



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

DEBATES
and
PROCEEDINGS
(HANSARD)

37 Elizabeth II

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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.	Virden	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
MANNESSE, 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

Tuesday, August 16, 1988.

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

INTRODUCTION OF BILLS

Mr. Edward Helwer (Gimli) introduced, by leave, Bill No. 18, An Act to amend An Act to Incorporate the Manitoba Motor League; Loi modifiant la Loi intitulée "An Act to Incorporate the Manitoba Motor League."

INTRODUCTION OF GUESTS

Mr. Speaker: Prior to oral questions, I would like to direct Honourable Members' attention to the Speaker's gallery where we have with us state representatives Elton Redahlen, Jim Tunheim and Wally Sparby from the Minnesota House of Representatives. On behalf of all Honourable Members, I welcome you to the Legislature this afternoon.

ORAL QUESTION PERIOD

Premiers' Conference Port of Churchill

Mrs. Sharon Carstairs (Leader of the Opposition): My question is to the First Minister.

At a press conference earlier today he spoke of the upcoming Premiers' Conference and he mentioned issues in a general way which he would like to raise. However, his comments did not seem well-focussed on the particular plight of Manitobans, and so I would like to ask him: Why was there no mention today of the Port of Churchill and what negotiations will he undertake at the First Ministers' Conference in order to support the operation and continued operation of the Port of Churchill?

* (1335)

Hon. Gary Filmon (Premier): As a matter of fact, following the formal news conference, in a conference call with media from rural Manitoba, the topic of the Port of Churchill was raised. I indicated at that time that with respect to the issues surrounding Churchill the fact is that several of the Ministers of the First Ministers' have competing interests. Premier Peterson, a good friend of the Leader of the Opposition (Mrs. Carstairs), has indicated that he is fighting diligently to get more grain through Thunder Bay and opposed to grain going elsewhere that could go to Thunder Bay.

With respect to other Premiers, the West Coast ports are looking for support because they fear layoffs and loss of employment. We will have an opportunity to lobby and to work with those Premiers who might potentially have some interest in supporting us, and

that includes the prairie Premiers, Premier Getty, Premier Devine, and I will be raising it with them, and I can give that assurance to the Leader of the Opposition.

Premiers' Conference Aluminum Smelters Development

Mrs. Sharon Carstairs (Leader of the Opposition): I thank the Premier (Mr. Filmon) for that assurance, but yet there is another serious economic issue which this side would like to see equally raised. Therefore, I ask the Premier to confirm that he will enter negotiations with the First Minister of the Province of Quebec concerning smelter developments in both our provinces to ensure that those developments can be coordinated, and to further ensure that it will not be an either/or confrontation.

Hon. Gary Filmon (Premier): Well, there are a variety of issues there, and I think it is important that the Leader of the Opposition (Mrs. Carstairs) and indeed the House understand that the issue we are looking at with respect to an aluminum smelter possibly being located in Manitoba by Alumax is not an either/or situation.

Unfortunately the Leader of the Opposition took her lead from Mr. Axworthy in Ottawa because I saw him make exactly the same statement in his comments about it in the House in Ottawa yesterday, to which he said that the two firms were competing and, in fact, that there was not enough requirement for capacity in North America, or in the world to require two different smelters. The reality is that the two smelters are aimed at different markets, and the reality is that the Alumax smelter is a replacement of existing capacity that is aging and that is outdated, and that Alumax is looking to replace, so it is not new capacity.

Premiers' Conference Senate Reform

Mrs. Sharon Carstairs (Leader of the Opposition): I regret that the Premier could not indicate that he would undertake discussions with the Premier of Quebec, but can the First Minister (Mr. Filmon) tell us if he will also undertake serious negotiations with regard to a Triple E Senate? I understand that in the press conference, he indicated that it might well come up, but is he prepared to advance the cause of a Triple E Senate, and to work positively on negotiations toward that end?

