow our Director of Research to review the minutes of the Board of MPIC, which we had been given an opportunity to do so with respect to MTS and MTX last summer. We were allowed to have the opportunity to review the minutes. Will he now instruct Mr. Silver, as the shareholder on behalf of the people of Manitoba, to allow us to review the minutes of those board meetings?

HON. H. PAWLEY: Madam Speaker, I believe that the minutes should be made available, subject to the usual conditions pertaining to commercial confidentiality vis-a-vis competitive items, as was done with the MTX minutes. On that condition, I believe that the minutes ought to be certainly accessible to members.

MR. G. FILMON: Madam Speaker, I accept the fact that's what the Premier believes, but it took us several weeks to get Brandon University to allow us to have public access to the settlement of Dr. Perkins . . .

MADAM SPEAKER: Does the honourable member have a question?

MR. G. FILMON: . . . will he then let the House know today that he will give instructions today to make those minutes available to our Director of Research?

HON. H. PAWLEY: Madam Speaker, what I indicated will indeed be the case. The minutes will be accessible subject to ensuring, as I indicated earlier, that items pertaining to commercial confidentiality are protected. With that condition, Madam Speaker, the minutes will be certainly made available.

MPIC - reinsurance losses - date Minister informed of

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Madam Speaker, my question is for the Minister responsible for Autopac.

Madam Speaker, to the Minister, in 1984, prior to the last provincial election, were you given a report on the \$12 million of reinsurance loss in 1984?

MADAM SPEAKER: Order please.
The Honourable Minister responsible for MPIC.

HON. J. BUCKLASCHUK: Madam Speaker, in response to that question, I certainly was provided with a report as to the potential losses in the General Division of MPIC, as was the board. That is duly noted in the minutes. It was only in the last six or seven months, as I've indicated a number of times, that I was apprised that information provided to us in 1984 was tremendously underestimated. In 1984, the potential loss that we were shown was \$12 million or \$14 million. Six or seven months ago, we have been advised that the real situation was around \$36.7 million.

MR. D. ORCHARD: I thank the Minister for that clarification of an answer he did not give either inside or outside this House earlier on.

MPIC - reinsurance information portfolio

MR. D. ORCHARD: Madam Speaker, my next question to the Minister responsible, I believe he received a letter from myself this morning requesting certain information in preparation for Tuesday's meeting of the committee. Can the Minister indicate whether the information on the reinsurance portfolio as requested will be available for Tuesday morning for discussion at that meeting, as his Premier has promised will be the case, that a full answer will be provided?

HON. J. BUCKLASCHUK: Madam Speaker, I will confirm that I did receive a letter about half-an-hour ago, requesting copious information as to the activities of the reinsurance division. It is my intention to provide as much as possible of that information by Tuesday morning. However, I should indicate that information requested is considerable and I cannot guarantee that we will have all that information, but we'll do the best we can.

MPIC - witnesses subpoenaed for inquiry

MR. D. ORCHARD: Madam Speaker, my question is for the Premier.

Madam Speaker, will the Premier, as head of this Provincial Government, assure that the ability is there for witnesses to be subpoenaed on Tuesday morning's MPIC hearing so that we can have individuals who may wish to testify and provide information, individuals who may have been dismissed by this government, available for the committee Tuesday morning? Will he give that assurance to the House?

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, as this really is a matter of the functioning of the committee, I can indicate that the practices that were followed in the previous Standing Committee reviews of MTS and MTX particularly, will be followed.

If there are individuals who come and want to appear before the committee, we on this side would not stand in their way, but it is up to the committee itself to determine if they will in fact hear them before the committee.

MPIC - testimony at committee

MR. D. ORCHARD: Madam Speaker, that begs a supplementary question to the Premier.

Given that his NDP Government has a majority of members on the committee, will he, as leader of that government, assure that his majority will not prevent any member, former or past, from appearing at the MPIC hearing on Tuesday by having his majority vote down such a request which may be made by members of the Opposition?

HON. J. COWAN: I very clearly indicated, Madam Speaker, that it is up to the committee to determine how it will undertake its proceedings.

We have not, in the previous committee hearings on MTS or MTX, stopped any person who was involved in the matter from appearing and giving testimony before the committee, not under oath, not on a subpoena, because they have a responsibility to speak the truth when they are before those committees. But we said very clearly in those instances that we would not prevent individuals from doing so if they so wished to do so. And I can tell you in this particular instance, if there are those individuals who have that direct relationship to the issue under discussion and they want to appear before the committee and they want to enter into some of the discussion at the committee and it is relevant to the work of the committee, members on this side would not stand in the way of those persons answering questions.

As a matter of fact, members on this side might in fact want to ask some questions of their own of those individuals. So very clearly, in response to the question from the Member for Pembina, we would in no way stand in the way of the committee deciding that, if those individuals appear, they wanted to hear those individuals appear.

We've always said, in those committee hearings and in this House, that we want the full and factual information to come forward, working within the process, rules and proceedings of this House and those committees, and we stand by that commitment. We have always lived up to that commitment and we believe that commitment is in the best interests of the general public who have a responsibility and a right to have that information put before them.

MPIC - former Minister at committee

MADAM SPEAKER: The Honourable Member for Pembina with a final supplementary.

MR. D. ORCHARD: Thank you, Madam Speaker. My question to the Premier then follows on the answer of complete and open cooperation of the NDP committee members.

Will the former chairman of the board of Autopac, one Len Harapiak, now the Minister responsible for Natural Resources, be at the committee to answer relevant questions as to his knowledge prior to the 1986 election of the reinsurance losses in MPIC, and will he be there in a capacity to answer those questions to the committee?

HON. J. COWAN: Madam Speaker, any member of this House, whether it be the Member for Swan River or the Member for Lakeside, has an opportunity to appear and participate in the discussions of any standing committee.

It will be up to individual members to determine whether or not they want to attend those meetings and whether or not they want to participate in those particular discussions. So I would assume that, if the Member for Lakeside or other members on that side of the House who are not members of the committee wish to attend or if the Member for Swan River or other members on this side of the House who might wish to attend wish to do so, they will do so, and they have the right to involve themselves in the discussion at any time.

Questions in committees are addressed through the Chair to the Minister responsible, as is in keeping with the procedures as outlined in our Rules, and the procedures as outlined in Beauchesne, and the procedures that have been followed not only by this government in its term of office but by members opposite when they were in office. So the procedures are fairly well established, the rights of any member to attend the committees are well established, and I'd be interested to see if the Member for Lakeside is going to be at that committee hearing.

Small Business Loan Program - implementation of

MADAM SPEAKER: The Honourable Member for Portage la Prairie.

MR. E. CONNERY: Thank you, Madam Speaker. Madam Speaker, on March 16, the Minister . . .

MADAM SPEAKER: Order please. The Honourable Member for Portage la Prairie has the floor.

MR. E. CONNERY: Thank you, Madam Speaker. On March 16, the Minister of Finance announced an increase, a 50 percent increase in the payroll tax, and it will be implemented on April 1. In the 1986 Throne Speech, the Minister announced a new \$50 million Small Business Loans Fund, and \$10 million was authorized in Loan Act (2) of last year.

Will the Minister of Business Development and Tourism tell us when this new program is finally going to be announced and put into implementation?

MADAM SPEAKER: The Honourable Minister of Business Development and Tourism.

HON. M. HEMPHILL: Thank you, Madam Speaker. It's my pleasure to indicate to the members opposite that we will be announcing the details of this program very soon.

Manitoba Small Business Growth Tax - implementation of

MR. E. CONNERY: Madam Speaker, this year the Minister of Finance also announced a new Manitoba Small Business Growth Fund. Will it take as long for this new program to be implemented as the one that was announced last year? To the Minister of Business Development and Tourism - it's your program, you know it's in there, do you?

HON. M. HEMPHILL: No, Madam Speaker.

Payroll Tax - review of

MR. E. CONNERY: Madam Speaker, to the Minister of Business Development and Tourism.

Last October, the Minister announced that there should be a review of that hated payroll tax. Madam Speaker, the Minister knows that business and tourism

industries tell us the payroll tax is the greatest disincentive to business establishment and expansion.

MADAM SPEAKER: Does the honourable member have a question?

MR. E. CONNERY: Will the Minister now tell us what kind of a review the Minister was contemplating when we saw that the payroll tax was increased 50 percent? Was that the review that she was indicating?

HON. M. HEMPHILL: We did do a review, and the results of the review I'm glad to say, Madam Speaker, helped us make the decision that we made to exempt the number of small businesses from the health and education levy.

Madam Speaker, the members of the tourism industry who met at a conference recently last week were delighted to hear that the health and education levy reduction for small business was going to eliminate the levy for 3,700 small businesses, most of whom are in the service sector and in the tourism industry. They were delighted with that, Madam Speaker.

The fact that we have had one of the largest numbers of increases in business of any province in our country, 5,000 new business starts last year, is an indication of the good programs, policies and stability of our economy of this government.

Sugar beet industry

MADAM SPEAKER: The Honourable Member for Lac du Bonnet.

MR. C. BAKER: Thank you, Madam Speaker.

Yesterday I received a letter from a farmer who was concerned about the sugar beet industry in Manitoba. I realize full well that the Federal Government reneged on their promise that we would not have to participate as a province after 1985. Are we prepared to do anything for the sugar beet industry?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, I want to thank my honourable friend for the question, because there's no doubt that agriculture and the sugar beet industry have been very important to this side of the House, and members opposite obviously are not very concerned about agriculture in this province. They don't even ask a question.

Madam Speaker, for my honourable friend's information, we were given . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

HON. B. URUSKI: Madam Speaker, we were given two commitments in 1985 by the Federal Minister on behalf of the Federal Government, the Honourable Charlie Mayer, that they would have a sugar sweetener policy in the year 1985, and that they will not require any further financial participation by Manitoba Government

beyond the 1985 crop. They have reneged on both commitments. Madam Speaker, not only that, the Tariff Board is bringing down its report within the next two weeks.

