



First Session — Thirty-Fourth Legislature
of the
Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS
(HANSARD)

37 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fourth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	LIBERAL
ANGUS, John	St. Norbert	LIBERAL
ASHTON, Steve	Thompson	NDP
BURRELL, Parker	Swan River	PC
CARR, James	Fort Rouge	LIBERAL
CARSTAIRS, Sharon	River Heights	LIBERAL
CHARLES, Gwen	Selkirk	LIBERAL
CHEEMA, Gulzar	Kildonan	LIBERAL
CHORNOPYSKI, William	Burrows	LIBERAL
CONNERY, Edward Hon.	Portage la Prairie	PC
COWAN, Jay	Churchill	NDP
CUMMINGS, Glen, Hon.	Ste. Rose du Lac	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DOER, Gary	Concordia	NDP
DOWNEY, James Hon.	Arthur	PC
DRIEDGER, Albert, Hon.	Emerson	PC
DRIEDGER, Herold, L.	Niakwa	LIBERAL
DUCHARME, Gerald, Hon.	Riel	PC
EDWARDS, Paul	St. James	LIBERAL
ENNS, Harry	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Laurie	Fort Garry	LIBERAL
EVANS, Leonard	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen Hon.	Viriden	PC
GAUDRY, Neil	St. Boniface	LIBERAL
GILLESHAMMER, Harold	Minnedosa	PC
GRAY, Avis	Ellice	LIBERAL
HAMMOND, Gerrie	Kirkfield Park	PC
HARAPIAK, Harry	The Pas	NDP
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HEMPHILL, Maureen	Logan	NDP
KOZAK, Richard, J.	Transcona	LIBERAL
LAMOUREUX, Kevin, M.	Inkster	LIBERAL
MALOWAY, Jim	Elmwood	NDP
MANDRAKE, Ed	Assiniboia	LIBERAL
MANNES, Clayton, Hon.	Morris	PC
McCRAE, James Hon.	Brandon West	PC
MINENKO, Mark	Seven Oaks	LIBERAL
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rossmere	PC
OLESON, Charlotte Hon.	Gladstone	PC
ORCHARD, Donald Hon.	Pembina	PC
PANKRATZ, Helmut	La Verendrye	PC
PATTERSON, Allan	Radisson	LIBERAL
PENNER, Jack, Hon.	Rhineland	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren	Lac du Bonnet	PC
ROCAN, Denis, Hon.	Turtle Mountain	PC
ROCH, Gilles	Springfield	PC
ROSE, Bob	St. Vital	LIBERAL
STORIE, Jerry	Flin Flon	NDP
TAYLOR, Harold	Wolseley	LIBERAL
URUSKI, Bill	Interlake	NDP
WASYLYCIA-LEIS, Judy	St. Johns	NDP
YEO, Iva	Sturgeon Creek	LIBERAL

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, August 15, 1988.

The House met at 8 p.m.

BUDGET DEBATE

Mr. Speaker: On the proposed motion of the Honourable Minister of Finance (Mr. Manness), standing in the name of the Honourable Member for The Pas (Mr. Harapiak), the Honourable Member for The Pas.

Mr. Harry Harapiak (The Pas): Mr. Speaker, this being the first opportunity I have had to speak in this Session, I want to begin by congratulating you on your appointment as Speaker. I also would like to congratulate the Deputy Speaker (Mr. Minenko) on his appointment. I am sure that your patience will be challenged on many occasions, but I wish you the best of luck in carrying out your responsibilities as leaders in this House.

I would like to thank my constituents for once again giving me the opportunity to represent them in this House. It was an election that was very difficult in many areas, but I think that the people of the North once again returned the NDP. I think the people of the North were not subjected to the type of media blitz that the citizens of the City of Winnipeg were. So I think that we had a much more objective election in northern Manitoba, and I think the people in the North recognize that. We, as an NDP Government, have always been supportive of them, and they in turn supported us when it came to the polls.

I would like to speak very briefly on the emergency debate that took place in this House last week, dealing with the Port of Churchill. I have a special interest in the Port of Churchill, because I worked there previously to coming to the House. I worked as an engine man on the railways so I know that line well, and I know how important the whole grain movement is to the economy of northern Manitoba.

I guess there are many schools of thought on the importance of the movement of grain through the Port of Churchill. I know there are several organizations that say it is more expensive, but yet there are organizations that have come forward and shown where it is much cheaper to move the grain through the Port of Churchill.

An Honourable Member: Our studies.

Mr. Harapiak: The studies that the Hudson Bay Route Association has carried out have shown very clearly that there is an advantage for people, for farming communities within that Churchill catchment, that there is a great advantage to them. Therefore, I think it is important to Canada to have an alternative port available when there is a time of need. Although we are going through a recession, going through a real drought period so that grain is not that plentiful this year, there will be times in the future when that port alternative will be needed.

I know that there are people who say that the roadbed is not capable of handling the heavy boxcars or the railroad cars. I have worked on the line when they experimented with the hopper cars and moved the hopper cars across the line. There was difficulty at that time because of the oscillating effect of the hopper cars, which was causing derailments. It was not the matter of the railbed not being firm enough to carry the loads. The units are of much heavier weight than the grain cars are, so I know that if there was a will to build a lower-gravity car, the Port of Churchill could be used to a much greater degree than it is even at the best of times, and that the lower-gravity cars could be used on all the other lines. It would not necessarily be cars that are assigned for Churchill and I think there would be much more efficient use of the equipment. Therefore, I hope that the Members would, in whatever role they can carry out, push the federal Government to make some intrusion on the part of Manitoba to try and move as much grain as possible at this time.

I would also like to talk a bit on Manfor. Manfor was originally the CFI—which Members of the Government who are Ministers at this time were in Government when CFI was first created. I guess CFI has answered the call that it was created for in the first place. It has created jobs in northern Manitoba and utilized the natural resources that were available and were not being utilized. It was unfortunate that during the construction period there was a lot of money that left the country. It was not utilized for the purposes it was intended for, therefore it put Manfor in a position where it was operating on a deficit so it was difficult to come around and carry that debt load and still make a profit.

In the last couple of years, it has become a very efficient operation and I think that with the sales that we were negotiating prior to our defeat as a Government, I think that there was a negotiation stand we had taken to guarantee the number of jobs in the place and the continuation of the carrying out of forest renewal that we had brought forward as a Government and also the guarantee of capital investment which is necessary to utilize the hardwoods that are so plentiful in that part of the country.

As it stands right now, only the softwoods are utilized and the hard woods are destroyed in the harvesting operations so it is not as efficient as it could be if the hardwoods were utilized as well. I hope that the Government, in their negotiations, will carry on the same tactics as we were using and drive a hard bargain, because I think that is a mill that can be efficient and it can provide a lot more employment to the area than it is right now.

I was extremely disappointed to see that the Minister of Finance (Mr. Manness) had followed the recommendations of his outside consultants to devalue the mill to \$1.00. I do not think it does very much for your attempts to sell the mill when you devalue it to \$1.00. I think it is unfortunate that they would have to have carried out.

Earlier in the debate, earlier this afternoon, the Member for Fort Garry (Mr. Laurie Evans) had raised the issue of agriculture. I guess my constituency, as many people do not recognize, has quite a large agricultural base. I think, in this time of extreme heat and drought, that is one of the areas of the province that is producing crops the way many people knew that the North could produce crops. I was pleased earlier in the afternoon to hear the Member for Fort Garry's comments on some of the agricultural issues that are facing us.

I have had a previous opportunity to deal with the Member for Fort Garry when I was going to Kenya as a representative of our Government. I was going to Kenya, so I called him to get some information on the programs that were being carried out in Kenya. I guess the Member for Fort Garry has worked very closely with a brother of mine who is involved in the agricultural field who is an agronomist, and therefore, when I called him, he was familiar with my brother John so he very willingly gave me some information that was very useful to me when I travelled to Kenya.

I agree with the Member for Fort Garry that there are some questions to be asked about the budget that you have presented for agriculture. I have heard a great applause that you have increased the budget by 50 percent. I guess, in my calculations, it certainly does not come to 50 percent, but I guess one of the things that you do have to ask is what would any Government have done if you were faced with a drought like we are today. Any Government would have had to come up with the dollars to pull that industry out of the doldrums that they are in right now.

I guess some of the other areas that they have increased the funding is in the area of MACC to deal with bad debts. We know the situation that the farming economy is in. Again, we know that there is going to be some inflation in bad debts, so they really did not have much option but to carry on some additional funding for that area.

* (2010)

I guess one of the areas that I am keenly interested in is to know what is happening with the Rural Development Institute which was set up during our last term in office. Money was in there for that, and I think it is extremely important that we have this opportunity for the rural community to discuss not only agricultural issues but issues dealing with education, transportation, health care, and really the quality of life of rural Manitoba.