Hon. Gary Filmon (Premier): The Leader of the Opposition (Mrs. Carstairs) seems to be aware of the issues that I raised in my news conference today. It is regrettable that she is not aware of the fact that I specifically raised the Triple E Senate, indicated that Premiers Devine, Vander Zalm and Getty and I would

look forward to converting other First Ministers to the Triple E Senate complex, to the concept. We issued a release in our Parksville meeting, the Western Premiers' in May, in which we gave our full and complete support to the concept of a Triple E Senate. We look forward to the opportunity at this Premiers' Conference to gain more converts to the concept of the Triple E Senate. I will be pushing it very strongly.

Civil Service Hiring Restraints

Mrs. Sharon Carstairs (Leader of the Opposition): With a new question to the First Minister (Mr. Filmon).

This Government's administrative record raises serious questions. It has conducted a major purge of its senior management. It has a Minister responsible for the Civil Service (Mr. Connery) who jokes about pink slips, and, as a result, our professional Civil Service and Manitoba at large are frightened and bewildered by what they consider to be an erratic managerial style. Has the Treasury Board under the First Minister (Mr. Filmon) given a directive to individual departments regarding possible hiring restraints? Specifically, has a directive been given to impose a 7 percent staff year vacancy rate, and if so, in which departments?

* (1340)

Hon. Gary Filmon (Premier): Firstly, I want to totally reject the preamble of the Leader of the Opposition's question. Unfortunately, my understanding of the Rules of the House is that she ought not to have a preamble on a fourth or fifth question, but she again took a lengthy question and I will give her a lengthy answer.

The reality of the matter is that the professional Civil Service in this province are very pleased for the actions that have been taken by this Government. They see a restoration of confidence in the merit system being put in by this Government. They see an improvement in their morale.

In fact, I was told last week by senior civil servants, who are not political friends of the Leader of the Opposition (Mrs. Carstairs) or the Leader of the NDP Party (Mr. Doer), that the Civil Service is very, very happy with the actions we have taken and that the only terror and the only concern is in the mind of the Leader of the Opposition.

We are administering well. We are administering with a good deal of common sense and with concern for the people who serve the people of this province, and they are very happy, those civil servants, by the way that we are administering this province.

Getting back to the further area that the Leader of the Opposition was talking about—she has indicated about a 7 percent vacancy rate—I might say, Mr. Speaker, that we, as Treasury Board, asked the Civil Service to maintain a 7 percent vacancy rate until we had dealt with the Estimates process so that jobs were not being filled during a period of time when we were making decisions about combinations of departments and about reallocation of staff in areas that she agrees with, because she said she wanted more efficiency in

the Civil Service; she said she wanted to cut bureaucracy and not service us. We have done exactly that, and in order to do so during the period of time we were considering the Estimates, we maintained a 7 percent vacancy rate. That instruction has now been rescinded.

Mrs. Carstairs: Mr. Speaker, I would suggest that the Premier meets with you to review the rules with regard to Question Period.

Some of the employees have received indication—

Mr. Speaker: Order, please. The Honourable Government House Leader on a point of order.

Hon. James McCrae (Government House Leader): Mr. Speaker, in light of the suggestion of the Leader of the Opposition, may I suggest that she, a number of her Members and a few Members of the NDP also attend that meeting.

Mr. Speaker: The Honourable Member does not have a point of order.

Civil Service Term Positions

Mrs. Sharon Carstairs (Leader of the Opposition): My supplementary question on my second question to the Minister of this Province—the First Minister (Mr. Filmon) is: Some employees have been given indication that their term positions have been extended until the September 1 deadline, but despite the fact that some of them have been employed for two or three years, they have no indication beyond that point.

Can the First Minister tell the House what are his intentions with regard to these term positions which would normally terminate September 1?

Hon. Gary Filmon (Premier): I cannot judge on a blanket basis whether all term positions that come up on September 1 are going to be renewed. The reason that they are term positions is because the work is generally of a more temporary nature or a renewable nature and not necessarily a long-term Civil Service position. If it were a long-term Civil Service position, they would be regular employees. They have been brought in on term positions because the Government of the Day, I might say our predecessor Government, obviously did not believe that those positions should be placed on a permanent basis.