We had asked the Federal Minister to continue the present relationship with the sugar beet industry, pending their report and bringing in a national sugar sweetener policy. They have reneged on that. Instead, they unilaterally brought down a so-called tripartite scheme which we have rejected. But we are prepared, Madam Speaker, to make a long-term commitment to the sugar beet industry of an excess of \$3 million over the next 10 years to make sure that workers and producers are in fact protected, notwithstanding the lack of commitment by the Federal Conservatives.

MADAM SPEAKER: The Honourable Member for Lac du Bonnet with a supplementary.

MR. C. BAKER: Madam Speaker, in attending the annual meeting of the sugar beet producers, I noted that the people who had the highest yields were the ones who seeded the soonest.

I was wondering if the Minister could make sure that there would be some arrangement and agreement with the sugar beet producers as soon as possible so those people could put their minds at ease and know where they're at.

HON. B. URUSKI: Madam Speaker, certainly, we do not want to place producers, because of this unilateral action by the Federal Government, in the same position as we were placed in 1985. It was fast coming to that, Madam Speaker.

I want to table in this House the letter that I sent yesterday to the Honourable Charles Mayer, indicating our financial support to the industry, and that there will be a long-term commitment so that producers and workers can continue without the kind of uncertainty they've had in this industry over the last two years as a result of the lack of commitment by the Federal Conservatives.

Payroll tax - removal from health care facilities

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My question is to the Minister of Health.

During Budget night, the Finance Minister, and again today the Minister of Business Development and Tourism, spoke about the payroll tax as affecting corporations and implied that these are large profit-making corporations.

Would the Minister of Health tell this House if he will urge the Minister of Finance to remove the payroll tax from health organizations who are going to have to offer deteriorating health care services because of the payroll tax? It will cost the Health Sciences Centre alone an additional \$850,000.00.

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Madam Speaker, the final decision has not been made in this. We're looking at the deficit of these large institutions, and there will be directives going to them very soon.

Payroll tax - removal from post-secondary institutions

MRS. S. CARSTAIRS: Madam Speaker, a question to the Minister of Education.

Will the Minister of Education urge the Finance Minister to remove the payroll tax from post-secondary institutions who are suffering from the same kind of burden - \$180,000 for the University of Winnipeg, \$500,000 to the University of Manitoba - as a result of this unfair tax?

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Thank you, Madam Speaker. I would just like to indicate to the member that in the last year the grants to universities have increased by 5.2 percent. There was a \$20 million announcement in the Budget to support that.

Madam Speaker, in terms of increases to universities and supporting them, we have been very cognizant of the important role they play in the province. I have indicated to the universities that we will be looking at the additional costs that have come about as a result of increases to the health and post-secondary education levy, and that if adjustments are necessary, we will be making them.

Continuing Education - funding cuts

HON. J. STORIE: Madam Speaker, while I'm on my feet, I would like to also answer a question that was raised by the Member for River Heights on March 16 concerning the Continuing Education Division.

Madam Speaker, I can indicate that the member raised concerns about the career upgrading funding to the Continuing Education programs in the province. We have and are continuing to fund those programs contrary to the implication left by the Member for River Heights.

The questions raised by the Member for Fort Garry, I should indicate, Madam Speaker, that I will be passing on his gratuitous slap in the face to the 21 people who prepared this report. Madam Speaker, I will be passing on his unfortunate comments to the trustees, the teachers, the parents and the working people who prepared this high school report and consider it an important issue.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

MR. C. BIRT: Madam Speaker, on a point of order.

As the Minister of Education has had a chance to respond to my response to the ministerial statement, may I respond to his ministerial statement?

MADAM SPEAKER: Order, order please. Order please.

MR. C. BIRT: If we can get into a debate on ministerial statements, I'd like to get . . .

MADAM SPEAKER: Order please!

Would the Honourable Member for Fort Garry please wait until I recognize him on his point of order? I never got to hear his point of order. Would he like to express it quietly?

MR. C. BIRT: Yes, Madam Speaker.

Will I be given the same privilege to respond to the Minister's answer to my response to the ministerial statement as he has just done in answer to another question that was asked by the Member for River Heights?

MADAM SPEAKER: As the Honourable Member for Fort Garry well knows, it is common practice in this House for Ministers to take questions under advisement and to respond to those questions in question period.-(Interjection)- Order please.

The Honourable Minister of Education was answering two questions. He was answering the question the Honourable Member for River Heights asked this morning, plus another one he had taken as notice. Honourable members cannot dictate the content of an answer, nor can I.

The Honourable Member for Fort Garry on a point of order.

MR. C. BIRT: Madam Speaker, on the same point of order.

The rules say that he can respond to the questions asked in any way, shape or form. He finished his answer to the Member for River Heights. He then gave another answer, previously asked by the Member for River Heights. Then he proceeded to respond to my comments made in response to his ministerial statement. The only thing I want, Madam Speaker, is a chance to respond to the Minister's gratuitous comments taken out of context.

MADAM SPEAKER: The honourable member does not have a point of order. A dispute over the facts is not a point of order.

Payroll tax - removal from non-profit organizations

MADAM SPEAKER: The Honourable Member for River Heights with a final supplementary.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My supplementary question is to the Minister of Finance.

Will the Minister of Finance agree to remove the payroll tax in this province on all non-profit and charitable corporations in the Province of Manitoba?

MADAM SPEAKER: The Honourable Minister of Finance.

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

As was indicated, there has been a further reduction on the levy by some 3,700 employers in the Province

of Manitoba, which include a great number of non-profit organizations that are working on behalf of Manitobans, so they have been excluded from the payment of that levy, but the member fails to recognize when she deals with the question of levy what is happening on the other side of the equation, Madam Speaker.

As a result of this Budget, there is a considerable amount of money going to health care in our province - \$118 million more. There is a considerable amount of money going to education, which is different from what is going on in other provinces. If we would have the kind of support through equalization and through the shared costs of health and education from both the previous Liberal Government and the present Conservative Federal Government, we would not have to have these kinds of tax increases in the Province of Manitoba.

Universities - funding lower than rate of inflation

MRS. S. CARSTAIRS: Madam Speaker, to the Finance Minister, the Minister makes reference to my failure, but I would like to know from the Minister, is it not true that our universities have a 3.9 percent operating increase this year and that is, indeed, below the rate of inflation.

MADAM SPEAKER: Would the honourable member like to rephrase her question? The honourable member asked if a statement she was bringing before the House was true or not true. It's a member's duty to verify the facts of a statement she brings before the House.

MRS. S. CARSTAIRS: Madam Speaker, I did not refer to my information as unfair. He did.

Madam Speaker, my question to the Minister of Finance is, the increase to operating grants to universities in this province is 3.9 percent, which is below the rate of inflation, and therefore this payroll tax places an unfair, inequitable burden upon them.

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Madam Speaker, I think the Member for River Heights is well aware of the fact that the grants to universities have been announced, and the increase to operating and miscellaneous was some 5.2 percent. The allocation, Madam Speaker, is different between the universities depending on their individual circumstances. I've made it clear to this House on many occasions that increases to universities have exceeded inflation by at least 20 percent, Madam Speaker, and I don't know what more the member wants.

Madam Speaker, we have been fair. She can certainly compare our treatment of universities to any other province and we will compare very favourably, Madam Speaker.

Highways Department - fees

MADAM SPEAKER: The Honourable Member for Minnedosa.

MR. D. BLAKE: Thank you, Madam Speaker. My question is to the Minister responsible for Highways and Transportation.

In view of the substantial increase in estimated revenues in his department, some \$10.6 million, I wonder if he can tell us how much of these fees have increased and what fees they were under category A?

MADAM SPEAKER: The Honourable Minister of Highways and Transportation.

HON. J. PLOHMAN: Madam Speaker, I think that this kind of question is one that should be dealt with during the Estimates process. I understand the Department of Highways and Transportation will be the second committee up in the committee room, second department, and we can get into the details of this at that time.

Driver's licence and vehicle registration - fee increase

MR. D. BLAKE: I wonder if the Minister might inform the members of the House and the public if the driver's license fees have increased and vehicle registration fees have increased and by how much.

HON. J. PLOHMAN: I think, Madam Speaker, that information on these questions was contained in the Budget by the Minister of Finance and the member can certainly get some of that information there. He will be able to get the rest of the information, as I have indicated, during the discussion of Estimates. The fact is, yes, these fees have increased, Madam Speaker, and the details of those increases will be available during Estimates' discussion.

MR. D. BLAKE: A final supplementary, Madam Speaker.

Now that the Minister has indicated that he is not sure what fees have increased, some \$11 million in increased revenues, and we note the increase in his Highways' spending budget, we'll certainly be interested in finding those answers when we get to Estimates.

Native girl - charges re rape

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Madam Speaker, I have a question for the Attorney-General.

MADAM SPEAKER: Order please, order please.
The Honourable Member for St. Norbert.

MR. G. MERCIER: I have a question for the Attorney-General, Madam Speaker, relating to the 14-year-old Native girl who is now being reunited with her family and was allegedly gang raped by as many as, I'm informed, seven persons, not just young boys but one 26-year-old and one 27-year-old.

Can the Attorney-General indicate whether charges have been laid or will be laid shortly?

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: I'll take that question as notice, Madam Speaker.

Legal Aid - application for certificate to sue Awasis Agency

MR. G. MERCIER: Madam Speaker, a supplementary to the Attorney-General.

I understand that an application will be made to Legal Aid for a legal-aid certificate to sue the Awasis Agency for gross negligence in this matter on behalf of the young girl and/or her family. Would the Attorney-General request that, if it's possible, a certificate for legal aid will be granted?

HON. R. PENNER: I'm not unsympathetic to the point that is being raised by the honourable member, but I think that he would be the first to agree that it would be a serious error for the Minister to begin interfering in specific applications for legal aid.

Legal aid is a process which is based in Statute, pursuant to which legal-aid certificates are granted on application, and I would doubt very much whether an application of the kind that he is talking about would be refused unless it was not within the guidelines set by the Statute. From time to time, a question is raised with me about a particular refusal, and I will always follow that up if there is a refusal, but I would like the process to take place in the regular way. Certainly, if there is a refusal, I will be inquiring into it.