I would hope that the Minister of Agriculture (Mr. Findlay) would see fit to carry on with that rural institution that was put in place so that we can remove some of the difficulties that are faced by the agricultural community, remove it from Governments. Maybe people will have a more objective look at how some of the difficulties that our agricultural communities are faced with, how they can be addressed.

I guess one of the other things that I would like to raise that was raised earlier is the Canadian Federation of Agriculture is opposed to the free trade. I guess the

organization is made up of many small producer groups of which Keystone Agriculture is one of those members who make up that organization. They are being more objective. They are saying that they should be questioning free trade. What is the role of the Canadian Wheat Board, and what is the role of the marketing boards, including the Egg Marketing Board, the Poultry Marketing? I think there is a real concern amongst the members of the farming community that the Mulroney-Reagan free trade deal is going to be affecting the agricultural community in a very negative way.

I would hope that this Cabinet that is made up of many members from the agricultural community would heed those concerns of the agricultural community and look at that in a much more responsible way than they have looked at it to this point.

Mr. Speaker, when I was in Ontario last week, I heard via the radio that this Government was going to be defeated because they had submitted the same Budget that the NDP Government had submitted, and they were going to be defeated because they had submitted the same Budget. When I came back and had an opportunity to look at that Budget, I guess the only similarity is the fact that the dollar figures are very, very similar, but the priorities are very different. They are much different than what our priorities were.

I can understand that, but I guess I had some concerns when I recalled the words of the Premier (Mr. Filmon) at this time. When he was the Leader of the Opposition, he said, when we presented our last Budget, that we were pretending to be Conservatives. He said: "Give us an opportunity and we will show you what real Conservatives will do." Well, I guess you are not a real Conservative unless you have a majority Government because they certainly have not acted as a real Conservative Government. They have continued to carry on the -(Interjection)- The Minister responsible for Environment (Mr. Connerly) is -(Interjection)- Yes, I heard in the Globe and Mail that the Minister of Environment was very unprepared for the questions dealing with the environment, on issues that are dealing with the Hudson Bay Mining and Smelting.

An Honourable Member: Right across Canada, from coast to coast.

Mr. Harapiak: Mr. Speaker, they have continued to provide funding in the areas of health, education and in the area of community services. Once again, they could have come up with more funding in those areas, but they have given it a priority to give the breaks to their corporate friends. I think that they would have been much better off as a Government to have given some breaks to the senior citizens, rather than giving breaks to -(Interjection)- that is right, the Pharmacare. There were enough dollars in that revenue windfall that the Minister of Finance (Mr. Manness) experienced to have given quite a few people in society a break.

I think some of the areas that they could have given more money to is in the area of social services, because there are many areas in that department I know that they are having difficulty with. Having been a member of Treasury Board when the last Estimates were being

developed, I know all the difficulties that you are faced with in that Budget. I think that the priorities should have been to put more money into that area rather than giving the money to Inco and the CPR. When you read the corporate statements of those two corporations, they are doing quite well right now without the assistance from the Manitoba Government. I would hope that

Mr. John Plohman (Dauphin): There is a question from the floor.

Mr. Harapiak: I think that there could have been many areas that the families of Manitoba could have been given some breaks in the taxes that they are faced with right now, rather than giving the corporations the tax breaks.

An Honourable Member: Should they have increased the payroll tax?

Mr. Harapiak: The Member wants to know if we should have increased the payroll tax. I guess he will have an opportunity to speak on the Budget Debate, if he has not spoken up until now, and he can give us his views at that time.

There are many citizen groups that deserved and should have received the benefits from this Budget rather than giving the corporations the breaks that have come forward. I think that has been brought forward on many different occasions. I think that, when dealing with the payroll tax, we were increasing the amount, the threshold, when we were in Government. When this Government took over, they are more beholden to the business communities, so they certainly moved in a much faster manner than we would have. I guess those are some of the promises they made during the election, so I guess those are the areas that they had to fulfill.

I also believe that there should have been some dollars put into this Budget for job creation. There are statistics coming down now that the unemployment rate is rising for not only the youth of the province but to all sectors of this province. I think that if you looked objectively at the results we had during the period that we had the Jobs Fund, you would have to admit that we were very successful. During the time that we were experiencing a recession, we had the lowest or the second-lowest rates of unemployment in all of Canada consistently when all the other Tory Governments were practising acute protracted restraint.

They found that it did not work in those areas. The unemployment rates rose very high, whereas we were successful in Saskatchewan and in the Maritimes as well -(Interjection)- Alberta, yes. They believe that the private sector will create the necessary jobs, and that strategy did not work in the years '77 to '81 and I do not think it will work at this time. I think the Government should have a serious look at the success that we did have with the Jobs Fund when we were the Government.

One of the other areas that we were quite successful as a Government was in the area of the Limestone development. I think that with the Limestone development not only did northern Manitoba benefit

from it but also the balance of Manitoba. The manufacturing field and many of the small manufacturers throughout the province benefitted from the wealth that was created because of the Limestone plant being built.

I guess, in going through the Estimates, I notice that during the last Government's debate on the Budget Debate, they were very critical of our administration costs in Government. In looking at the Executive Council and some of the other areas of administration, even though there has been a reduction in the number of Cabinet Ministers, there is not the reduction in the area dealing with administration. I think that they should be looking at that and coming forward with what the real agenda is. If you promised to make cuts in the area of administration, in the area you always criticized and the apple-polishers, let us see some cuts in that area rather than carrying on with the same amount of administrations that were there when we were in Government.

As I mentioned earlier, the Community Services budget has been increased, but I think it should have been increased to a greater degree. There are some great areas of concern in that area, in the area dealing with Child and Family Services and also in day care. It is quite clear that this Government does not have a plan on what they want to do with the day care dollars that the federal Government has available. If they would take their ideological glasses off and look at it objectively, they would be creating more spaces and not looking at creating the private day care, which they seem to be moving in that direction.

I think that the public day care centres that we have created have been meeting a real need out there. I think that no matter what day care you look at, there is a long waiting list in every day care that is out there; so there is a need for more spaces.

I would urge the Community Services Minister (Mrs. Oleson) to do all that is possible to take advantage of the federal dollars that are available and create more spaces throughout this province, because they are really critically needed.

* (2020)

I guess one area that I would like to mention and talk about briefly is the area of Environment, Workplace Safety and Health. The Minister responsible for Environment, Workplace Safety and Health (Mr. Connery) was responsible for cutting the funding to the Labour Education Centre, and I guess that was one of his first acts that he carried out when he became Minister.

I was extremely disappointed to see him cut the funding to the Labour Education Centre, especially being the Minister responsible for Workers Compensation. I think that especially being the Minister responsible for both areas, he could have really moved in that area and provided a lot of education for employees that would save the costs of Workers Compensation in the long run. I know that there are many courses that are being offered by the Occupational Health Centre, and I know they are going

to have difficulty offering these courses now, courses that could have assisted the workplace in becoming a safer place and, in the long run, would have helped reduce Workers Compensation costs in the Province of Manitoba.

I would like to mention briefly that I am pleased that the Minister has chosen to leave the implementation theme in place. I know that the implementation committee was chosen for the best people who were available for those jobs, and I am pleased that he has continued to carry on with some of the changes that we brought forward when we were in Government. I would hope that we can look at this Workers Compensation in an objective way and not try and make a political football of it, because I think it is too important not only to the workers but to the employers in this province to be tossing back and forth. So we want to carry on and look at it in an objective way and make sure that work is continued to be carried on, because I think that the Workers Compensation is extremely important to the people of the Province.

I would just like to briefly mention another area that I am the critic for, and that is the area of Natural Resources. I would like to thank the Minister of Natural Resources (Mr. Penner) for his cooperation in allowing some of the people in the The Pas area to be cutting hay in the Crown lands. I think on previous occasions there was some difficulty in Ducks Unlimited not allowing people to come onto their area because it was a wildlife management designated area, so there was some concern about people coming out there to cut hay. I am glad that he was able to recognize that there is a shortage of hay in the province, so they let the people on to that area which is designated the wildlife management area to cut hay.

There is only one thing—they put a temporary plug on the Birch River to get across to the area which is going to cost about \$15,000 to put it in and take it out again. It would make more sense to put a bigger culvert into that place and had a permanent crossing put in there so that in future years, if there is a need for hay again, if once again we are suffering for a shortage of moisture, then that area would be available for the cutting of hay.

I just briefly would like to talk a bit about the Government Services. I know that when I was the Minister responsible for Government Services, there was an area that was dealing with handicapped access to provincial buildings. I would hope that the Minister would get that report and move on it because I think that there are some provincial buildings in this province that are the only places where the people in those communities can get their services. So I would hope that you would look at them and prioritize those buildings and open those provincial buildings up to the people of Manitoba.

One other area that is extremely critical and that is the parking around the Legislative Building. There are some studies that were initiated by this Government to deal with that. I think that the Legislative Building is one of the highlights of any visitor coming to the province and that many visitors come. It is a shame that we do not have sufficient parking spots for people

when they do come to the Legislative Building. I think it is extremely important that they do look at that.