If she can give me some further information about what the specific functions of these positions are and what the nature of their role and responsibility is, then we can give her more information, but that is the kind of long detailed answer that should be given in the course of Estimates review.

Mrs. Carstairs: Mr. Speaker, can we have some assurance from the First Minister (Mr. Filmon) that individuals who have been term employees for more than two years will be given either adjustment and/or

retraining programs by this Government should they be terminated?

Mr. Filmon: Mr. Speaker, that is a hypothetical question. We have not decided to terminate anybody.

* (1345)

Premiers' Conference Regional Economic Development

Mr. Gary Doer (Leader of the Second Opposition): Mr. Speaker, my question is to the First Minister. I was not able to pick up all the content of the First Minister's press conference this morning, if there was any content with the tirade that went on. The First Minister's meeting last August entered into an agreement at the initiation of Manitoba to look at entrenchment down the road of some of the fundamental principles that were contained in the original Rowell-Sirois report in terms of regional development. In light of the again recent announcement of the Prime Minister in terms of preferential treatment potentially with Quebec, is the First Minister proceeding with these negotiations to have fair regional development in our Constitution and has he got any success in results as a product of that procedure?

Hon. Gary Filmon (Premier): Mr. Speaker, I can assure the Leader of the New Democratic Party that there was content in my news conference today and unfortunately he may have difficulty understanding the content but the reality is that there were many things that I put forward in terms of our interest in the development of Manitoba's economy. Much of the issues that I intend to raise have to do with making a stronger, more vibrant economy. They also have to do with a commitment to ensure that regional economic development is done in a way in future that is beneficial to Manitoba.

Premiers' Conference Interprovincial Trade Barriers

Mr. Gary Doer (Leader of the Second Opposition): I thank the First Minister for that answer and I look forward to the final agreed upon document that he will bring back to this House next week with that agreement with the other provinces. I look forward to it and I am sure this House will look forward to that announcement.

I would ask the First Minister, in light of the fact that many Manitoba firms are not allowed to get into that free market province of Saskatchewan in terms of trade in this country and many Manitoba firms are not able to get into provinces like Quebec on the same basis, will the First Minister come back from Quebec with a free trade agreement in Canada as opposed to just words and talk about this very important item?

Hon. Gary Filmon (Premier): Mr. Speaker, just for the benefit of the Leader of the New Democratic Party. I am not going to Quebec, so I cannot come back from Quebec with some document. Number 2, he had six-and-a-half years when he was in Government to arrive at some agreement or some document with respect to

regional economic development and he achieved nothing, so to suggest that at this meeting we should come back with an agreement, I think is a little excessive on his part but that is the kind of rhetoric he is normally inclined to.

I indicated this morning at the news conference that the removal of interprovincial barriers to trade was a major issue on the part of our Government. I raised it at Parksville and we got agreement amongst the four Premiers in Western Canada and some of them are very much inclined to raising barriers to interprovincial trade, and so I thought it was significant that we had a communique that indicated our commitment to remove those interprovincial trade barriers. Everyone of our Ministers in going to national meetings have raised that issue with respect to our economy and our desire to remove those interprovincial trade barriers and we will continue to press that point strongly.

Premiers' Conference Municipal Services Upgrading

Mr. Gary Doer (Leader of the Second Opposition): I am pleased having again Manitoba initiating that issue on the First Minister's agenda two years ago. I look forward to the Minister bringing back to this province a free trade agreement with other provinces in Canada consistent with the alleged free market philosophy of some of these Premiers.

Mr. Speaker, my question again is to the First Minister. Last year, at Municipal Affairs Ministers' meetings, there was an agreement to have a tri-level funding of municipal infrastructure between the federal Government, municipal Governments and the provincial Governments and this agreement was denied by the federal Ministry responsible for the Treasury Board, after the Ministers of Municipal Affairs had agreed all across the country the Premier of Alberta and the Premier of British Columbia sided with the Prime Minister on this issue. Will we see any success at the First Ministers' meeting on this very important item for Canadians?