Native girl and parents - compensation to

MR. G. MERCIER: A supplementary question to the Minister of Community Services, Madam Speaker.

As it appears that the Awasis Agency was negligent in handling this matter, will her department consider financial compensation to this young girl and/or her parents?

MADAM SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: I'll take that question as specific notice, Madam Speaker. We are also very concerned about the Agency's handling of this particular case.

Highway 75 - twinning with I.29

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you, Madam Speaker.

It is obvious that the capital budget of the Department of Highways, Madam Speaker, is undergoing yet another significant decrease. It's also been indicated, Madam Speaker, that the department is not going to proceed with any further construction on the twinning of Highway No. 75.

Given the fact that our foreign tourism industry is failing badly for a number of reasons, one which happens to be the horrible connection with Interstate 29, can the Minister of Highways and Transportation indicate why the twinning of Highway No. 75 has not been given the highest priority within his capital expenditure Estimates?

MADAM SPEAKER: The Honourable Minister of Highways and Transportation.

HON. J. PLOHMAN: Madam Speaker, it's obvious again that the Member for Morris is bringing misinformation to this House when he says that the budget is enduring a reduction this year. That is not the case. Anyone should be able to read the budget and be able to get the information from the Estimates that that's not the case.

The fact is, Madam Speaker, that the Interstate 29 that the member refers to was 90 percent funded by the U.S. Government - not by the State Government, by the U.S. Government. They have a special levy of some \$13 billion a year by the National Government for interstate highway improvement in the United States. This National Government in Ottawa that we have has only small amounts that they dole out politically in the Atlantic Provinces and in the Prime Minister's riding and very little in the Province of Manitoba and Western Canada.

MADAM SPEAKER: The time for Oral Questions has expired.

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before we move to Orders of the Day, may I direct attention of honourable members to the gallery, where we have 23 students of Grade 9 standing from the Lockport School. The students are under the direction of Mr. Henry Wiebe, and the school is located in the constituency of the Honourable Member for Selkirk.

On behalf of all the members, I welcome you to the Legislature this morning.

Also, before moving to Orders of the Day, I would like all honourable members to join with me in wishing the Honourable Member for Minnedosa happy returns of the day.

PRESENTING PETITIONS

MADAM SPEAKER: The Honourable Member for Charleswood.

MR. J. ERNST: Madam Speaker, I ask leave of the House to present a petition to address to the Minister of Urban Affairs from the South Charleswood Community Association.

MADAM SPEAKER: Does the honourable member have leave? (Agreed)

MR. J. ERNST: Thank you.

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 thereto by the Honourable Leader of the Opposition, standing in the name of the Honourable Minister of Government Services.

HON. H. HARAPIAK: Madam Speaker, I am pleased to have the opportunity to participate in this Budget Debate.

Since it is my first opportunity to speak this Session, I would like to wish you well, Madam Speaker. I am pleased with the leadership that you have been providing this Legislature since it opened on the 26th of February. I know it is a difficult responsibility. Quite often, we don't give the members of this House the civility that should be quite often granted to the least of our brothers in society. We don't give that courtesy to some of the people in this House. It's unfortunate that we couldn't address members from across the floor in a more civil manner.

I would also like to welcome the new Pages, Madam Speaker. I know it is an excellent opportunity to witness democracy in action. I'm sure that they'll find it a very educational process.

I would also like to congratulate the Lieutenant-Governor, Dr. George Johnson. Together, we have had an opportunity to resolve some health problems in the constituency of The Pas, when Dr. Johnson was employed with the Department of Health. I am certain that he will serve the province in a very professional manner.

Madam Speaker, I would like to also congratulate the Minister of Northern Affairs, who has been named Minister since the last Session. I have had the opportunity to travel with the Minister of Northern Affairs, as a member of a part of a working group dealing with Limestone development. His first-hand knowledge of the needs of northern Native people have served us well. We were developing the training program for Limestone, and I know that he will continue to provide the Legislature with an insight that no other member of this House has been privileged to experience.

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

Mr. Deputy Speaker, I would also like to congratulate the Minister of Finance on the very thoughtful, fair Budget during these very difficult times.

Mr. Deputy Speaker, I was fortunate to accompany the Minister of Finance when he went out on his consultative tour throughout the province, speaking and listening to miners, forestry workers, farmers, municipal councillors, some school trustees and members of the business community. I know that he took the time to listen to their advice on how the financial resources of our province should be managed. I know that their advice has been taken into consideration, and a lot of the advice they received during this time was taken into consideration when he was developing this Budget.

He has continued to follow in the proud tradition that our previous Minister of Finance established of going around and consulting with people and getting their advice on how the people of this province would like to see our financial resources addressed.

HON. J. COWAN: It's a good way of doing things.

HON. H. HARAPIAK: It certainly is, and I would hope that we would continue that process. I know that the Ministers in other departments have also consulted with many members of the community on how we should be addressing many other areas of government.

Mr. Deputy Speaker, the members of the Opposition have been taking particular delight out of reading some of the local media coverage on the Budget Debate. I am sure they are not quite as pleased when they would read the article that appeared in yesterday's Globe and Mail. It's unfortunate that the people of Manitoba are not getting a very constructive coverage of what is happening in this Budget Debate. It's a very slanted point of view, a narrow point of view, outside of an article that did appear earlier this week by a writer by the name of Frances Russell. They have been really narrow in their viewpoint of how they have been addressing this Budget.

But in this particular article in the Globe and Mail - it's entitled "Manitoba's Fortunes" - "The province with the lowest unemployment rate and the highest projected economic growth through 1985 lies in Central Canada; its name is Manitoba. Only 6.7 percent of Manitoba's labour force was unemployed in February, compared with 6.8 in Ontario, 10.9 in Alberta and 13.3 in British Columbia. Last year, employment in Manitoba grew by 2.1 percent, compared with the national average of 1.6 percent. Employment in Alberta fell by 3 percent. The Royal Bank of Canada says that, in its latest outlook, Manitoba will lead all provinces in economic growth through 1995, with an average annual rate of 3.3 percent, which will be followed by the Provinces of Ontario and Quebec."

The article goes on, Mr. Deputy Speaker, to give some words of praise to our Premier, who has been doing an excellent job of leading us as a province, and showing some of the principle and philosophical differences we have in our approach to government as a New Democrat, Social Democrats, than the other Provincial Governments in Canada.

It goes on to say that a lot of the economic growth is coming because of the initiative we have taken in the Limestone Hydro Development Project. It also goes on to say that we should be concerned with the contracts being awarded, in much the same way as the CF-18 contract was awarded to a firm from Montreal rather than Winnipeg who had the most efficient contract, where we were not considered because the contract was given out on political grounds rather than on economic grounds.

It goes on, Mr. Deputy Speaker, to deal with this week's Budget. It says: "This week's Manitoba Budget also demonstrated political entrepreneurship by jumping out ahead of the Federal Tories in tax reform. 'There is unfairness in the federal system, because of the proliferation of exemptions and credits,' said Manitoba's Finance Minister, Eugene Kostyra."

So Manitoba imposed a 2 percent net flat tax on net income including capital gains, and added a surcharge to large corporations. When Federal Finance Minister, Michael Wilson, unveils his White Paper on tax reform this spring, Manitoba and the Federal New Democrats want to be well placed to claim credit that may be due. I believe that we are showing the leadership, and we are doing some of the things that the Federal Conservatives had received a mandate to do when they were elected in the last federal election. They were given a mandate, Mr. Deputy Speaker, to come out with a fairer tax system, but they have not had the courage to come forward with a fairer tax system. The people of Canada told them they were ready to accept

a fairer tax system, but unfortunately they haven't had the courage to implement that.

Mr. Deputy Speaker, Manitobans from all corners of the province recognize that agriculture is the backbone of the rural economy, but it also has a multiplying effect on the economy of the entire province. That is why, Mr. Deputy Speaker, this government has continued to provide assistance to agricultural industry during these difficult times.

We are doing much more on a per capita basis than what the Federal Conservative Government is doing. They continue to mouth that they are supporters of agriculture, but unfortunately they do not put their money where their mouth is. They have not been coming forward with the support that they have been promising. I think the latest example with the sugar beet industry is an example of where they have once again been falling down on written commitments that they have made to maintain the sugar beet industry and now they are backing out of that commitment and wanting to participate in the tripartite agreement once more - another broken promise by the Federal Conservatives who are not giving the very important industry of agriculture the support that it is so deserving during this time of difficulty they are going through.

Mr. Deputy Speaker, the constituency of The Pas has some of the most productive farm land in Manitoba, but unfortunately the agricultural community is facing the same financial difficulties that the rest of the Manitoba and Canadian farmers are facing.

The trade war that is going on between our giant neighbour to the south and the European Economic Community is certainly hurting the Canadian farmers. I don't know, Mr. Deputy Speaker, if we could win a fight in that trade war even if the Federal Government was to get involved, but it appears that the Federal Government has given up on helping Western Canadian farmers in helping him to survive during these difficult times but has instead chosen to assist them to get off the farm. So, you can imagine the detrimental effect this is going to be having on our small rural communities.

I think it is the time for bold leadership and I believe that the Manitoba Government has provided that leadership in this Budget. Mr. Deputy Speaker, the Minister of Finance has provided six new initiatives which I am sure will go a long way to helping the agricultural community survive during these difficult times.

The first of those six initiatives, Mr. Deputy Speaker, is a new \$12 million Special Farms School Assistance Program. The Border Fuel Dye Program will once more ensure that there is competition in meeting the fuel needs of farmers, and a special arrangement with Manitoba petrol industries to ensure that farmers receive tax-free coloured unleaded gasoline throughout the province.

The interest rate buy-down emphasis will be placed once again on young farmers, and farmers who have mortgages with MACC will be giving a long term lease agreement with the option of repurchasing that property if there is a viable operation, and MACC has been helping many farmers to survive when there is difficulty with their finances; the farmers are not in a position to carry on. They will lease back that property to the farmers and after a five-year period if it is a viable

alternative, then they have been willing to renegotiate the terms and by that they've helped many farmers in the Province of Manitoba.