I know that the Highway budget was increased by \$7 million. I know that there is probably a greater need for dollars in the Highway budget than that. I guess if we would have had the same windfall when we were in Government that this Government experienced, then we would have been able to put more dollars into the Highway budget as well. I would hope that they would look at the distribution of the wealth in an objective way and not put all of the money that is in the budget on the twinning of Highway 75. I know Highway 75 is important to tourism in Manitoba, but I think that there are also areas in northern Manitoba where there is difficulty with access to communities.

I also note that there has been an increase in Northern Affairs. I know that the Minister of Northern Affairs (Mr. Downey) has been travelling quite extensively through northern Manitoba. I am pleased that he has been doing that because I know that he was not familiar with northern Manitoba when he was appointed that position. There were concerns of how he would approach the people of northern Manitoba, but he has been making his presence felt since he had been appointed as Minister of Northern Affairs.

I hope that some of the initiatives that he is taking in that area are going to have some positive effect on northern Manitoba. I know the area of economic development is something that he chastised us for earlier in the afternoon, but I think that there are some opportunities in there of utilizing the natural resources to a much greater degree than we have. We have moved slowly in that and tried to develop the natural resources wherever there were some available.

I know that there are several other Members who want to speak on it. I just wanted to put my comments on the record, and I certainly am concerned that there would not have been more monies flowing into the area of some of the social services when you were blessed with that windfall that came your way after we were defeated from Government. I think that there are many areas that you should have been giving greater priority to.

It was kind of different to see the Member for Arthur (Mr. Downey) in the mood that he was usually in when he was a Member of the Opposition. He was usually in a bullying tactic where he was usually threatening everybody, but today he was practically pleading to the Members of the Liberal Party to please, please, do not vote against this Budget because it is a very good Budget.

It is a difficult question that we have to address and I know that we will be dealing with this over the next couple of days. I thank you for the opportunity to speak on the Budget Debate.

* (2030)

Mr. Parker Burrell (Swan River): It is indeed a pleasure for me to have this opportunity to speak on the Budget. I want to congratulate the Minister of Finance, the Honourable Clayton Manness, and Cabinet on this fine document.

I will begin with the highlights of the Budget taken from the Tuesday, August 9 issue of the Winnipeg Free Press. Their priorities were as follows:

- * The deficit will be reduced by \$196 million from \$311 million.
- * Spending will increase 4.9 percent to \$4.56 billion.
- * The tax on company payrolls will be eliminated for half of Manitoba's businesses.
- * New small businesses will receive a one-year tax holiday.
- * Tax on cigarettes will go up by 24 cents per pack.
- * A surcharge on leaded gas will increase by .9 cents per litre.
- * A new Government accounting system will be set up to include Crown corporations.
- * Spending on agriculture will increase 50 percent to \$115 million.
- * Education will receive \$792 million, or 3.3 percent more.
- * Spending on health will raise 9.1 percent to \$1.5 billion.

As I mentioned, these were the highlights of the Budget as prioritized by the Free Press, which I thought reported an overall positive position on the Budget.

In Swan River constituency, we would prioritize the Budget differently, but our response would be even more positive. For us, the No. 1 prioritizations would be agriculture.

Quoting from the Budget—that is where I got the address:

"Some \$18.3 million, including \$4.5 million in federal funds, earmarked for emergency drought assistance. A further \$700,000 is included for drought proofing. These measures offer needed immediate assistance and begin work on longer-term measures to protect farmers from the effects of subsequent drought. We are also moving to fulfill our promise to work toward the elimination of provincial school taxes on farmland, with a commitment of \$12 million for the Education Tax Reduction Program for farmers.

"The new program provides a 25 percent across the board reduction in the school taxes assessed on farm lands in the province. The provincial benefit will be paid at the time of property tax payments. Those who have already paid their property taxes will receive rebates from their municipalities. Land owned by financial institutions will not be eligible for benefits."

We realize that this is not enough, Mr. Speaker. We wish we could do more. But I believe it is a good positive first step when you consider the money spent on the flood in the Swan Valley area, and the millions of dollars spent on forest fires that no one could have predicted last year.

The deficit will be reduced by \$196 million from \$311 million, as forecast in the March Budget. This is very important in the Swan River constituency. I campaigned on common sense in Government and the fact that when taxes are increased the deficit should go down. Others have talked about the windfall of revenues that

enabled this Budget to increase spending and still substantially reduce the deficit. The Honourable Member for Lakeside (Mr. Enns) said it best in his address: "The main feature of this Budget is resisting the temptation, particularly on behalf of a minority Government, to try and spend itself into popularity."

Mr. Speaker, if extra money had not been forthcoming there would have to have been cuts in spending. The Finance Minister (Mr. Manness) used the extra money for a reduction in the deficit and increased spending where it was needed the most—health care and agriculture—a well-balanced, middle-of-the-road Budget. If extra money had not come, where would the cuts have been? Hospitals beds, elderly housing, the list goes on.

Once again quoting from the Budget plan: "Total budgetary expenditure is up 6.7 percent from last year's actual spending before extraordinary expenditure. Revenue is estimated at \$4.365 billion, up 8.6 percent. As a result, the deficit including both current and capital spending, is estimated at \$196 million, the lowest in this decade. We must build for the future, not borrow from it." Again, a positive first step.

Transportation is the key to economic activity in our province. Without a high quality road network, Manitoba businesses face insurmountable obstacles in reaching new markets and serving existing markets. We have, therefore, added \$7 million in new money for highway construction to the amount proposed in the defeated Budget. We are determined to stop the deterioration of our roads and highways and work toward needed transportation improvements.

Mr. Speaker, in Health, \$1.5 billion, as quoted in the Budget, is committed to maintaining vital services, up 9.1 percent from last year. This total includes \$760 million for hospital and community health centres, \$263 million for medical services, \$181 million for personal care homes, \$45 million for home care, \$42 million for mental health services and \$40 million for Pharmacare.

This budget provides \$11.4 million more for medical services and \$10.4 million more for hospitals, and in large part, to pay the cost of contract settlements for doctors and nurses which were not sufficiently provided for by the former Government. The Health budget also includes three important initiatives promised during the election; \$500,000 for the creation of a health advisory network, comprising representation from Government, health care, professionals, administrators, unions and the public, with a mandate to hold public consultation and recommend a health care action plan for the 1990s; \$100,000 for a badly needed Youth Drug Abuse Program and \$150,000 for industrial health promotion. This is open Government as promised in the Throne Speech.

The Education budget, 792 million, is up 33.3 percent over last year. School divisions will also benefit from the accelerated remittance of school taxes. The budget includes 686 million for primary and secondary education; 473 million for general revenue and the balance from the education support levy; 184 million for universities; 78 million for other post secondary adult and continuing education programs.

The Education budget includes funding for important initiatives promised during the election, 11.1 million for

independent schools or an increase of 3.3 million bringing support to 40 percent of the average per pupil grant received by public schools. This is the first step towards our commitment to public funding of 50 percent of public school per pupil grant.

Three hundred thousand for a task force on literacy. We are determined to take action to help those who cannot read or write and to upgrade the skills of those who left school before Grade 9; 4.9 million including 636,000 in new funding for the Distance Education Branch to improve the delivery of courses for Manitobans in rural and remote areas.

Mr. Speaker, other Budget highlights include Community Services up 9 percent; Employment Services and Economic Security up 5.6 percent; the creation of a Seniors' Directorate; the budget for the Department of the Attorney-General, including Corrections, is up 42 percent to 132 million; better policing for our rural communities—a reversal in policy from the former administration.

* (2040)

Mr. Speaker, municipal Governments are recognized for their importance. Directly from the Budget, I quote: "We will consult before making major decisions and we will listen." That is the message the new Government wants to impose on the people of Manitoba or impress on the people of Manitoba. Also, a new urban Native adjustment strategy will be developed. Again we plan to consult with Native organizations as well as local Government bodies and federal Government.

There will be no increase in personal income taxes. There will be no increase in retail sales taxes. There will be no increases in Autopac.

Mr. Speaker, this a Budget I have no reservations about supporting. This is a Budget I think the people of Manitoba will support. Thank you very much.

Mr. Allan Patterson (Radisson): I am very pleased to have the opportunity to respond to the Budget, along with all of the other Members of the House.

First of all, to look at the Budget overall, I will just attack or discuss some of the details later, but it looks like a more or less hold-the-line Budget, although it has been brought out before by many others. It bears a striking resemblance to the defeated Budget of earlier this year.

At any rate, Mr. Speaker, I should say at the outset, I am mindful of a couple of things. As I recall back in the early Sixties sometime, Duff Roblin made this statement to the effect that there will never, never, never, ever, ever, ever be a sales tax imposed by this administration. There was not the slightest occasion about the statement and unfortunately some years later in comes the sales tax.