* (1350)

Hon. Gary Filmon (Premier): Mr. Speaker, given that we are dealing with a tripartite agreement in which two of the Parties are not at this particular conference, I do not know what kind of results he expects to have. What I can tell the Leader of the New Democratic Party is that it is still an area that is supported by Manitoba. Our Municipal Affairs Minister (Mr. Cummings) at a recent Municipal Affairs Ministers' meeting joined with all of his counterparts across the country in once more making a commitment to that kind of tripartite agreement for infrastructure for support for municipalities in this province and right across the country. We remain committed to that. When I was in Ottawa, I discussed with the Prime Minister our desire to have an ERDA agreement that will allow us to have infrastructure development funded by all three levels of Government and including, obviously, the federal Government as a commitment and we are negotiating actively towards that conclusion.

Mr. Doer: Mr. Speaker, the First Minister missed my point. The Premier of Alberta (Mr. Getty) and the Premier of British Columbia (Mr. Vander Zalm) sided with the Prime Minister and the solidarity that was gained with all the Governments of Canada, being together, going to the federal Government and all the municipalities being together was lost. Will the First Minister obtain the agreement of the Premier of Alberta and, indeed, the Premier of British Columbia, who sided with Mr. Mulroney last year at the First Ministers' meeting?

Mr. Filmon: Mr. Speaker, not having discussed it with those other First Ministers, not having listened to their point of view, I am not certain at this point in time what the arguments are in the issue. What I can say is that we are totally committed to that and we are prepared to enter into an agreement with Ottawa, separate and apart from other provinces because we deem it to be a priority for Manitoba.

So we are working on a separate ERDA agreement that would allow us to bring in that kind of tripartite financing for municipal infrastructure, separate and apart from what any other province in this country wants to do. We believe we can negotiate that kind of agreement with Ottawa and we are working towards that goal.

Cost Benefit Analysis Payroll Tax Reduction

Mr. Richard Kozak (Transcona): My question is for the Minister of Finance (Mr. Manness). Governments frequently view tax cuts as a drain on the Treasury, but carefully targeted tax cuts can generate economic activity that offsets some of the costs to Government of the cuts. Has the Department of Finance valued the proposed payroll tax cut in terms of the economic activity and Government revenue recapture it will generate and will the Minister table his department's forecast in this matter?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I am hard pressed to determine what side of the issue the Liberal Party is on today, whether they support the payroll tax increased exemption or not. That analysis has been done only in part, to be honest and open about it. Certainly, there will be expected to be a net benefit to the economy in about two years because of the result of the reduction of that tax; firstly, in job creation very quickly and, after that, of course, a direct spin-off to the economy.

Cost Benefit Analysis Income Tax Reduction

Mr. Richard Kozak (Transcona): A supplementary for the Minister of Finance. Has the Department of Finance, in addition, prepared a cost benefit analysis with respect to cuts in the 2 percent tax on net income and will the Minister table this analysis?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, the answer to that question is, no. One of the great revelations to me as I became the Minister of

Finance is that ability does not exist within the department. It is one of the commitments that we have made, requested when we were in Opposition, and is one of the areas that will be addressed in due course as we work towards the promise of multi-year budgeting. Those types of analysis and cost benefit studies have to be put into place. My department knows what it is that we want, what we seek in that area, and hopefully, a year from now, we will be able to present the results of that analysis to the Member opposite.

* (1355)

Mr. Kozak: A final supplementary for the Minister. Without these cost benefit studies of the payroll tax cut, vis-a-vis a cut in the 2 percent tax on net income, how can the Minister have confidence that a tax cut for consumers is less important than a payroll tax cut?

Mr. Manness: Mr. Speaker, I make no such claim. I said, indeed, Members of this Party have said since 1983 that the removal of the payroll tax is the highest priority item with this Government. We have received a mandate from the people to govern. Consequently we brought in, in our first Budget, a commitment, a reaction to the commitment. We reduced the payroll tax; we are happy to do so.