Finally, the Guaranteed Operating Loan Program is being expanded to encourage credit unions to provide operating capital to farmers and is going to be providing a lot of assistance to the farmers as well.

Mr. Deputy Speaker, I would like to expand a bit on that 12 million Special Farm Tax Assistance Program. In principle, the Manitoba Government is committed to the philosophical view that services to property ought to be funded through taxes assessed against property, and services to people such as education ought to be funded through general revenues. To this end, the targeted goal remains to move toward the 90 percent provincial funding of public education by the year 1990. It is the desire to provide Manitoba farmers with some measure of immediate relief in respect to school taxes assessed against farm land. This program, Mr. Deputy Speaker, will be assisting the farmers. They are eligible for up to \$500 of assistance to help offset the cost of education tax on farm land. A farm operator may be the owner or the lessee of the farm land or a combination of the two.

In aggregate the program will provide Manitoba farmers with approximately \$12 million in school tax relief as against total provincial school taxes levied of approximately 20 million. At present, the Resident Homeowner Tax Assistance and School Tax Assistance Program rebate approximately 15 million to Manitoba's farmers in respect to property tax.

When combined with existing property tax relief the present program will have the effect of eliminating school tax from more than 25,000 farmers. I'm sure even the Member for Morris will agree that during these difficult times this is going to be helping many of the farmers survive this difficulty they are facing at this time.

The Border Dyeing Program will be repeated again this year, Mr. Deputy Speaker, starting on April 13. This will ensure that the lower-priced American fuels will be available to the Manitoba farmers.

Also special arrangements are being finalized with the Manitoba petroleum industry to enable farmers to receive tax-free coloured unleaded gasoline throughout the province. As I mentioned earlier, Mr. Deputy Speaker, the Interest Rate Buy-Down Program to reduce the annual debt obligation of the Manitoba Agricultural Corporation, the farmers will be offered an opportunity to buy down, and also the emphasis will be placed on younger and beginning farmers which will assist them in becoming established.

I believe that these six initiatives, Mr. Deputy Speaker, will go a long way to assisting the farmers. It's unfortunate that we couldn't get some commitment from the Federal Government to come up with some additional support to help them at this time. I believe, if they were to live up to their commitment that they had made to the sugar beet industry, that would help a long way.

Mr. Deputy Speaker, I believe there is a greater diversification in agriculture in Manitoba needed. That is one of the reasons that we as a government supported the Carnation Food expansion. There were 50 jobs created at the plant but, in addition to that, there was a doubling of the potato production with the possibility

of even greater expansion if some of the foreign markets develop. There are research monies that are being spent to try and develop this potential for the potato chip industry.

The Hog Stabilization Program, which is now a federal program, and the Beef Stabilization Program have helped the meat industry through some difficult times. They are now relatively healthy. There are other areas we can be diversifying, and I think there is a lot of research going on at this time which will help diversify the agricultural community to go and move into areas where there is a possibility of some expanded production.

In speaking to some people who were involved with research, there are concerns expressed in the research industry that the federal dollars that were previously available are being cut back to a large degree, so once more the agricultural industry is being hurt by the feds not living up to the responsibility of assisting farmers in not only researching some additional crops that can be grown in Manitoba, but also researching some possibilities of marketing some of our (inaudible) crops that we are presently growing in Manitoba.

I would like to touch briefly, Mr. Deputy Speaker, on another viable production that is not traditionally perceived as a part of agriculture. That is in the area of wild rice production. There is an enterprising group of people in The Pas area, led by a person by the name of Dave Buck, who have set up a cooperative processing plant. This processing plant will enable the producers in the North to have a lot more flexibility in the marketing of their wild rice.

Previously, they sold their crop in a green state so they were at the mercy of the buyer. The wild rice in a green state did not keep for a very long period of time so they had to pay whatever the person would offer at that time. So now with the processing plant in place, there'll be much greater flexibility for marketing.

Mr. Deputy Speaker, there is a lot of competition from the American paddy operators, but I believe that the wild rice product in Manitoba is a much superior product to the product that is coming from the States. So it's just a matter of marketing it, which will give Manitoba a much greater part of that market because our product is much darker in colour and larger in size, and it is really being sought after by the gourmet food market. The rice from Manitoba is grown in an area that is free from agricultural chemicals, so it can be marketed as a natural, organically grown food, so this also adds to the large interest in the field for this product.

Marketing is one of the areas where the growers need assistance so that they can develop and keep their fair share of the market. There is also a need for a seed bank so growers can get seed at a much more reasonable rate than they have been in the past, and the Provincial Government is cooperating with them in this area in establishing a seed bank.

There was also a lot of planting and seeding done during the year of 1986. The producers are projecting that their productions, which were approximately 16,000 pounds in 1986, will go up to 250,000-300,000 pounds during the year of 1987. Of course, this depends on conditions in the growing season as well, Mr. Deputy Speaker.

There has also been a lot of cooperation with the more experienced growers from Southern Manitoba

and the new producers from the North. They are sharing in all aspects of the wild rice production. The wild rice section of the Department of Natural Resources has also provided workshops and direct advice to many producers.

The processing of the wild rice is carried out by spreading the rice on a flat surface to cure for up to four weeks, and the next step is called parching, which is carried out in a kiln which is rotated over gas-fire jets. In the processing plant at The Pas, they can parch up to 600 pounds in two hours. The next stage is dehulling, which is carried out in a large rotating drum.

The future of the wild rice industry lies in increasing the efficiency of processing wild rice. It appears there is a willingness on the part of the old-timers to share their secrets with the new technologists that are in the area. So I'm sure that, between the two of them, they can develop appropriate processing techniques by sharing the knowledge that each possesses.

I have enjoyed wild rice on many occasions. Wild rice has a nutty taste and it is rich in protein, carbohydrates and minerals, and low in fat. There are a lot of new products being tested for use of wild rice. The University of Manitoba Foods Division and Campbell Foods of Portage la Prairie are helping to promote and diversify this important natural food product.

As in the area of natural food production, there is a need for more research in the area of seed production, disease and pest controls, and also in the area of harvesting and marketing. I am certain that the wild rice production will become a very viable industry over the next few years.

I would like to acknowledge the contributions of Mike Thorvaldson and Don Dunnigan who are assisting the wild rice production through the Department of Natural Resources. They have made very worthwhile contributions to the wild rice producers in Northern Manitoba and throughout Manitoba.

Mr. Deputy Speaker, while I am on the subject of agriculture, I would like to talk briefly on the Saskeram area. You will recall the controversy that surrounded this very valuable area of land.

MR. D. BLAKE: There's a nice bridge there now, Harry.

HON. H. HARAPIAK: And the Member for Minnedosa says that there is a very nice bridge there, and it's true. When his government was in power, they came along and made a lot of promises that they would build a bridge across this very valuable piece of land, but I guess, as they have done in the past, that was another broken promise.

This government made a decision, Mr. Deputy Speaker, to expand the area designated for agriculture in the area and to extend the Ducks Unlimited lease. These two groups, along with the Department of Natural Resources, are working in cooperation to get maximum use from this parcel of land.

Last year, Ducks Unlimited put in a feeding pad and one grainery to try feeding the ducks in the Saskeram and keep them out of the Pasquia Valley. They were extremely successful. Even though it was a wet fall, they still managed to keep the ducks out of the Pasquia Valley.

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This past winter, Ducks Unlimited has installed four additional storage bins in the Saskeram. The Department of Natural Resources has called for bids or tenders to fill the bins with 1,250 bushels of barley. If this proves to be successful, as we expect it will, there will be another feeding station built in the northern part of the Saskeram.

Once again, it is nice to see the cooperation between the farmers, the Department of Natural Resources, Ducks Unlimited, and also The Pas Indian Band. I might also mention that the Native people are enjoying one of the most productive years in muskrat harvesting in this area.

I know, Mr. Deputy Speaker, there are a lot of people who wonder why we would be promoting the production of ducks. I would like to mention an article that I just received yesterday and that article mentioned working their magic on ducks. I'm sure the Member for Minnedosa will be very interested in this article which shows that the duck population is the lowest it has been in many, many years, and they are really concerned over the decline in the duck population. In many areas, it is because of the loss of potholes and drought.

I'm pleased to see the cooperation going on in the northern part of the province, because there is a lot of opportunity there for development. It's unfortunate that the members wouldn't go out of their way to try and promote a little bit of harmony between the farming community, the Wildlife Association and Ducks Unlimited because it seems that, when the Member for Arthur went into this area, he was more intent on gaining some political points rather than concentrating on some cooperation in this very important area.

Mr. Deputy Speaker, I would also like to speak for a moment on the Limestone development. Our policy on Manitoba content has had a very positive effect on Manitoba employment statistics. Manitoba content in Limestone contracts at this time is about 80 percent of total value.

I know that there has been a lot of emphasis placed on this government on the importance of training. Prior to the Limestone construction taking part, we did have a tour of Northern Manitoba, and one of the things that we found when we toured the North is that there was a lack of training had taken place on previous construction sites so the people really did not have an opportunity to participate in the construction of the Hydro site. So I would like to pay tribute to Peter Ferris, who was the chairperson of the Limestone Training and Employment Agency and who has done a fantastic job in carrying out some of the training programs which have had a great effect on Northern Manitoba.

I'd like to remind members of this House that it was approximately 22 months ago since a number of special initiatives associated with Limestone were started. At that time, many people expressed doubts. They doubted that the government would establish training programs to produce qualified Native workers, they doubted that a significant number of Native people would be employed, and they doubted that Native people would be as safe, reliable and productive workers as the southern workers. Even though right now the southern workers are of a very mature variety, the northern workers have compared very favourably with those workers.