I would also like to acknowledge and say that I am mindful and thankful for the fatherly advice given to us by the Member for—I will get it memorized yet—Lakeside. They say the fatherly advice he gave to this side last week. I am also mindful of the comments of the Minister of Health (Mr. Orchard) in that 78 percent

of the electorate voted against the recent NDP administration. I also would like to point out that I have no quarrel with a reduction in the deficit. It is something that must be addressed regardless of what Party is in power, and to the extent that it has been, I would commend the Minister.

However, following along and reinforcing some comments of previous speakers and our Leader, I think some recognition, small though it might be, could have been given to other groups such as have been suggested—some small relief in some way for lower-income earners; for instance, the 2 percent surcharge on the net income.

Leaving the Budget as a whole aside, I would like to look more specifically at some of the areas which have more specific interest to me in responsibility—first, the Department of Labour. In the Budget Estimates, it would appear that it is pretty well a hold-even budget. There is no really significant difference in the totals—something like .002 percent. However, if we compare the new budget with the defeated budget, there is a reduction of about \$600,000—about 5.7 percent—in the Labour budget overall.

Now I have no complaint again with a reduction in expenditures if it were the result of increased efficiencies. However, by far the greatest proportion of this \$600,000 reduction from the previous Estimates comes from two areas: the grant to the Labour Education Centre and the cut in the Pay Equity Bureau in the Civil Service.

Now with the Labour Education Centre, as we brought out when the cut was made, I would just like to ask the question: Was there any cost-benefit analysis made of the Labour Education Centre before this specific decision was made? Does the Minister, for instance, know of the particular programs and the courses and so on that are carried out at the Labour Education Centre? Specifically, what does it do? Has the Minister visited the Education Centre?

Now, the centre, I will admit at the outset that I have not yet visited it myself. It is something I will be getting at in due course and very, very shortly, but I do have some information on the centre. Originally, it started in the late 1970s and the grants were started in 1982 and continued until 1987 and more or less the present time, but the centre does put on many courses in Workplace Safety and Health workshops on hazardous materials, for instance. It is open not just to union members, but it is open to any worker or any person, in effect. They only charge the registration fee and a fee to cover the materials. It has a resource library building up a library on labour history and so on. It is available to many others. Many lawyers have informed me they have used it, and other types of researchers. It sponsors publications on matters related to labour history. A booklet came out a couple of years ago, "Let Us Rise," the history of the movement in Manitoba. He has done the history of Fliin Flon and is now working on the history of the Brandon Packers.

On the board of the Labour Education Centre are members from all three universities: University of Manitoba, Winnipeg and Brandon and from the

Manitoba Teachers' Society, as well as from the Department of Labour and the Department of Education.

I would like to point out that the federal Department of Labour does provide labour education money, started some time ago under the Liberal administration but continued under Conservatives. As well, in addition to the various courses on Indian History and Workplace Safety and so on that I mentioned before, there are many courses and workshops put out on pensions and pay equity. I just bring this out to bring up the point that while reductions are very commendable, it is a matter of how they are arrived at. We would like to see it as a result of greater efficiencies rather than the cut of programs that conceivably could have considerable value.

(Mr. Deputy Speaker, Mark Minenko, in the Chair.)

In the matter of pay equity, this has been reduced from about \$334,000 from the defeated Budget—about a 50 percent cut. Now again the fact that there has been a cut in the allocation to the Pay Equity Bureau does not necessarily mean that pay equity will not go forth. So again I will not quarrel with that particular reduction. However, I would like to raise the point of having pay equity implemented in the school divisions. On what basis was this particular decision made when pay equity is already in effect in the Civil Service, and well under way, coming to fruition this fall, in the various Crown corporations, universities, hospitals and so on?

I might point out that in the Civil Service and also at the University of Manitoba, where the process has been essentially completed at the university, will be very shortly, the overall payroll cost in the Civil Service and at the University of Manitoba has come in at something under 4 percent that was given as more or less a reasonable estimate of what the pay equity might cost to be phased in over a period of four years.

Given this particular experience and the fact that the process has had a considerable amount of debugging already, I am rather confused or curious as to why it should be held back from the school divisions. I can understand again, as leaders in these matters, Governments should have the public sector sort of pave the way and work the bugs out of the system and let us see how it is going before it is extended to the private sector, but I cannot understand the rationale for pulling it back from the school divisions, particularly when it has been brought out in the paper in the last few days that one school division, Winnipeg South, is starting to implement it and also Seven Oaks is well along the way in the process. Obviously, it is not necessary that in order for it to happen the Government has to oppose it. Any school board or any private employer is perfectly free to start a pay equity program. I would suggest that smart private employers would before it is forced on them.

* (2050)

An Honourable Member: Are you going to start with the Budget?

Mr. Patterson: Good question. I was just about to digress for a moment, Mr. Deputy Speaker. If I may,

with the indulgence of the House, ride a little hobbyhorse of mine, and I would like to regress to my professorial mode for a few moments, if I may.

I have a few hang-ups about the English language, rather the misuse of the English language, much of which comes to us from across the line. The term such as "the popular vote," which has no meaning in Canada because there is only one vote, applies to the presidential election in the United States.

However, while I am on this matter of pay equity, which is related to women largely and bringing them up to where they should be in some jobs, I would just like to point out to the House the misuse of the word "gender" as a synonym or unnecessary euphemism for the word "sex."

If I might just enlighten the House, the word "gender" refers to the classification of nouns and pronouns, and to the masculine, feminine and neutral gender such as we have in French. He, she and it are pronouns of the masculine, feminine and neutral gender. The word "sex" refers to the division of species for purposes of reproduction. So while all the words, man and woman, boy and a girl, bull and cow, and so on, those are words of the masculine and feminine gender. They refer to objects of one sex or the other. To quote Fowler's Modern English Usage—the Bible we might say of the use of the English language—to use gender rather than sex in referring to persons or creatures is a blunder. Although the word "gender" is used incorrectly even in the legislation and a good bit of material that the Pay Equity Bureau puts out and also the press use it, might I urge the responsible individuals to start using the proper English words.

The Civil Service Commission—Affirmative Action—again, a decision to save some money. I commend it; I am not going to argue with it. The Affirmative Action coordinator has resigned and has not been replaced. At any rate, the NDP has a propensity when they want to introduce a program or policy to create a new bureaucracy to look after it instead of just implementing it in the appropriate place within the existing hierarchy. Quite right, I understand this is what you have done. We are anxiously awaiting the results.

However, if I might refer to the Minister of Labour (Mr. Connery), when I mentioned what targets were a few days ago, I came out with a response that while targets are not a good thing to have because the implication is that when you reach the target or the goal or the objective or whatever you want to call it, that is the end of things, and we want to progress further. In the case of Affirmative Action, the target or the goal is to redress past wrongs, and when that goal is reached, it does not have to be any further a continuation, it just needs to be monitored to continue.

Let me say again in this matter of targets, we are concerned here in Affirmative Action with the appropriate labour market. Now women, as we know, are well over 40 percent of the labour force. Now to say to Manitoba Hydro that they must have 40 percent of their engineers female is not very realistic. But let us speculate a bit and say that 10 percent of the engineers in the Province of Manitoba are female, then

it would be reasonable to say to Manitoba Hydro, over some period of time, if you only have 2 percent of your engineers that are female today, set a goal of, say, five years to accomplish getting enough females in to have around 10 percent representation. When that target is reached, there is no need to go further and the problem is resolved. So targets, as the Member for Ellice (Ms. Gray) has just said, are important.

I would ask the Minister: what specific targets are being set throughout the Civil Service, reasonable targets, to achieve the goal of Affirmative Action?

Affirmative Action has been sometimes called a reverse discrimination by those that think it is not such a good thing. Actually, we might say that Affirmative Action is legal reverse discrimination. It is discrimination that is set out to redress past wrongs. If I may take some liberty with the second commandment, it is a visiting of the sins of the fathers upon the children under the third and fourth generation. However, it is not quite that bad.

No one is entitled to any particular job. We can say that whenever any hiring is done, there is discrimination or preference given. The word "discrimination" unfortunately is used in the pejorative sense too often in our society. We discriminate all the time in our lives. We discriminate the individual of the opposite sex—we might ask for a date or whom we marry. We discriminate in our choice of friends and so on.

The problem with discrimination, as we are discussing it here, is that it is discrimination that is made on improper grounds, discrimination against members of groups because they are members of that group, and in the employment situation not because of their qualifications or lack of qualifications to do a particular job.

For this matter of Affirmative Action throughout the Civil Service, it needs to have, and I hope it is getting, a very definite push right from the very top. Affirmative Action will not work unless there is commitment in the case of the private sector from the board of directors or the chief executive officer or the same, the relative individuals in the public sector, and this has to be very clear down through the hierarchy of line managers and supervisors. They need to be informed that it is their responsibility and duty to carry out the program and to achieve the goals or objectives that have been set. In achieving this, again, in any organization, you need some reward or punishment system to award those that accomplish their goals and punish those that are dragging their feet.