With respect to the 2 percent tax on income. The Member opposite should know the removal of that tax would represent a reduction in revenue of \$200 million. I would ask him if that is what he is advocating, what areas of programming would he like to see reduced?

Manitoba Intercultural Council Review

Ms. Maureen Hemphill (Logan): My question is for the Minister of Culture, Heritage and Recreation (Mrs. Mitchelson).

When the Minister announced a short time ago that her Government was going to be doing a review of the Manitoba Intercultural Council, we supported that review as did the Intercultural Council on the basis, I think, as she said, that the air could be cleared of expressed concerns. We all assumed that this would be a very fair, impartial and unbiased review. I think it will be because it is being done by the Provincial Auditor. We all have great faith in the fairness of the work of the Provincial Auditor. However, Mr. Speaker, the Auditor—

Mr. Speaker: Order, please. Does the Honourable Member have a question?

Ms. Hemphill: This is a serious question, Mr. Speaker.

I want to know why this Minister, who has not been willing to release any reports, preliminary or draft reports in any other area, has been willing to allow the release of unpublished and unverified financial records from her office during the course of the review and the investigation while the Provincial Auditor is investigating it? Does she not believe that this might have prejudiced the review, at least in the public mind for the thousands

of volunteers who are working for the multiculturalism in this province, many of whom constituted her Government in Folklorama?

Mr. Speaker: Order, please.

Hon. Bonnie Mitchelson (Culture, Heritage & Recreation): I thank the Member for Logan (Ms. Hemphill) for that question.

So I can clarify, the information that was received by the media, was in a report that was published and given to over 200 members of the Manitoba Intercultural Council at a meeting held back in June. Those were the figures that the media received and it was public information.

Ms. Hemphill: I am wondering, in light of the concern that has been raised by Members, not just of the Intercultural Council, but hundreds of Members of the ethnocultural community, that this information being published in advance of the Provincial Auditor's Report comes out—

Mr. Speaker: Order, please; order, please. Would the Honourable Member please place her question.

Ms. Hemphill: —what will the Minister do to communicate both to the ethnocultural community and the public that the information that is coming out or that was presented then does not necessarily make a commitment to what has happened with the financial records under the Intercultural Council? What will she do to remove the cloud?

Mrs. Mitchelson: I called for the audit and that is removing the cloud of doubt that is out there in the general public and out there within the ethnocultural community. The Auditor is looking into the situation. When he comes forward with his report that will be tabled, it will, first of all, be discussed with the ethnocultural community. The people who I have indicated are the first priority in this whole review process. Then it will be tabled in the Legislature and available for the media and for the Opposition.

* (1400)

Mr. Speaker: The Honourable Member for Logan, with a final supplementary question.

Ms. Hemphill: A last final supplementary, Mr. Speaker. I think the point I am trying to make is that since this review is under way—

Mr. Speaker: Without a preamble.

Ms. Hemphill: —does the Minister not believe that this was a highly unusual procedure, to have allowed the release of a document to the public that contains financial information that was presently under review by the Auditor, prior to the review being completed?

Mrs. Mitchelson: That information was released to the public at a June meeting by the Intercultural Council

so the facts were out on the table and it was public, open information.

Ambulance Services Funding

Mrs. Gwen Charles (Selkirk): Mr. Speaker, my question is to the First Minister (Mr. Filmon). I want to acknowledge on behalf of the Members of the Opposition the dedicated service that some 1,600 ambulance personnel provide to the citizens of Manitoba.

In view of the fact that this Government has put forward the proposition that they believe in universal access to the health care system regardless of how good the hospital you have, if you arrive there brain dead or too late that facility is not of equal access to you if your ambulance service cannot get you there.

My question to the First Minister (Mr. Filmon) is that given the overall departmental funding in the Department of Health is increasing by 8.9 percent this year, why is it that the First Minister is so frugal in only providing less than 3 percent increase to support the ambulance services which are the very front-line runners of allowing equal access to Manitobans to our health care system?