Twenty-two months ago, we made a commitment to train people to ensure that a fair share of the

employment would go to Northerners to increase the skill levels of Northerners, not just for the short term but for long-term employment as well, and to assist the communities to raise the local skill levels. We made those commitments to northern Native people and to Northerners, generally, and to the unions who have actively cooperated in achieving those objectives and to the contractors who have accepted and honoured the employment goals as we have set forward, and it has had very successful results for all of those who have been involved in it.

Twenty-two months later we are in a position of having proudly met the commitment to this date. The Manitoba content in the Limestone contract is 80 percent of total value. We have a training agency that is a model approach and which has attracted interest from as far away as Australia, Quebec, Ontario, Alberta and the Northwest Territories. Northern Native participation has ranged from between 18 percent and 35 percent. Northern Native workers have established a reputation for being as productive as their co-workers, and as I mentioned earlier, this at a time when the southern work force is more stable, mature and qualified than any previous hydro site that has been in Manitoba.

Twelve years ago there was another commitment that we had made to Northerners. Twelve years ago, there were only 12 northern Native teachers. Today there are over 400. There are also nurses, social workers and next year the first Native doctor will be graduating. That achievement was brought about by a quiet revolution in the North. It was founded upon political will and also adequate resources. We recognize that the resources were required and that the commitment to successful administration to that development has been taking place.

The real value of Limestone to the North is the unique opportunity it provides to produce Native engineers, Native technologists and Native journeymen in a number of key trades. In most trades, people need work as well as academic courses to become journeymen. Already, through the combination of training agencies and Hydro-based employment, there's a core group of skilled, experienced, structural union workers who have proved their worth on the Churchill-Gillam transmission line. Already there's a core group of skilled, experienced rebar workers who are being rehired this construction season.

The same development is occurring with carpenters, pipefitters, mechanics and, in the future, electricians. The electrician course is being started at Keewatin Community College at this time. Of the 655 graduates from the simulated training, 175 have worked at Limestone and nearly 300 have found other employment.

This year, at this time, they are being recalled. The Member for Minnedosa asked me if they are still working. At this time, in the construction at Limestone, the workers are being recalled.-(Interjection)-

Are you sure? Would you check that, Mr. Deputy Speaker? Do I get the 40 minutes?

Mr. Deputy Speaker, while I'm in the area of The Pas, I spoke briefly of the importance of agriculture to The Pas area. I'd also like to talk about the importance of Manfor to The Pas area.

A few years ago, the Leader of the Opposition used Manfor as an example of reasons why we should be

dismantling Crown corporations. He said he would give it away if he would become Premier. I would like the Leader of the Opposition and all other members of the Opposition to go to Manfor and find out what's going on at this time. So I would invite them to come and become educated in what has happened.

In Manfor, there has been a lot of cooperation between the Manfor Board of Directors, the management, the workers and, of course, the Minister responsible for Manfor, the Minister of Education, who has provided the strong leadership which was started by the former Minister, the Member for Transcona, who has given this corporation the strong leadership. It has turned around and, even though we are faced with that trade war in the United States, which has had a detrimental effect on the softwood industry, we are still going to be making a profit during this operating year.

I would also like to point to one of the other positive happenings because of the call for Manitoba content in the contracts dealing with Limestone. Ecolaire, a major manufacturer was successful in receiving the tender for the spillway gates with the Limestone contract. Ecolaire will be using the Bertram Building which was originally designed to be a manufacturing plant when CFI was first started. I believe the President of Ecolaire, Mr. George Grodecki, when he says he wants to establish a permanent site for manufacturing in Western Canada. I believe we'll be successful in obtaining a lot more work for this plant. There will be 55 permanent jobs created, with a potential for many more.

Mr. Deputy Speaker, when I speak about our commitment to job creation in the Province of Manitoba, I would be remiss if I did not mention the success of MCAP and NCAP, that both of these programs were extremely successful in creating jobs and also leaving behind an improvement to the infrastructure of the communities. There are many examples, such as curling rinks, arenas, halls and community centres, which will improve the quality of life for many Manitobans.

I anticipate that the current Capital Program of Manitoba Community Places will also prove successful. Many excellent community projects have been received. The \$40 million over four years is going to once again raise the standard of living in many of these communities.

Mr. Deputy Speaker, many of my colleagues have mentioned our commitment to maintaining the high quality of life that Manitobans enjoy. It is unfortunate that the Federal Government chooses to reduce their transfer payments to providing for the health and education of our Manitoba citizens. We feel these services are a sacred trust with us. We are committed to a progressive social program which sees the rewards of our economy shared fairly by all of our citizens.

We will protect the services to the low-income families and our senior citizens. The Budget for these services will increase by \$209 million, which will bring the total to over \$2.5 billion. As many of my colleagues have mentioned, we are committed to health reform. We cannot continue to ride that escalator which our health costs have been going on for the last few years.

The Member for Brandon West continues to talk about the closure of beds in Brandon. It is unfortunate that he does not talk about the responsibilities of the local hospital boards that are responsible for the

programs there. We would not be a very responsible government if we gave an open-ended budget to every hospital board or every school division in this province. It wouldn't be very responsible on our part. I think there has to be a responsibility grasped by the local hospital boards that they have a responsibility of containing their costs as well. When we're talking about health reform, I believe that our Home Care Program is going to be a major player in this reform.

Mr. Deputy Speaker, education continues to be a high priority with this government. We realize the benefits to the province of having a well-educated population. Continuing Education plays a big role, as adults find that they have to be retrained to meet the technological changes that are taking place in the workplace.

Many new Canadians are also getting their basic education met by the Department of Education, and I believe that it's a commitment we should be making to these new Canadians because it's important that they become conversant in the language because it is important that they can come and participate at every level of our community.

The Minister of Finance has also announced a \$20-million fund for university development. High-quality education requires high-quality support and we, as a government, have made the commitment to carry out this commitment to the educational field. We are once again giving additional support to those at the lowest end of the income level. We will provide additional support under the 55-Plus Program, a program that has already assisted many Manitobans. The Minister responsible for this program has mentioned on many occasions the help it is providing for many needy families, and it is especially going to be helping many of the rural farming families.

Our child care program is second to none in Canada, but we feel that more can be done. So we have committed an additional \$5 million which will be provided for more day care space, and we will certainly remain the leader in providing quality public day care for the young in our province.

Mr. Deputy Speaker, I believe that this is a fair, well-balanced, and a just Budget. I feel, as an individual, that I am enjoying a high standard of living at this time. I am now in a position where I should be sharing. My family is at a stage where they do not require the support they once needed. So what do I do? Start setting up goals where I can accumulate large sums of wealth? For what reason?

I know that as a community we are meant to share to a greater degree than we are presently doing. Unfortunately, as well-intentioned as we are, our humanism gets in the way and, although we have the best of intentions, it is difficult to accomplish. Not many of us in the upper end of the income bracket will contribute to those who are in need.

I believe, Mr. Deputy Speaker, that it is a fair, well-balanced, just Budget. So I will be voting against the Leader of the Opposition's amendment against this Budget.

Thank you, Mr. Deputy Speaker.

MR. DEPUTY SPEAKER: The Honourable Member for Morris.

Friday, 20 March, 1987

MR. C. MANNES: Thank you very much, Mr. Deputy Speaker.

Mr. Deputy Speaker, before I move into my Budget Debate, I'd like to just take half a minute to make comment about something that happened in the House yesterday in question period when an honourable member of this House refused to apologize to one of the members of this side with respect to a comment that was made outside of the House.

Mr. Deputy Speaker, let me say that I have seen and heard of a lot of insults being hurled across the floor of this Chamber. As a matter of fact, I've probably hurled some myself. But, Mr. Deputy Speaker, I must say yesterday, in my view, hit an all-time low. I say that because there are some words within the English language, when used, one has no defence against, and racism is one of them. Mr. Deputy Speaker, I think the importance and, indeed, the emotion of what happened yesterday should teach us all a little bit, and particularly those members, those political people who are wont to use those types of terms to destroy the character of a person.

Mr. Deputy Speaker, I just listened to most of the speech offered by the Minister from The Pas. Of course, basically, he wanted to attack the Federal Government, but I can tell him and I can tell the Minister of Finance and I can tell members of the Treasury Bench, Mr. Deputy Speaker, that from my viewpoint, that weaponry in their political attack is beginning to fail. People are not buying that argument any more.

I know that they've tried. They can hit the Federal Government on a whole host of issues - God knows they're vulnerable, Mr. Deputy Speaker - but within this area of reduced Federal Government expenditures, they're beginning to lose the battle. So if they want to take any advice from me whatsoever, I suggest that they better find a new strategy, Mr. Deputy Speaker, because the people of Manitoba will not buy it much longer if they buy it at all.

Mr. Deputy Speaker, I've listened very carefully to the address given by the Minister of Finance on Budget night. I couldn't help but notice the impeccable wording, and I'll give credit to the writers of that address. I couldn't help but hear, as indeed the Member for River Heights did, the number of references to the word "bear," the number of references to the word "balance," and of course "moderate."

(Madam Speaker in the Chair.)

Madam Speaker, I said to myself, well even the NDP and their writers this time even outdid themselves as compared to other addresses, because in my view, when you listened to it, it seemed to be a melding of before they hit you with the big tax news, there was an introductory portion saying, well, even though we have to increase this tax somewhat, we want the people of this province to know it isn't going to hit them, that there will be hundreds and thousands of people who have either their taxes reduced or eliminated. So I tip my hat to the NDP and, indeed, to their writers in the fashion in which the address was written.

There's an old political saying, Madam Speaker, and it goes something like this: It takes a smart politician to hide the envy in his or her voice when he accuses his opponent of fooling the public. Madam Speaker, in

some respects, I was envious of the way that Budget Address was written, and as all of us know, there are many, many good writers that the government has at their disposal and, of course, they put them to work in preparing the Budget.

Madam Speaker, the first reactions with respect to the Budget were not as violent as those of us may have expected. When I say the first reactions, I'm talking within the first few hours. I can remember the scene that night when the members opposite applauded almost every paragraph and, of course, there were many, many people in the galleries and, I dare say, the vast majority are soul mates of the members opposite.