I would be pleased to know, Mr. Deputy Speaker, if these types of things are being implemented to see that Affirmative Action is properly carried out throughout the Manitoba Civil Service.

What I have been doing on these last two topics I have been speaking about, the policies of our colleagues on the other side of the House, they have one characteristic in common. They are more or less of a blow to more than 50 percent of our society—that is women.

Affirmative Action is set up largely to get women into their proper qualified place in the work force. Pay equity

is designed to again redress the past wrongs in getting women in some female job ghettos that were underpaid in relation to other male-dominated jobs to get them up to a proper wage level. Yet two of the policies recently stated or beginning to be implemented by the Government are more or less knocking out or destroying to some extent these two particular programs.

* (2100)

In the matter of Workers Compensation, Mr. Deputy Speaker, we note in the Budget last week, or was it the week before, it was announced that there will be a \$16 million one-time payment to the Workers Compensation Board for foregone interest. Now in this matter of Workers Compensation, I think the editorial in the August 12 Free Press expressed things very well. I will not read it in the record, Mr. Deputy Speaker. I am worried about a pink slip.

Just to point out what the editorial mentioned, this \$16 million for foregone interest should remain as a one-time shot. It should not be the thin edge of the wedge to have the taxpayers pick up the tab, let us say, legally, by means of changed legislation and to pick up the tab annually.

I would look forward, acknowledging that there are many problems with the Workers Compensation Board that need to be addressed and that the Minister is working on addressing these problems. I would hope that —(Interjection)— Okay. We really are looking forward to it.

At any rate, we would like to see the Workers Compensation Board brought into a balance in the future where workers are given proper treatment and proper rehabilitation, proper job relocation for their injuries, and that this is being delivered in a fair and efficient manner that is borne by the employers and not as an extra burden unto the general taxpayers through general revenue.

Thank you, Mr. Deputy Speaker, for this opportunity to say a few words.

Hon. Glen Cummings (Minister of Municipal Affairs): It is a pleasure for me to have the opportunity to say a few words on behalf of this Budget. It seems to me, and I must admit that I have not had an opportunity to hear first-hand all of the debate, but it seems to me that there have been some conflicting signals being sent out to the people of this province from the Opposition.

First of all, the Budget appears, to their eyes, to have been—I think one of the comments was, "Well, this is certainly not a Conservative Budget." If I remember correctly, the Leader of the Opposition (Mrs. Carstairs), that was her first reaction. At the same time, we are being told that it was a Budget that perhaps should have been some more restraint exercised.

Mr. Deputy Speaker, I think we have to be cognizant of the situation that the Government found itself in when it went into the preparation of this Budget. Normal budgetary planning would indicate that about in the fall of the previous years when the Government should

be putting together ideas, programs and initiatives, testing them to see if they would be workable, if they would be worthwhile initiatives, and then bringing those forward as part of their fiscal plan so that early in the year people of the province and the direction of the province could be set, things would move on in what would be considered a normal, logical and ongoing process.

With the fall of the previous Budget, the departments of Government reverted to the previous year's Estimates, which in some cases actually exceeded the budgetary expenses that would have been allowed for in the Budget that fell. So if someone cared to take a look at the uptake in programs in the period of the year, when people get involved with the plan of their summer work period or their ongoing plans for their lives with education, the uptake in programs are very often at the early stage in the programs.

If we want to talk about changing programs after people have already made commitments to them, after they have already assigned their time and their initiative into taking advantage of the program that is in place; if we are talking about making changes to those plans and those programs at that time, we are talking about really standing some people's lives on their ear. We are talking about ripping out programs that have already had partial uptake.

If that is the kind of Government that the Opposition thinks the people of Manitoba want, then I submit that they are badly mistaken. They are looking for a Government that will demonstrate fiscal responsibility, looking for a Government that is prepared to deal with the deficit of this province. The burgeoning deficit could not continue. The Minister of Finance (Mr. Manness) had to, in good conscience, prepare to bring down the annual deficit of this province. We could not continue on the ride that we were on. It was somewhat like being on the end of a rubber band, if you will, or a slingshot, I guess I could describe it, but I was rebuked by the Speaker for the use of a certain term this morning—or earlier this afternoon—but it is quite a ride.

Manitoba has shot through a series of half-billion dollar deficits or close thereto and it has been quite a ride. Do we want our kids to now have to pay for that ride? That heritage is what we are going to be leaving to the young people of this province, if we did not begin to deal with the deficit, deal with it effectively, and deal with it in a manner that is not abrupt. I missed the full comments made by the Member for La Verendrye (Mr. Pankratz) earlier today, but I think I heard part of his speech where he referred to turning the ship around but doing it in a reasonable manner, without tipping it over—or words to that effect.

There is no better analogy that we can use in terms of what has to be done with the fiscal plans of this province. If we are talking about turning things around, we are talking about what has to be a blended approach. If there is to be an increase in income, the distribution of that income has to be carefully considered.

* (2110)

I wonder if the Opposition really thought about the fact that there were a lot of expenditures that were

not included in the Budget that was defeated, but in fact are included in this one, which are inevitable expenditures that probably would have ended up showing in next year's deficit which the Minister of Finance (Mr. Manness) has been able to deal with this year. I am referring to the settlement with the health professionals in this province.

While I certainly supported their cause, the feeling of rejection and abandonment that they had in the recognition of the services that they were providing and what they saw as the negligence towards their monetary reimbursement, the settlement was substantive and that is included in this Budget as part of the Budget and will not be a hidden one coming up in the next Budget as part of the deficit that we will be accumulating as a result of not having been dealt with in the 1988 Budget.

Those are the kind of subtle differences. They are not headlines. They are not the kind of differences that make for sharp debate in the Legislature, but they are the kind of differences that indicate the very careful, the very calculated approach that the Minister of Finance has taken and that we, as his colleagues, support in the changing of the financial direction of the ship of Manitoba.

We talk about the fact that in mid-term almost we should have made some dramatic changes, and we made some changes—I am the Minister no longer responsible for the Jobs Fund—basically keeping an election promise that we were able to do within the time frame that we had and accomplish a management level within our Government that would be more responsive and, frankly, will be easier for the Opposition to follow. If it does not live up to expectations, it will be easier for them to criticize because, in fact, the responsibility for the expenditures of those dollars is directly related to the Minister within that department. Therefore, that Minister will be held accountable whereas under the old Jobs Fund structure, which I suspect the previous administration was probably going to eliminate anyway, they found it a little bit unwieldy and perhaps put a little bit too much power in the hands of a very small group in Treasury Board.

Nevertheless, it was a situation that was totally dumbfounding to anyone who tried to follow through, who had not been on the inside of the decision-making process. There were ways and means of moving money around and accountability was never really traceable sitting in Opposition and trying to determine how these dollars were being handled—again, not something that strikes headlines but something that is a direction, something that is a fulfillment of that goal of providing information, providing a little reality in the financing of this province.

If we were to turn things around more quickly than we did, we would be faced with some pretty severe criticism, I am sure, considering the fact that the Civil Service in this province recently signed an agreement with a no-cut clause. Any changes of a dramatic nature in the size of the Civil Service would simply not be possible without having to deal with that clause and that is a reality of the world that we live in in this province. If someone is able to demonstrate how they

would have fought that clause and how they would have overruled it, I would be interested to hear their argument.

We are talking about turning things around. You know the one headline that was made, and we are accused of being too big spenders—Tories cut spending in six departments—that is terrible stuff. At the same time, we are told that we did not turn things around enough. We were told the other day about the changing of responsibilities and changing of people in the Civil Service at the higher administrative level and we are told that in Ontario this would never have been heard of. There really have been very few changes in this administration and very few that I can see for any future changes.

I think there is a little bit of misinformation that has been put on the record there because I have been doing a little checking. I believe my sources to be reasonably accurate. I found since 1985, in Ontario, that the Minister responsible for Citizenship has changed, the Minister responsible for Community Services has changed, Minister responsible for Corrections has changed—the Deputy Minister, I should say. I am referring to the top civil servants here. The Minister responsible for Cultural Affairs has changed, the Deputy Minister for Housing has changed, Deputy Minister of Health, Deputy Minister of Government Services, Deputy Minister of Environment, Deputy Minister of Civil Service responsible for Civil Service, Deputy Minister responsible for Energy, Deputy Minister for IT&T. There are a few others that are involved but that is the—Municipal Affairs is new, Natural Resources is new, the Solicitor General is new. I am not sure how long the list goes on, but changes have been made since 1985. That is a pretty substantive list out of 30 ministries in the Province of Ontario.

I think that historically Governments have looked to the Civil Service to be compatible with their administration. The question was raised across the way: How many were fired; how many were moved? The question might be: How many were moved into boards and commissions? In other words, they were slid over into an area. I can get that list too, maybe, if you would like, but that is where several of them ended up, appointed to various boards and commissions.