Hon. Gary Filmon (Premier): I thank the Member for Selkirk (Mrs. Charles) for quoting the words of our Health Minister (Mr. Orchard) when he was a Health critic about the ambulance service—if you arrive there brain dead or too late.

The fact of the matter is that is why the Minister of Health (Mr. Orchard) expressed his concern for funding for health care for the ambulance system and our health care system. When he comes back she can place that question with the Minister of Health, so that he may answer directly what measures he is prepared to take to ensure that ambulance services in Manitoba are adequately funded.

Health Care Funding

Mrs. Gwen Charles (Selkirk): My question is to the First Minister (Mr. Filmon). Then does this Government have no concern over the health care system in Manitoba? We are the lowest in Canada at 2.24 percent. Will this First Minister indicate whether he will be willing to come up to the same per capita rating as the other Conservative Governments in Canada are?

Hon. Gary Filmon (Premier): I have just indicated to the Member for Selkirk (Mrs. Charles) that long before she ever dreamed of entering the provincial Legislature that matter was raised and raised very often by Members of the Conservative Party when they were in Opposition. Those same statistics that she quoted were used. She is probably even referring to old Hansards—from the questions that we asked. Those were good questions and so I compliment her for recognizing that.

Some Honourable Members: Oh, oh!

Mr. Filmon: Mr. Speaker, I suggest to her that there will be an opportunity to discuss that matter and debate

it with the Minister of Health (Mr. Orchard) in the course of the review of his Estimates or in further Question Periods, and he will have answers for her as to what he is prepared to do on behalf of this Government in supporting adequate funding for the ambulance services in Manitoba.

Ambulance Services Strike

Mrs. Gwen Charles (Selkirk): I am looking for good answers. What will the First Minister do if the ambulance services in rural Manitoba, indeed, perhaps the City of Winnipeg, go on strike, as they are considering in the month of September?

Hon. Gary Filmon (Premier): She has found a good question, so she will find good answers when she puts those questions to the Minister of Health (Mr. Orchard). She has asked a hypothetical question—the Member for Selkirk (Mrs. Charles)—about what would we do if they go on strike. The reality is they have not gone on strike and that is not a situation, obviously, that you start a negotiation with by telling people that you have a contingency plan in place, or that you are going to do this or you are going to do that. That is not the way discussions are carried out in good faith with the ambulance workers. We hope to be able to provide them with the kind of support that will ensure they do not go on strike.

Vocational Schools Bonding Regulations

Mr. Jim Maloway (Elmwood): Mr. Speaker, my question is for the Minister of Education (Mr. Derkach) and concerns the bonding regulations for the approximately 44 vocational schools in this province. On July 5, the John Casablanca Modeling and Fashion Career College folded without any prior notice. Why has the Minister not yet called the \$5,000 security bond posted by the school?

Hon. Leonard Derkach (Minister of Education): I do want to provide the accurate information for the Member, so therefore, when I research it, I will take the question as notice and come back to the Member with an accurate answer for that question.

Mr. Maloway: There are Members, the Member for Springfield (Mr. Roch) who would like to make light of a very serious situation. I do not think that is very good at all.

The losses in this particular case now are well over \$5,000 and may be much higher in the end.

Mr. Speaker: Order, please; order, please. The Honourable Member with a question.

Mr. Maloway: The result being that the students will be getting only a few cents to the dollar; in view of that fact, will the Minister consider compensating the students for these substantial losses over and above the \$5,000 in the bond?

Mr. Derkach: As I had indicated to the Member before, that is a matter that we will investigate. When the

answers are in their complete form, I will report back to the Member.

Mr. Maloway: A final supplementary to the same Minister. Given that the 44 vocational schools in Manitoba, from Herzing Institutes, hairdressing schools, to Success Angus Business College must increase their security bonds to the level specified in Regulation 182/88 of The Private Vocation Schools Act prior to July 1, will the Minister—

Mr. Speaker: Order. Order, please. Does the Honourable Member have a question? Will you kindly place it?