One sitting here, if they were just in the confines of this room, would go away with the impression that the Budget really wasn't that bad. That was the first reaction, Madam Speaker, but it didn't take very long for that mood to change. The very next morning, Madam Speaker, I had a call from somebody in the Civil Service - I won't say what department - but somebody in the Civil Service had said, "I want to know how I can appeal this. I just had my property taxation assessment notice come to me and there was an indication indicating how I could appeal that. Surely to God, there must be a way that I can appeal this. If there is a mechanism in place that allows appealing a change in assessment that might cause an additional \$100 tax payable," that person said, "surely, there has to be something in place that allows an appeal of something that's going to cause me to pay \$1,200 or \$1,500 in additional taxation." Well, Madam Speaker, I had to point out to that caller that the only appeal mechanism is through the voting process, is through the ballot box.

Later that day, I had a call - actually it was the next day - from a 21-year-old working as an assistant warehouse manager, who said, "Do you know that when that net income tax comes on and with the additional sales tax that I'm paying, that the cost of living increase that I received last year is totally wiped out; it's gone?" And he said, "What is going to keep me here?"

Well, Madam Speaker, our challenge as a party - and we know it fully well - is to drive everyone of the taxpayers of this province to look at their pay cheque, indeed to look at their tax form, and try and convince them to spend a few minutes to see what impact this Budget will have upon them. That's the challenge this party has. We realize it fully well.

Madam Speaker, I serve notice on the members opposite: We will do it. We realize what they're counting on. They're counting on the fact that at every Budget the Opposition always seems to cry out and that the people of the province will say, "Well, it's another Budget; it's the Opposition crying and screaming. So what! It'll die in two or three weeks." Madam Speaker, I say not this time. This is a different type of Budget. The challenge of our party is to make sure that the people of this province don't forget it.

Madam Speaker, the last Conservative administration came into being in 1977 and it did so because of a slogan, and people won't forget it. It was called two-and-a-half times one, Madam Speaker, and the people of Manitoba understood what it meant to them and that's the challenge that we have and we will do it.-(Interjection)-

Madam Speaker, I refuse to be drawn at this time into debate with the former Minister of Finance. I will address the deficit.

Madam Speaker, as I said, our challenge is to show every Manitoban that where wanton spending can lead, our challenge is to show that this Budget goes far beyond any other and the serious impact it's had upon the fiscal standing of this province. And, of course, our challenge is to show that this government has no understanding as to the measures they have brought in and their future impact upon governments to come and indeed the people they represent to help pay for their own activities.

Madam Speaker, we will do that. I can tell you our challenge though will not be this. We will not go out and say that Manitobans should not pay more tax, Madam Speaker. No, I won't. I will not go out and say that Manitobans should not pay additional taxation. We are a wealthy people, Madam Speaker. We have a lot going for us and to try and convince people that they should pay no additional taxation when government is providing more and more is really leaving a very false message, because it's impossible. It can't be done.

But, Madam Speaker, what I am saying we are going to do is a little bit different than that; the issues are different. And many of my colleagues have identified them. My leader spelled out in some considerable detail specifically what impact it would have on all levels of people. He said that there would be increases against all, compared to where the Minister of Finance seemed to leave the impression that the vast majority of the population would pay less.

Because, Madam Speaker, when the Minister says 100,000 are going to pay less, everybody feels that they are part of that 100,000. That's a large number of people.-(Interjection)- Well, it must be. Most people have two or three children. There are older people who don't pay taxes. We only have a million people, and people at first blush feel that they are part of the 100,000 people who are going to pay less.

Well, Madam Speaker, my leader spelled out in greater detail that there are, on the basis of calculations done by not ourselves, not members opposite, but by people within the accounting business, people who deal day to day with individuals who bring their tax programs to them have been able to prove out, to show that indeed it will be a great impact on all.

Madam Speaker, our Deputy Leader yesterday spent considerable time talking about how the NDP were poor fiscal managers. But he went far beyond that. He went into how the refinancing schedule of government had to be considered, Madam Speaker, and of course he went beyond that and said had we been in government what we could have done to have prevented these horrible deficits and this massive accumulation of debt.

Madam Speaker, and of course, one can't help but notice though another portion of the Budget, and it was the one-time 4 percent increase in hydro rates. Madam Speaker, the "one-time." We are going to have a lot of fun with that, because it is being brought in to reduce the losses assumed with all the foreign exchange borrowings. Madam Speaker, that is with one portion of our total debt.

As the Minister of Finance knows, we have a very large portion of other foreign exchange borrowing in support of the activities of government. And yet, using the example, the fact that the Minister of Energy has to bring forward a 4.7 percent increase in support of hydro borrowings, is the Minister of Finance therefore

saying that there is going to be another tax coming to pay off the losses in foreign exchange borrowings that have been incurred in support of the government deficit?

Madam Speaker, it's a very important question because we've told him many, many times that these foreign exchange borrowings would be maturing in a very near term and that the consequences of those losses would have to be faced up to at that time. And, Madam Speaker, as my Deputy Leader indicated yesterday, the time isn't very far away. It's starting in a very heavy fashion by 1990.

But we know what the NDP are hoping, Madam Speaker. They're hoping that we would be unable to show them how we could manage the economy and what areas that we should propose reduced spending. They're also hoping that jurisdictions to the west, Saskatchewan and Alberta, would continue to have budgetary deficits that would be huge and that would begin to catch up to us. If they wait for another two or three years, and Saskatchewan has another \$1.2 billion deficit and Alberta has another massive deficit, Madam Speaker, that will happen. That will happen. The provinces to the west will catch up to us, and then, Manitobans, in particular members of this side, will not be able then to point fingers and say - how could you do this? - relative to the other provincial provinces.

We know they are hoping for that. And, of course, we know that they are hoping that the Crown corporation losses will come to a sudden and quick end but, Madam Speaker, they were hoping for that last fall. They were hoping that MTX was behind them, and of course we're just beginning to unfold another drama within the Crown corporation area.

But, Madam Speaker, something else happened today and I'm surprised that the Minister of Finance, or hopefully he will address it sometime over the next couple of weeks. He probably heard as I did that the Province of British Columbia - and they talk about provinces to the west - this morning laid their Budget before the people of that province. And, Madam Speaker, the sales tax in B.C. did not increase 1 percent; it dropped. Seven percent to 6 percent, and, Madam Speaker, with a promise that the year following it's going to drop from 6 percent to 5 percent.

Well, Madam Speaker, I know what that province has gone through in the last three or four years. I know their resource industry has been almost decimated and, Madam Speaker, the Minister can say what's happening within social areas, but the people of that province, in spite of the fact that the members opposite claim that the NDP Government would come in, the NDP party would come in and form government there two years ago, the people in B.C. said they wanted good fiscal management and they got it. Today they were given a Budget where the sales tax didn't increase, it decreased, Madam Speaker.

So there are other ways; there are other ways of running government. Madam Speaker, I'll tell you what the main issue is to me. Madam Speaker, I never thought I would ever quote the greatest butcher of all time, and there have been many of them, but they have been leaders, and I'll quote Adolf Hitler because he said this: "The great classes of people will more easily fall victims to a quiet lie than a small one."

Madam Speaker, to me, the Budget that was laid down was a great financial lie. There is no other word

for it, Madam Speaker, and of course, as I've said earlier, the NDP had been more or less successful in convincing Manitobans that the deficit debt is not a real problem. And indeed, some would say it is not a problem, period, Madam Speaker.

To date, I think our party has lost the argument. We've lost the argument in convincing Manitobans that debt and deficit is something that they should be vitally concerned about, something that they should be totally interested in if they have any concern or any care not only for their own well-being in years to come, but for their children, Madam Speaker. The NDP believe that they can get away with it yet another time.

Madam Speaker, I acknowledge some of the favourable economic statistics that the government lays before us and for the people of this province. And yet, Madam Speaker, they know as well as we do that, to a very large degree, they have been purchased. They have been purchased by their spending and by their borrowing.

So, Madam Speaker, although some of the economic indicators would seem to suggest, at least, that everything was well and good within this province, we know, the people of Manitoba know, and the members opposite know that they're not so well. They know that they are false in the sense that money has been borrowed in support of . . . (Interjection)-

Madam Speaker, I have challenged the NDP over many years to share with us a long-run game plan as to the fiscal nature and standing of this province. Madam Speaker, the Auditor has called for it over and over again. The former top civil servant of this government, one Michael Decter, in his report on expenditure has called for it. He said that multi-purpose, multi-year budgeting has to come in, because you just cannot continue to lock yourself into spending that won't, in any way, diminish for years to come without some idea as to how the revenues are going to be in place to support it. Madam Speaker, they haven't done it.

Madam Speaker, would you let me know when I have 10 minutes left, please, because there are a number of critical points I want to make?

So in spite of the fact that we've called over and over again and other people have called for the NDP to lay before us, yet another Budget comes forward. When the government feels that they only have to provide to the people of this province one year of additional fiscal budgetary information and, Madam Speaker, that cannot be allowed to continue. We are going to, our party, we're going to make our best efforts to force the government to come out with a longer-range program.

But back to the big financial lie, Madam Speaker, so acceptable to the great classes of people because of course it is so much easier to listen to. It's so much easier to want to believe that indeed you can have more without paying less, Madam Speaker, and of course it just can't happen.

When the Minister of Finance says, taxes are going up, yes, but that only the rich will pay, Madam Speaker, we all know that people want to believe that. Everybody feels that they'll be excluded or they'll be so close to the break point that the impact will be minimal; but, Madam Speaker, we know that everybody is going to be paying a huge amount of money with respect to the impact of this Budget.

Madam Speaker, we're fortunate in this country. We have food; we have shelter; we have social programs, which I think are the envy of all. There's nothing wrong, I say, and indeed members of this House say, with the social programs as long as they're paid for, as long as they're paid for in the time of use, Madam Speaker. Let's have them all, let's have more, but the problem becomes one of paying for them.

Then if the collective wisdom is to borrow for them, that's fine too, but lay before the people the plan with which you're going to pay back the borrowings, Madam Speaker. Until we see that, then you're doing a tremendous disservice, not only to the people of Manitoba, but to their cherished social programs.