I suggest that we have done the responsible thing in the manner in which this Budget, in the manner in which this Government has proceeded. We have been conscientious of the people we are dealing with. We are dealing with people's lives when we are talking about changing the Government policy. You do not do that in a flamboyant and radical manner or you will suffer the consequences. That is why I think that this Government will be long remembered for the fact that we challenged the Civil Service and their professionalism. Many—I would say most—a vast majority have responded.

(Mr. Speaker in the Chair.)

I know that the Minister responsible for Northern Affairs referred to this earlier, but it is a very salient point, that the Members of Treasury Board truly showed their professionalism and worked long, long hours and

they did not deal with their responsibilities in any other way except to give us the facts so that we could make decisions. They produced the paper. They produced the facts and they did a yeoman's service in doing so. For anyone to have made the comment that the chief civil servant of the Treasury Board left for any other reason except for his own personal commitment in my mind would be totally wrong.

To talk about the Budget in these terms, and to talk about our Government, we are talking about the responsibility that goes with becoming Government. I can remember sitting on the back bench on the other side and it is not all that long ago. We were having fun. What responsibility was there? I could ask questions, and if I did not like the Minister's answer, I could jump up and down and point fingers, but I did not have to raise the taxes to answer my own question. He had to do it if anyone was. If there was a service that was not provided, I could scream at the top of my lungs and the more times that the press came around to see why I was upset, the better I liked it, but that is part of the irresponsibility of being in Opposition. One has to provide constructive criticism or it becomes an Opposition that is not necessarily listened to after a while.

This Government and this Budget will be remembered for a long time for its responsible attitude that it has taken towards the expenditures of funds in this province, because we very clearly believe that you do not play with people's lives just simply to try and make political points. We believe that sound management and an understandable and clear direction to where we want the Government to move and where we want this province to move will provide the kind of leadership that will be respected in this province.

In the Budget, we have displayed, I think, a lot of responsibility in the manner in which it was put together. We displayed responsibility towards the taxpayers of this province. It can be argued that we did not decrease their level of burden, but I referred earlier to the fact that if you were going to continue to live at the speed that we were living because of the deficit growth, the personal debt that was growing throughout this province, then sooner or later someone has to pay. Even the administration that was just removed recognized in their last Budget that they were going to have to do better in terms of deficit management; in fact, they referred to it all the time that they wanted to do better in deficit management. That was a goal that they always had that just never quite got there.

* (2120)

Let us remember, that no matter when the piper has paid, the piper will be paid. I think that is another very salient point that we need to remember, and that is the difference between how this Government is going to use the additional income funds that it has, and they are going to use them to a large extent to reduce the deficit.

There has been some modest changes made in the administrative costs and the program costs of the Budget, but there has been a \$100 million reduction in the deficit. That is a start.

That is also a part of the commitment that the Finance Minister (Mr. Manness) made when he talked about the fact that we will be looking at long-term budgeting, and he even went so far as to make the comment about attempting to keep the Budget or setting a goal for the budgetary expenditures for next year. That is the kind of financial management we have not seen in this province for years—not the kind of flamboyancy that makes headlines.

If the people of Manitoba begin to listen to what has happened in this Budget, they will realize that sound fiscal management is in place and that this Government knows where it is going and is willing to share with the people that direction. The nasty little surprises that come from time to time are the things that truly aggravate the taxpayer whether he is a Manitoban or whether he is a Newfoundlander.

On the expense side of this Budget—health, education infrastructure—the expenses, fortunately, we were able to put more money into health care, put more money into education. Certainly, there is some question, I know, to the Education Minister about whether or not he felt there was a big enough increase in the money going into education.

What about the dentistry program? Is there anybody in Opposition who thinks we should have let the dentistry program go down the tubes? I think not. The dentistry program is a program that needed infusion at this time, needed a Government that was willing to react to the cost that it was faced with—

An Honourable Member: Want a pillow?

Mr. Cummings: Perhaps the Member over there would like to tell them, but I could live it up a little bit if he would like, but I have ridden on too many tractors to keep my back straight all the time. It is an occupational—(Interjection)—Yes, it is all right if the Speaker goes to sleep.

Mr. Speaker, I can always tell when I am starting to make a point because the Opposition begins to chirp a little.

The Member for Concordia (Mr. Doer) probably does not want to hear about the fact that the dentistry program was neglected in terms of funding. He probably does not really want to hear about the fact that we spent a lot of time, a lot of valuable and a lot of excellent time, in discussions with the local government people in this province because flowing from that came the agreement that we are able to reach regarding the earlier flow of education taxes that municipalities collected.

The credibility of Government in the eyes of municipal officials, I believe, was restored because up till now the municipalities have never been told how the provincial-municipal tax share system worked. Every year the Municipal Affairs Department had a lump sum of money that it was able to apply a formula to.

The Member for Concordia (Mr. Doer) is probably getting a little bit more agitated now because he was part of the cover-up that made it so that the municipal

officials did not understand what went into the creation of the provincial-municipal tax sharing program. They were going to take the money that they shaved off the top of the cap of the provincial-municipal tax share program. They were going to buy the municipalities out with their own money. Shameful—that is what it was.

Mr. Gary Doer (Leader of the Second Opposition): It is called tough decision-making—

Mr. Cummings: “Tough decision-making,” he says, Mr. Speaker. What is tough about hiding the money that was supposed to go to the municipalities and then offering them a relief when they said it was going to cost them on the interest side of the money that we are going to lose? Is that tough? That is downright deceptive, Mr. Speaker.

I think the Member for Concordia (Mr. Doer), he sought to wake me up. Perhaps he does not want to hear the rest of what I have to say about the cover-up to the municipalities.

The Minister of Finance (Mr. Manness) has made it very clear how the tax-share fund is developed as a percentage of personal income tax and as a percentage of industrial tax. That fund rises and falls annually with the ebb and flow of the taxes as they come into the province, but that was a dedicated tax.

And what did the previous administration do, Mr. Speaker? They said they do not really understand how this tax, you know—they know there is an amount out there, but they do not really know what it is, and they do not understand how the formula works, so we will just say that we will cap this at 3 percent. So they capped it. That was pretty smart on their part.

But somebody finally blew the whistle on them and it was this administration that did it, because we have now made it very clear to the municipalities how that fund was developed, what goes into the dollars, and those dollars were dedicated to flow to the municipalities—not to be capped so that anything over 3 percent would stay with the provincial Government. The municipalities were to share in the growth of the province. How else are they going to pay for the roads and the bridges and the streets that the province cannot afford to help them out with?—(Interjection)—The Member wants to compare this to the health care system.

The health care system received a pretty adequate increase this time. Despite the fact, as I indicated earlier, we also were able to allow for the settlement with the health care professionals without having to roll that over into next year's deficit. That is something that I am sure he does not want to recognize but that is an important and salient point.

Because the municipalities understand now how that fund is developed and how it is shared, any future administration will simply not be able to pull the wool over the eyes of the duly elected officials at the other level of Government. If they wish to put a cap or put control or put a stop on that, they are going to have to stand up and be counted and the municipal people

will know what they are doing. They were not impressed with what was happening this time but they had no idea of the magnitude of the amount of money that was being held back, or would have been held back, by the cap in the name of this province.

That is the deceptiveness that was going on. The people in the municipal corporations felt that, yes, they were going to get a grant from the previous administration to offset their loss of interest. That sounds pretty good, except that that grant was developed from the money that was taken off the top of the tax sharing program after the cap was put on, so they were buying them with their own money.

What this Government has done is restore the principle that the municipalities have a right to share and, however limited it is, they have a right to share in the growth of this province, and they will share through that tax fund without any further meddling from this Government, and if any future Government attempts to meddle they will pay the price.

That is the demonstration of the difference between our style, between our commitment to the people of Manitoba, between us and the other type of administration that the people of this province have seen. That also compares favourably to the type of criticisms that we have been receiving. Criticism of throwing out money to the municipal people to buy their acquiescence does not make sense when you realize that these people still very loudly made their point regarding their concerns regarding the early remittance of education tax, but they recognized that with the removal of the cap on the PMTS and the other things that I referred to, that they now have a stake in the ongoing growth of this province. If there is no growth, they have a stake in the lack of growth as well, but it is truly a growth tax which they can consider themselves part of.

* (2130)

Another item that I would like to refer to is the education tax rebate. As a percentage of education tax—handling this program in this manner as a percentage of education tax on agricultural land—quite simply means that the administration which the municipalities were so upset with previously has now been reduced and almost eliminated. The municipalities will now understand that there is a way in which provinces and municipalities can work together if there is a desire on both sides to do so.

We can argue whether or not there should have been a reduction in taxation on personal income. We went on and on for years about the growth in the deficit, and now those dire predictions that we made have come to rest in the taxpayers' wallets.

At the same time, however, the little things that we were able to do—and a simple example, one which I think every Member in this House supports, and it is only a small amount of money but it is a figure that was very important—that is that we now have a program to implement a program to deal with the drug abuse, the potential drug abuse, of the young people in this province. A hundred thousand dollars is not a lot of

money, but it is the little things that drive people to look at Governments and say, does this Government really know what it is doing, or does it have a plan?