Mr. Maloway: My question: will the Minister ask his department to ask these 44 schools to increase their bonds immediately rather than waiting till July 1, 1989?

Mr. Derkach: I will take that question as notice, as well, and we will deal with the matter in an appropriate fashion.

Mental Health Day Programs

Ms. Avis Gray (Ellice): This Government attempts to emphasize in their speeches a balanced approach to services to the mentally handicapped. Well, Mr. Speaker, rather than balanced services, I maintain there are virtually no services.

To date, there is a moratorium on the entrance of the mentally handicapped into community day programs. Will the Minister of Community Services (Mrs. Oleson) immediately remove this moratorium so that mentally handicapped adults can reap essential benefits from day program participation?

Hon. Charlotte Oleson (Minister of Community Services): If there is a moratorium, and I do not agree that there is, then it has to do with the flow of funding right now which will be alleviated when we get through the Estimate period.

Ms. Gray: If the Minister of Community Services (Mrs. Oleson) believes that there is a moratorium, perhaps she could tell this House then, why WASO, a well-respected day program, a workshop in East Kildonan, currently has a waiting list of 10 mentally handicapped individuals and they have been told by the Government they cannot admit those individuals into day programs because there are no dollars?

Mrs. Oleson: I will take that question as notice for the Member and get back to her as soon as I can.

Ms. Gray: My second supplementary for the First Minister (Mr. Filmon). Could this Minister tell the House how he is going to ensure that senior civil servants and his Ministers of departments will, and when will they, be aware of very important key issues such as moratoriums on day programs? I find this very unusual that there is no awareness of these important issues.

An Honourable Member: Hear, hear!

* (1410)

Hon. Gary Filmon (Premier): Mr. Speaker, if the Member for Ellice is suggesting that every single memo, every single letter that goes out of the department, out of any area, a department that has thousands of civil servants working for it and if any area anywhere in the department sends out a memo or a response to a letter or a phone call in response to an inquiry, that the Minister should be knowledgeable about every single word that is uttered out of her department, then she does not know what goes on in Government. You are going to have to try a lot harder than that, Avis.

Affirmative Action Coordinator Vacancy

Ms. Judy Wasylycia-Leis (St. Johns): Mr. Speaker, my question is for the Minister of Labour (Mr. Connery). Given the very grave concern expressed today by the Manitoba Advisory Council on the Status of Women, which is an advisory body to the Provincial Government, given the concern expressed about the decision by the Minister of Labour not to fill the vacant position of Affirmative Action Coordinator with the Civil Service Commission, will the Minister of Labour indicate to this House if he has consulted with the various target groups who are very concerned about Affirmative Action with the women of the province, the disabled, the Native community and the visible minority community before making this decision, and if he is not, whether or not he is prepared to at least consult with the advisory committee put in place previously to consult on this very kind of matter.

Hon. Edward Connery (Minister of Labour): I would be pleased and I have met with very many various groups and any group that wants to meet with me is very welcome in our office. The question at hand is should we fill the vacant position and of course we had discussions about this. We discussed it with the Civil Service as to how best we could deliver the Affirmative Action program. The Member should know that the position had been filled under the previous Government and had been very ineffective.

While they had this position filled, I looked up the numbers to see how they were doing as far as their targets were concerned. If the targets were filled, we would have to lay off 847 men and hire 847 women. We would have to hire 1,000 Native people. We are short 980 disabled people and we are also short 687 visible minorities, so obviously, with that position filled the program did not work. We are very concerned that the Affirmative Action program work and be effective.

Ms. Wasylycia-Leis: Mr. Speaker, given the fact that all studies, particularly those done by the Manitoba Advisory Council on the Status of Women, which as I said is an advisory body to Government, given the fact that all those studies have indicated that the decentralized model does not work, that one has to put teeth into the program, that being centralized coordination so that Deputy Ministers and managers of all departments are prepared to act expeditiously

and in a very concerted matter, will the Minister of Labour take seriously the advice of the Manitoba Advisory Council on the Status of Women as well as numerous organizations within the multicultural community and reverse his decision and fill the vacant position of Affirmative Action Coordinator in the Civil Service Commission?