Anyways, Madam Speaker, moving on, and I'm again talking about the big financial lie. In my view, it's deceitful and it's ruinous, and of course, in due course, it'll break the spirit of this province.

Madam Speaker, over the course of the next few weeks of question periods and debate, our party will focus on specific areas of detailed weaknesses of the Budget, and of course there are many. Within the fees area, Madam Speaker, we know of many examples that are coming to light on a daily basis, that it's almost the greatest, again, fee grab within the history of the province.

I had a constituent phone me yesterday, Madam Speaker, and this was because of the latest - or the Budget the year before - where to register a company name, nothing more than to register it, the fee jumped from \$6 to \$20.00. Now I'm not one who's usually terribly concerned about a fee-for-use service, Madam Speaker, where costing comes into place, and indeed, if the cost of registering the fee is \$20, or the name is \$20, then let it be paid. But, Madam Speaker, I can't believe, for the life of me, that just to register the name of my constituent who's running a welding shop and has no employees, but just wants to have a registered name. He's not incorporated, Madam Speaker, just to do that is now \$20, and of course, that was based on last year's fee schedule and that letter came out before the impact of this year's will reach home.

Within the areas of highways, there's a whole host of highways' fees. I have another small manufacturing company that now has to pay \$60 every time it take an over-width grain bin down the road, Madam Speaker, a jump of some \$40.00. But I want to concentrate on one issue. I want to know again how the NDP is planning to reduce the interest portion of our expenditures, Madam Speaker.

Madam Speaker, arguments that the Federal Government is not maintaining its share of expenditures are falling flat, I've said that. Equalization payments, the Minister of Finance is going to try and make an issue of that, Madam Speaker, and even though they're dropping \$37 million - and I don't have time to talk about the history of that now - even though they're doing that, that drop represents 1 percent of the total revenues raised. So, Madam Speaker, let's never fail to put that into perspective.

Madam Speaker, if we are heading for financial ruin, one must compare, in my view, what Michael Decter said in his report, as compared to the Budget Address. Madam Speaker, again the top civil servant of this government, the Clerk of Cabinet, when he developed his report, went through all the potential tax areas that one can think of under today's economic times.

There were three or four new major measures that up till this Budget had not come in. Madam Speaker, there were basically three. This Minister and this government have used two in the latest announcement. That was the net income tax and the other one being the land transfer tax. Two of them, Madam Speaker, there's only one left and that is extending the sales tax to fees of professionals, doctors, accountants, dentists, and whatever; and that's the only one left. If you look carefully, one could accept the Minister bringing those in at this time, if indeed it meant a material change in our fiscal standing, if it did something to either reduce the debt or the deficit.

Madam Speaker, I honestly believe that Manitobans could accept some new measures, if indeed the fiscal standing of this province would improve. But what do we see, Madam Speaker, not only with the increase of two new measures and with the increase of rates in two or three of the others, our financial standing is no better, virtually no better than it was one year ago. The Minister looks at me, his face all askew. I can tell you, Madam Speaker, the reality is our financial standing is no better today.-(Interjection)- Well the Minister says he wants to see that.

I certainly can say that, Madam Speaker, because expenditures are increasing by 9 percent, revenues in the Manitoba portion of the Budget are up 20 percent in the personal income and within the fee area is up 20 percent also.

In spite of that, Madam Speaker, our deficit is forecast to drop to only \$415 million, and I quarrel with the Minister throwing in another factor of \$30 million of savings. In due course, we'll move into that discussion as to specifically what he means by that, and Crown corporation losses, and to what degree they should be reflected in the expenditure side of the Budget.

Madam Speaker, \$415 million is not an accurate reflection of what the deficit will be unless this government seriously curtails its spending in this next fiscal year.

So I say to you, Madam Speaker, the government has a problem, because there's only one area that Decter has been able to identify that is left remaining for taxation -(Interjection)- only one new area to the Member for Kildonan and that's to extend the sales tax to fees.

So, Madam Speaker, what does the government do? What does the government do next year? Does it go to the people of Manitoba for another \$370 million increase in revenue, Madam Speaker, next year, next year's Budget? Well, I think it's incumbent that they answer that question and they be prepared to tell us how it is that we're ever going to bring the deficit down.

Madam Speaker, I believe that the situation is not improving at all. But what will have been used up through this Budget are two new major tax measures, firstly; and secondly, the people and their understanding of government, and how it is that they fund it - the confidence of the people. Madam Speaker, again our challenge will be to go to the people and show them that they should have no confidence in the ability of this government to manage the fiscal affairs of the province.

Madam Speaker, as I said, I believe that Manitobans were prepared to accept an additional measure of tax increase. I think they were becoming aware of the debt,

and I honestly believe that they wanted to help. Madam Speaker - and the Member for Kildonan nods his head. Do you know who was the most prepared to do it? It was the older people of society; it was the middle-aged people who had children who were now away from home, and people who understood that you cannot continue to run things well if you have massive debt. I honestly believe that they were prepared to do their share in trying to help the government.

But, Madam Speaker, what are they going to say when we tell them that in spite of all the savings that they've taken out of their accounts to help the government by way of forced taxation . . .

MADAM SPEAKER: The honourable member has 10 minutes remaining.

MR. C. MANNESS: Thank you very much, Madam Speaker.

In spite of doing all of that, they haven't helped the fiscal standing of this province one bit, Madam Speaker, because spending has gone up 9 percent again, and the base of spending is so far ahead of the base of revenue that that number of 9 percent, when you apply 9 percent against it, it becomes a massive figure.

Madam Speaker, our party has developed a number of scenarios so as to determine what combination of revenues and expenditures over the next number of years will possibly allow the deficit to go to zero, or indeed could hold the deficit at any figure. Madam Speaker, I can't provide them for the House today, I will next week. But it's incumbent when one uses basic assumptions, and there are some basic assumptions that the Minister of Finance could use if he wants to listen, Madam Speaker, and they are these: first of all, that the interest portion of expenditure will be 10 percent. It's hard to foresee where the interest portion of all expenditures will drop away from 10 percent over the next number of years. Just using that as your primal factor, Madam Speaker, and then beginning to plug in rates of increased expenditure at 9 percent, 6 percent, or indeed as low as 4 percent, something that this government could never accept, and beginning to also apply to that estimates of revenue, Madam Speaker, at 10 percent, 5 percent or at various levels, you can very quickly come up to a conclusion as to whether or not the government can ever, ever handle the deficit.

Madam Speaker, we are going to work on four scenarios, and they are going to have various assumptions built into them. I can tell you, Madam Speaker, that if interest rates stay at 10 percent, and I can tell you that if revenue grows at the rate of 7 percent or 8 percent over the next four or five years, and that expenditures are dropped significantly to as low as 5 or 6 percent, that in 1994 the deficit of this province will trend upwards, up to a figure of just under \$2 billion. Madam Speaker, that is where we're headed.

I can also tell the members that under another assumption of bringing expenditure growth down into a 3- or 4-percent range, using the basis we have today, and revenue growth at double the expenditure - double, revenue growth at double - Madam Speaker, that through the rest of this decade into the Nineties, deficits will go upwards up to \$800 million. Then by 1990, by the middle of the decade, we'll finally maybe come back to where they are today.

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Madam Speaker, we have four scenarios and we will put them out next week. But I can tell you in all of them there's only one way that this deficit can start to fall under \$400 million or \$500 million, and that is if the operating budget moves into a surplus position. It's either that or the members opposite hope for interest rates that are in the area of 3 percent or 4 percent. Do you think, Madam Speaker, that's going to happen? I don't. Madam Speaker, failing that, this deficit and this Budget of ours will continue to grow.

So, Madam Speaker, I wanted to give some notice to the Minister of Finance. We are going to do everything within our power to force him to lay before the people of this province a financial plan as to where we are headed because the people of this province have to know. Because to tell them by this Budget that they should now bring in two new measures of taxation and then to increase the rates all the way along, and at the same time do nothing, materially nothing, to reduce the deficit is totally unacceptable. It's time that people rise up, Madam Speaker, and demand to know.-(Interjection)-

MADAM SPEAKER: Order please, order please.

The Honourable Member for Morris has the floor. Other members will have an opportunity. Order please, order. Other members will have an opportunity to participate.

The Honourable Member for Morris.

MR. C. MANNESS: Madam Speaker, I can see why the members opposite will react, because quite frankly the Minister of Finance, and the former Minister of Finance have never taken the other members of their group into their confidence as to the seriousness of the financial standing. Of course, when you've never ever - Madam Speaker, I say that in all honesty. Maybe with respect to the year they're in, but as to the future, five years out, do any members opposite know where the financial standing of the province will be five years out? Have they seen a multi-year Budget, Madam Speaker? And if they have, why haven't the people of the province seen it? Because they have as much right to see it as members of the Cabinet. Madam Speaker, they're paying the taxes; they're carrying the load. So why can't the members opposite? If they have seen it and if they're not concerned about it, then there's a bigger problem, Madam Speaker; we have a bigger problem. Our problem quite frankly is runaway deficits. Again, next week - we're not going to wait, Madam Speaker.

I have three minutes left, do I not, Madam Speaker, or more?

MADAM SPEAKER: Four.

MR. C. MANNESS: Four.

Madam Speaker, we aren't going to defend our colleagues in Saskatchewan. They have their own problems; they have their own jurisdiction, Madam Speaker. That's their decision. We were elected to represent Manitobans, each and every one of us, Madam Speaker, and indeed like we will not attempt to defend the Premier of British Columbia's decision today to reduce the sales tax in that province. We won't defend that either, Madam Speaker.

So, Madam Speaker, we will point out to the people of this province that this Budget is the biggest tax grab of all time. It has done materially little to materially affect the deficit of this province.

Madam Speaker, there's the old -(Interjection)-

MADAM SPEAKER: Order please.