I have demonstrated that I believe we started off with a spirit of cooperation with our fellow elected officials in other jurisdictions across the province. This Budget demonstrates that we are prepared to be honest and forthright regarding the finances of this province. The Minister of Finance (Mr. Manness) has demonstrated very clearly the unbudgeted deficits of the Crowns and the associated costs that go with them, they have now been allowed for in this Budget, because I say very clearly that there is no way which this administration or any other administration would want to assume the responsibility for the kind of deficits that we have been left with in associated government organizations. Those deficits had to be accounted for.

Again, I will talk about the small items. If you were living in rural Manitoba, and all of sudden found that you were going to be taxed at a different rate than everyone else for the RCMP protection that you had in your local community, you could understand the consternation that goes with that. By one small, simple change we have already managed to allow the two municipalities in question to get out of the other costs that they were suddenly being saddled with in terms of building up their policing costs. Those are the little things that show the difference between the way which we intend to provide financial management in this province, and the manner in which they have received their financial management up until now.

A few thousand dollars spent in police services in one area, is like a few million being dropped into a metropolis. That is the kind of unfettered, irrational attention, or lack of attention that rural Manitoba has been used to receiving in the few short, far too long years that we just came through under the previous administration.

I want to make a couple of other points regarding the turnaround of the ship of state of the Province of Manitoba, if you will. We are talking about whether or not this should be a Budget that exercises more restraint. Is it the previous Budget in different clothes? Those are the kind of questions that the Members across the way have asked. It is neither. It is a Budget that has recognized the reality of the position that the Government found itself in when we began to put together the Budget for this year. We recognized the reality of the fact that this province could not continue with the kind of deficits that it had. We recognized the reality of the fact that programs were well under way when we assumed responsibility for Government in this province. We recognized the fact that there were incomes that were being generated, which we would have to allocate in a responsible manner.

We have used far more of those funds to reduce the deficit than has been previously demonstrated. If we were to go further, it is our contention that we would have irreparably damaged some of the programs and that some of the people of this province who had made plans based on programs in which they were enrolled would no longer be able to live up to those plans.

The bottom line in every province, in every Budget, is whether or not that Budget is acceptable to the broad

base of electorate. Does John Lunchbucket out there feel that he is getting a fair shake out of this Budget? I contend that he does because he knows the costs of dealing with everyday expenditures better than anyone else in this province. He knows that we have to maintain the social services that have been established and which he and his family have come to rely upon. If you were to make radical, dramatic changes in midstream, not only would you change the programs, you would compound the effect of your changes and you would pay the price.

So any politician who wants to go out and hammer this Budget, I would contend does so at his own peril because the people out there who have to pay the taxes, who are not living on the salary of a legislative Member but who are earning their soup and sandwiches as working men and women across this province, realize fully the debt that this province has been left with, and they realize fully that we have to deal with that debt in an ongoing and responsible manner. We are taking the very first steps towards doing that in the presentation of this Budget.

The question has been raised a few times about whether or not we have done enough for agriculture. I guess I made my point during the Throne Speech debate that fully more than half of this caucus was elected because we were sick and tired of the way agriculture was being treated. If you think that we are going to turn back on that mandate at this time, you are wrong.

At the same time, we have a responsibility to all people in this province. We have addressed some of the more immediate problems in agriculture, but those ongoing future problems of planning will be part of the ongoing process of putting in place new management and new Government direction in this province. Again I suggest to you, anyone who says in three months there should be a dramatic turnaround does not understand the reality of how this province has to be funded and how the programs have to be directed.

* (2140)

Rural Manitoba, in its hour of need, has been met in the best way possible by this Budget. Certainly, those who will face continuing and ongoing problems with water supplies across the province will receive as much service as we can possibly deliver through the Water Services Board within the limitations of manpower. But we will do everything within our power to make sure that they do receive the services that they need if the back of this drought is not soon broken.

The debate goes on about jobs across this province. We have not yet seen the problems that will be developing from the lack of income that we are going to see across all of southern Manitoba, south of the Riding Mountains, and a sound fiscal policy without dramatic changes that keeps the social framework in place so that, if these people have to fall on times that should be that tough, we will be there. That is why you do not take and tear the guts out of a Government program in the middle of the year.

That is why you test and challenge the public service people to provide the information and test their professionalism to work with you when there is a change in Government. We have not found them wanting. They have performed. We believe, as a Government, that we have not been found wanting because this document demonstrates a direction, a changing of the direction that is not radical now but it is a change into the wind. We will turn back the tide of deficit in this province.

To have the weight of a drought put upon the Budget of this province at this time is exceptionally bad luck, if you will. The Province of Saskatchewan has had to deal in an ongoing manner with a drought that has been far more severe than one we have had to face here. At the same time, they have made the effort to make sure that they were there during the hour of need for their agricultural producers. Mr. Speaker, I can guarantee you that desire to be ready, to be able and to have the programs to serve rural Manitoba, if this drought is not soon broken, the will is here.

We are prepared to work with all Parties and all people in this province to make sure that we have adequate employment across the province, not just for agriculture but for everyone. If you are going to have adequate employment, you have got to have adequate growth. If you are going to have adequate growth, you will have income. If you have income, you will be able to pay the deficit of this province.

I commend the Minister of Finance (Mr. Manness) on the job that he has done in bringing forward this Budget. I commend it to the people of this province, and I recommend to the Opposition that if they truly believe that fiscal responsibility is important in this province, if they truly believe that sound management is important, then they must believe that this Budget is an acceptable document and one that they can easily support. Thank you, Mr. Speaker.

Mr. Steve Ashton (Thompson): Mr. Speaker, I am pleased to be able to participate in the Budget debate once again. I have participated in every Budget Debate since I have been a Member of this Legislature, because it gives us all an opportunity to address economic and fiscal policy issues.

The overall economic direction the province is taking is indicated by the Budget, but also is indicated by other policies and programs that are being implemented by the Government of the Day. In my speech today and the continuation of my speech tomorrow, I will be attempting in many ways to put the Budget in perspective. In doing so, I will be looking at the recent past politically in this province, looking a bit at the present, and also I hope to be able to look at the future as well.

I would like to begin, as I normally do, with my constituency and what this Budget means to my constituents. I would say that it does not really mean a heck of a lot. In fact, I would say, for most of my constituents, this will be a very disappointing Budget. There are no breaks for the ordinary citizen in this Budget. There are breaks for businesses. I suppose Inco is one of the major beneficiaries but if people -

(Interjection)- "Where are they located—in Thompson?" asks the Minister of Agriculture (Mr. Findlay). I would like him to ask my constituents where they would prefer the break to go, to Inco or to the average citizen in Thompson.

I will tell the Minister of Agriculture that most people think that Inco is doing quite well this year with record profits, I might add, and that it is the average taxpayer who needs the break, not the big corporation. That is why once again, as I said, the Budget is very disappointing in terms of the average constituent of mine.

There is also no real economic strategy in this document. There is no job creation strategy. There is no indication of what is going to be happening in terms of hydro development, for example, which is very important to my constituency. I have many people in Thompson who are employed working at this very moment at Limestone, and they are very concerned about the direction this Government has indicated it will take in terms of hydro construction, the go-slow policy on Conawapa. Once again, they are quite concerned about the lack of any indication of any change of mind by the Government in the Budget document.

There is also no mention of another issue, and I realize it is a localized issue, but it is probably one of the most important budgetary issues for most of my constituents, and that is northern tax allowance. For those Members who are not aware, the federal Conservative Government, when they brought down the regulations about a year-and-a-half ago for the northern tax allowance, did not include Thompson or Wabowden.

I think anybody who has got any passing knowledge of northern conditions, northern Manitoba in particular, realize just how ridiculous that was. We fought and we fought hard as a community, as communities actually, because we were not alone—there are many others across Canada. In fact, right at the final moment, I think within a few days of the last final deadline for filing income taxes this year, the federal Government finally said that they recognized that we were northern communities, and we did in fact receive the Northern Tax Allowance.- (Interjection)- To the Deputy Premier (Mr. Cummings), I might add that the Minister of Finance previously, Eugene Kostyra, was one of the people speaking up the strongest for Thompson and Wabowden.

I am raising this issue now in the hopes that the present Minister of Finance (Mr. Manness) will also speak up and the present Government will also speak up because it is a matter of particular concern to my constituents, partly obviously because of the tax benefits involved but also because of the principle. I think there has been nothing that has infuriated people more in the past couple of years, in fact in the entire seven years that I have been an MLA, than the suggestion by the federal Government in Ottawa that Thompson was not a northern community.

The reason I am raising this issue now is because our federal Government, in its beloved wisdom, has indicated that, yes, Thompson is a northern community

but we will only receive the tax benefits for two years. There is going to be a review, a committee, a study, whatever, to determine whether in fact Thompson will permanently receive this benefit. So Thompson has been declared a northern community for two years.