MR. C. MANNESS: Madam Speaker, I'm going to take 20 seconds to say to that Minister, who sometimes has the nerve in this Session to pop out of his hole to which he was driven over the MTX, I never did ask for more money for Highway 75. I said about top priority, Madam Speaker and he heard it, Madam Speaker, and I will let it sit there.

Madam Speaker, our challenge is easily understood. It's to show that this Budget really was the big financial lie of this decade, that it really represents no attempt to come to grasp with the problem, and our attempt is to show the great classes of people, the people who they have tried to victimize by this, our challenge is to show them that they will be severely impacted. Madam Speaker, that becomes the goal of this party as of Monday night.

The Minister says, "So you did in '77." He's darn right; that's exactly where it's going to lead, I say to that member, because people never forgot two-and-a-half times one and they won't forget this Budget, however it's called, Madam Speaker.

I say, Madam Speaker, in closing, that this government has to be swept aside quickly for the sake of good management of this province. As indeed most people know, if you want good management of this party - and that doesn't mean going out and foolishly borrowing; it means doing with the resources that you have and managing - what you'll do is elect this party. Madam Speaker, that becomes our challenge.

Thank you.

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. W. PARASIUK: Thank you, Madam Speaker.

Madam Speaker, this is my first opportunity to speak at this sitting of the Legislature, and I want to take the opportunity to congratulate your return to your function. I've frankly been very impressed with the way you've conducted yourself since you've been sworn into office. You've set a standard that is substantially above that which I experienced from 1977-1981 when I was a rookie backbencher sitting on the Opposition side. Your pursuit of the rules is excellent in comparison.

I certainly want to welcome the Pages who are here. I do believe that it provides a very excellent opportunity for them to learn about the warts and the good aspects of a parliamentary democracy. I hope that the warts don't overwhelm their realizing that this process is the best process possible, despite what might appear on a day-to-day basis - chaos.

I also want to take this opportunity to congratulate the appointment of George Johnson as the Lieutenant-Governor of the province.

A MEMBER: Don't forget Sterling Lyon.

HON. W. PARASIUK: I don't particularly want to get to him, but I'll raise him in a later context.

But I do want to congratulate the appointment of George Johnson. I believe that he has had a great deal of experience in rural Manitoba and a great deal of experience in the city, and he in fact will be able to represent us excellently in all parts of the province.

I do believe, as well, that the opportunity is right to congratulate Pearl McGonigal on a job well done over her years of service. I remember attending a number of ethnic events where she was extremely well-briefed. She had obviously done a lot of personal homework and had made an excellent effort to relate, and I think the people of Manitoba should be proud of her job.

I intend to speak, obviously, in favour of this Budget, and I'm very proud to do so. The interesting thing about it is that the Budget came down at a very good time in the history of sort of the politics of Canada. We are at a crossroads right now and the crossroads are very evident in national polling. People are looking at who in fact provides the right vision for the future, and they certainly are looking at us. They know that we all govern in a time when it's more difficult to govern than in the Seventies.

They understand that, at the provincial level, this difficulty in terms of government has been exacerbated by bad Federal Government over a period of years. We had bad Federal Government, in my estimation, through especially the latter part of the Trudeau era; and we certainly, as a country, elected a National Government expecting a change for the better, and we've had a dramatic change for the worse not only here in Western Canada but a change for the worse that is sweeping this country as they realize how bad this National Government has been.

I'll get back to that later as well, because I think it does have some implications in terms of regional disparities and in terms of the fact that even in Quebec itself the Mulroney Government is looked upon - and I just give you a little tidbit, and I quote from a Montreal paper where they talk about the Conservatives - "... meanwhile, like an anvil in free flight, have crashed through the 20 percent floor in Quebec," and they go on to record how disastrous this government is.

I've never heard of better imagery to describe a government than the image of that of an anvil in free flight, and that is written by a very conservative Montreal paper called the Montreal Gazette. This article gets much worse, and I hope that I'll have some time, Madam Speaker, to get back to that later on because it's indicative of the feeling there and it certainly reflects the feeling that exists here.

The reason why I said that I wanted to touch those points and a couple of others before I get to the Budget is that one uses the Budget Debate, if one hasn't spoken on the Throne Speech, to raise a few other points as well, and that's been a normal custom in this Legislature. I intend to spend a few minutes talking about an issue that took up a lot of time in question period today because it concerned me in terms of the approach that was taken.

We have had demands for a public inquiry. That's posturing, Madam Speaker. It's posturing that doesn't recognize the parliamentary system as it relates to assessing actions of Ministers, departments and Crown corporations within the parliamentary system or the legislative system or the legislative committee system; and for one to go further and demand an inquiry is to

mix apples and oranges in a very bad and dangerous way. I say so speaking from experience.

I, in fact, did face accusations of personal impropriety as a Minister where I was accused somehow of making personal gain from some of the people on the other side - not all them, but some of them - and I certainly found that there were those people acting, in my estimation, either in collusion or inadvertently with the Winnipeg Free Press in terms of trying to feed each other stories. That was very dangerous, because I did resign, an inquiry was held, and to quote Justice Freedman, "Those who said that I had committed any type of impropriety by being a partner" - were the words that were used by these people - "were making a mockery of language." I have never seen a report come out as hard hitting by such a soft-spoken person ever.

That was a very clear vindication, and it would have been rather interesting if those people who had called for the resignation - and I commend the Member for St. Norbert who, after the inquiry, came out, got up and said, "I accept that; I think that the member undertook the right course of action and I congratulate him for his vindication," but the Leader of the Opposition who was just as vocal as he is today in calling for my resignation and for calling a public inquiry, became a coward when that inquiry's report was published. He, in fact, said that he wasn't in town when all this happened, that he never called for my resignation, that he never called for a public inquiry, and that he didn't know anything about it. The selective amnesia of Ronald Reagan also impacts on the Member for Tuxedo.

So when people today come along and say we need the public inquiry about an issue that can easily be dealt with in Standing Committee about an issue that relates to judgments - and we have a process for assessing judgments, it's called the political process, and I believe that the Minister acted properly and decisively and we can debate that through the public process, that will not be clarified through a public inquiry.

But, I do get concerned when I go out in the hall and I hear reports that the lawyers for Mr. Laufer are skulking the halls and attending the scrums and trying somehow to mix a civil case with the political process of this province. I find it especially distasteful when I find members of the Opposition either in collusion or inadvertently playing into their hands. I'm going to be interested in knowing whether in fact members of the Opposition have had meetings with Mr. Laufer's lawyer and whether in fact they're interacting in the interests of Manitoba, or whether they're acting in some narrow partisan, opportunistic manner as they have been wont to do in the past.

The reason why they are so opportunistic is that they read the polls. They know how badly they've gone down in the polls, and the Leader of the Opposition in particular wants to try and hype up scandal to the next leadership review. When does that take place - in April? April 18th. This is very good timing and, frankly, I find that approach quite distasteful.

The interesting thing about it is that one thinks about it and reflects on it, one realizes that the people who throw the mud get it boomeranging back in their faces because we have gone up to 45 percent in the polls

and they've gone down to 32 percent. They should understand something about credibility in this country every time they raise the concept of scandal. We are a populous province, and the people of Manitoba believe in the integrity of our Crown corporations. They believe in the integrity of this province; they believe in the integrity of the governing party. But they don't believe the same thing federally. Every time the Provincial Conservatives raise the concept of scandal, everyone says, "Right on, Brian Mulroney." So keep on doing it. The anvil in free flight has got a few more weights added to it.

If one thinks that this somehow will overwhelm that which will take place in Ottawa in the near future when a number of their people in Ottawa, Conservative members, go up before the courts on criminal charges, for long debates, you people are the ones who are going to have the mud on their faces, not only on your shoes and that's been demonstrated over the last year. It's not all of you. A number of you haven't done that.

I believe that the leader, in fact, is under tremendous pressure to show that he is doing something. So, he's not talked about agriculture. Some of the backbenchers there have talked about agriculture. That's fair and I've listened to what they've had to say and I thought that the Member for Arthur had made a very interesting proposition. I think that warrants attention, but that's not what the Opposition is trying to focus its attention on. They're trying to focus their attention on scandal.

That may keep the Leader of the Opposition in place through sickening tactics and tactics that I don't believe the people of Manitoba respect. One can get angry in the short term about that and disgusted but when one again reflects for a period of time, let me assure you, do everything possible to keep your present leader in place on April 18.

I for one want to give my support 100 percent to the Member for Tuxedo to continue as Leader of the Conservative Party despite his disgusting tactics.- (Interjection)- I wouldn't want to vote but I'll tell you I'll still give him my support. He is one of the best assets that the New Democratic Party of Manitoba has and we want to keep him there.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. W. PARASIUK: The interesting thing about that is that there are a lot of constituents throughout rural Manitoba who realize that their particular interests and their particular concerns will not be brought through to the Legislature and channelled through the Leader of the Opposition, but rather are being brought forward before the Legislature by our Member for Lac du Bonnet. Today was a classic example and, despite the fact that the Tories on the other side have tried to muzzle our Manitoba Farmer of the Year, they haven't been able to do it.

The people recognize that it's major problems out there like the farm crisis that they want addressed, but 80 percent or 90 percent of question period, if not 100 percent of question period, is devoted by the Tories to muckraking and scandal mongering.

That may catch some short-term headlines but over the long run, Madam Speaker, it will ensure that this group will continue in the position that they've become accustomed to, namely, sitting on the Opposition benches for 16 of the last 20 years.

I can appreciate the frustration on the part of some members because some of them have been in this House for all those 20 years. They thought that they had inherited the Diefenbaker tradition, that they were going to be in here forever as government. It hasn't happened.

Madam Speaker, I have a bit more to say on the ghost of John Diefenbaker and how their antics and how the antics of Brian Mulroney in Ottawa are burying that ghost completely and changing the political landscape, not only of Manitoba but of Canada as a whole. I look forward to having the opportunity on Monday to continue this, Madam Speaker. How much time do I have left?

MADAM SPEAKER: The hour being 12:30, I'm interrupting to adjourn the House. The honourable member will have 25 minutes remaining when this is next before the House.

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