You can understand, I think, why people are still somewhat frustrated and why you are still going to hear a lot from me in this Legislature about this issue. You are certainly going to hear about this issue during the federal election when it is called, because I think every single citizen in Thompson is going to raise this issue.

In fact, one of the reasons why we were able to receive the federal change of heart, I think, was the fact that people in their outrage signed over 4,500 petitions. When you consider the fact that that is one petition per household, that is an amazing number of petitions. I think that grassroots effort and the many people who organized that deserve to be particularly congratulated because we did get the message through.

But, as is the case when you are in the North, you often have to continue to fight to get your case across and that is what we are going to do. I can tell you right now that we are not going to stop on that issue until we receive the full tax allowance on a permanent basis. We expect—in fact, we are going to demand the support of the provincial Government on this because, as I said before, there was full support of the previous Government, and I do not see any reason why there should not be the complete support of the current Government or in fact the full support of all Parties in this House, because I think everybody obviously acknowledges that Thompson and Wabowden are northern communities just as much as the many other—in fact, the more than 200 communities that were included in the initial boundaries as eligible for the allowance.

* (2150)

But as I said, the real reaction of my constituency when I went back this past weekend was one of disappointment, in fact one of puzzlement as well, because a lot of people came up to me and asked, they said, well, what were the Conservatives talking about all those years in Opposition when they turn around and introduce spending plans in many of the departments that in many ways echo what was in the previous Budget and echoes what the NDP have been talking about? I think people have been looking with puzzlement at the sudden change of heart of the Conservative Government. Well, I think I know why they have changed their heart at least for now and I am going to get to that in a few minutes, but certainly that is the reaction of my constituency. But as I said, the bottom-line reaction to the Budget is there is not much in this for the ordinary citizen. I certainly agree with that.

How did we get here? How did we end up in this situation? What has happened in the five months since the NDP Budget was presented? What has happened? Let us take a trip down memory lane for a few minutes. Let us try and place this period in Manitoba's political history only five months ago. I say, Manitoba's political

history because, having heard the Conservative Budget speeches this time around, I have a hard time remembering that it was only five months ago that, for example, the Tory Finance critic, the current Minister of Finance (Mr. Manness), said that his Party would cut Government expenditures by \$112 million if elected. In fact, he said, I believe that we would be able to find 2.5 percent savings in expenditures.

Well, what did they do? Was it cut by 2.5 percent? Was it cut by \$112 million? Did they find all these horrendous wasteful expenditures in the departments? Well, no. Their average expenditure—in fact, their overall expenditure works out to be almost exactly the same as the Budget previously. It was only five months ago that we were hearing the Minister of Finance talking about major cuts but today, now that he is the Minister of Finance, all of a sudden we are finding the spending is very similar overall.

Was it just the Minister of Finance who was talking about that? No, it was also the then-Leader of the Opposition, the current Premier (Mr. Filmon), and I am glad that the Minister of Finance (Mr. Manness) is listening attentively now to my comments. The Premier, then the Leader of the Opposition, he introduced the motion of non-confidence into the House that said that—and I will just quote a couple of the key elements in that resolution. He talked about “. . . ignoring the long-term effect of uncontrolled spending”—once again, a reference to spending. I just indicated what this current Budget holds. It talked about: “. . . has dipped into the pockets of ordinary Manitobans for an enormous tax haul of \$185 million more in personal income taxes.”

Well, there are various other components to this resolution, but I just want to concentrate on that for a moment. Now what is the average resident of my constituency going to be paying in terms of taxes when they fill out their form next year? Less taxes? No. In fact, they are going to be paying more because the progression from the 1 percent to the 2 percent when they fill out their tax forms next year, they are certainly going to be paying more. They will not be paying less taxes.

I want to stress that for a minute, because I just want to get to another period in our recent political history in a couple of minutes, and that was the election and the expectations that people had. I want to compare the comments that were made then, the expectations that people had, and the reality of today. Well, we did have that non-confidence motion. That was the non-confidence motion that led to the election.

Let us talk about the election. I remember the campaign commercials—I am sure most Members of this House do—the campaign commercials with the tax form—(Interjection)—The Minister of Health (Mr. Orchard) remembers that one, the one with the tax form, and talking about NDP taxes. I can tell you, going door to door, the expectation on many of my constituents was, well, the Conservatives are raising the issue of Autopac and raising the issue of taxes. They are going to do something about it, right? Well here we are today. The Conservative Government has been in for three months. They have brought in their new Budget. Has Autopac

gone down? No, Autopac has not gone down. Not a single person in my constituency is paying less for Autopac. So, so much for that expectation.

Have taxes gone down? I must say there that taxes have gone down for business by \$40 million, but the taxes that the Conservatives were talking about in the election were personal income taxes. Have personal income taxes gone down? Well you know very well that they have not, and my constituents are beginning to wonder what happened.

This election culminated in the election of this Government in April, this is only a few months ago. We are talking about a difference of three and four months. So what has happened in that period of time? We have seen the Conservative Government go from talking of major cuts in expenditure when they were in this House before. Then we saw in the election them talking about cutting taxes and Autopac and now we have seen, when they get in, they do neither. Let us try and figure out this puzzle. What has happened in this interim?

There is one obvious fact, and that is that the Conservative Party in Manitoba performed the unheard-of feat in the election—(Interjection)—the unheard-of feat for the Minister of Health (Mr. Orchard). What they did is they turned victory into defeat. The old political maxim is that Governments defeat themselves. I can tell you quite honestly, when I entered that election, I must say—I am not saying that I am a pessimist—but I did have every expectation that, yes indeed, the NDP could lose that election in terms of the Government. The Conservatives are applauding.

Did they have the expectation that they, so confident after the defeat of the Government in the House—I remember the looks on their face. I remember the Minister of Northern Affairs (Mr. Downey), in particular, that motion that we have seen repeated on television repeatedly, that great sense of, well, we have got them now. Well, did they get them now? What happened to the Conservative Party? They came out of the election with fewer seats and fewer votes than they entered the election. This is the first Opposition Party in Canadian history, I think, to be handed the election, and then to fumble it in the space of 50 days to the point where they end up with fewer seats and fewer votes than when they entered.

What is the relevance of this to the change in their attitude? It is very relevant, because I think there are two kinds of Tories. There are what I would call the conservative Conservatives. They stand up and they say, I am a Conservative. They get excited about particular types of issues. Some people even call them dinosaurs. There are quite a few of them in Ottawa. They tend to surface when they are talking about the Official Languages Bill and issues such as that. They tend to show their true colours. They get up and they huff and they puff, and they say I am true, I am a conservative Conservative. That is the one type.

But there is another type too. They are often called red Tories, moderates, whatever. I call them no-name Tories, because essentially what they stand for is not being a conservative Conservative because they realize

that being a dinosaur is not that popular politically. The current Premier (Mr. Filmon) has built a political career on being a no-name Conservative. I say that because, in reality, I cannot distinguish between the current Premier and say, for example, Sterling Lyon when he was Leader. I run through the issues that I saw take place in the seven years that I have been in this Legislature with the previous Sterling Lyon. There may be a difference in style, I will admit it—a slight difference in style between the Member for Tuxedo (Mr. Filmon)—“Landslide,” as he has been called in our caucus recently—there may be some difference in style but what difference is there in terms of policy? There basically is no difference when the Tories were in-between elections, none whatsoever.

The Member talked about cutting the deficit on social issues. For example, they opposed The Human Rights Act. He followed the agenda of the right wing of the Conservative Party to the hilt. But during elections it was different. Does anyone remember the 1986 election? I am sure the Minister of Finance (Mr. Manness) will remember well, and the Member for Lakeside (Mr. Enns). This was the Conservative Party that for five years have been talking about Government waste and expenditure. In their platform in 1986 what did they talk about? Increasing health and social spending. What did people say to that? Most people just did not believe it because they remember what the Tories have done when they were in Government. They remember what they had said for five years, changing for that one month did not change the political views of people.

That is the situation we are in now, I think, in Manitoba; that is, that the no-name Tories are in control here. The buzz word is to be moderate, to talk about concern. The buzz word is we are not going to be cutting back, we are not going to be laying off. Why is that, Mr. Speaker? It is because there is a minority Government, there could be an election at any time. So they reverted to the Conservative policies that you see during elections because Conservatives run on moderate platforms in elections. I even remember the 1977 election. There were all sorts of assurances. I remember Sterling Lyon said there will be no civil servants laid off.

An Honourable Member: He did not say that.

Mr. Ashton: Yes, he did. He came to Thompson. He said there will be no layoffs of civil servants. I will continue tomorrow, Mr. Speaker, with what actually happened.

Mr. Speaker: Order, please; order, please.

The hour being 10 p.m., I am interrupting proceedings according to the rules. When this motion is again before the House, the Honourable Member for Thompson (Mr. Ashton) will have 25 minutes remaining.

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