Mr. Connery: Mr. Speaker, we are very concerned about Affirmative Action. I have told this to the Member already. While that position was filled, it was not effective. The program now is to have the various line departments report to a Deputy Minister in charge of human resource management. This is a higher level than the position was before. We feel that working within the various departments on a line-by-line basis that we will ensure that every department is aware of the needs of the Affirmative Action program. Only time will tell if we are more effective. If the program is not being effective, I can assure you that we will make adjustments and, yes, I will be very welcome to meet with these various groups. I received a letter this morning asking for an opportunity to meet, and a reply will go out today trying to set up a date to meet with that group.

Pay Equity/Affirmative Action

Mr. Speaker: The Honourable Member for St. Johns, with a final supplementary.

Ms. Judy Wasylycia-Leis (St. Johns): Thank you, Mr. Speaker, and I would like to thank the Minister for that answer, but I have a question out of great concern for the Premier (Mr. Filmon).

Given the fact that so many groups who are not equal in our society—women, visible minorities, Natives and the disabled—have expressed grave concern about the decisions taken by this Government to date with respect to pay equity, with respect to affirmative action, will the Premier overrule the Minister of Labour's (Mr. Connery) decisions to date, put some teeth into these very important programs? Will he also give assurances to this House that no other female at the Deputy Minister level or Assistant Deputy Minister level will be fired?

Hon. Gary Filmon (Premier): I just want to respond to the Member for St. Johns (Ms. Wasylycia-Leis) by indicating that, firstly, we are totally committed to the implementation of the pay equity plan within the Civil Service of Manitoba, as we had agreed to it when we voted for the legislation a number of years ago, as we have continued to be committed to it.

I have met with Roberta Ellis-Grunfeld, I have met with others within the women's groups in Manitoba society, indicated our commitment that we should see pay equity firmly established within the Government service of Manitoba in a way that is equitable and fair and meaningful to all of our women so that they can have equality of economic opportunity, and that the Civil Service can be leaders in the process so that the private sector can then take their lead from that. We can have the program worked out in a way that indicates that it can be worked out in a fair and equitable manner to all women, to all employers in Manitoba, and that is what we are doing.

With respect to affirmative action, I have again indicated that we want the affirmative action process to work favourably in Manitoba Civil Service, so that we get qualified people who represent minority groups being seen to be raised to various levels within the Civil Service in accordance with their capabilities and knowledge and background to ensure that they reflect the best of what is in Manitoba society. That is people of all backgrounds, people of all capabilities, people from all directions and all areas of Manitoba being well represented in a functional and important and in a contributing manner within the public service of Manitoba.

Mr. Speaker: The time for oral questions has expired.

NON-POLITICAL STATEMENTS

Mr. Darren Praznik (Lac du Bonnet): May I have leave of the House to make a non-political statement?

Mr. Speaker: Does the Honourable Member for Lac du Bonnet have leave? (Agreed)

Mr. Praznik: I would ask the Members of this House to join with me in extending a warm welcome to the over 400 delegates from across Canada, who are in Winnipeg this week to attend the 68th Annual National Convention of the Catholic Women's League of Canada.

These delegates represent thousands of dedicated women from across our nation who devote countless hours of their time to the betterment of not only their respective parishes but also of their communities. Their contribution to assisting those in need can surely be said to make our community and our nation a better place to live. I would ask you to join with me in welcoming them to our province and extending our best wishes for their convention.

Ms. Judy Wasylycia-Leis (St. Johns): I would like to ask the House for leave to make a non-political statement.

Mr. Speaker: Does the Honourable Member have leave to make a non-political statement? (Agreed)

Ms. Wasylycia-Leis: I am pleased to rise in this Chamber and make a non-political statement in relation to my hat that I wear as Sports critic for the NDP caucus.

* (1420)

Today marks the beginning of the Manitoba Summer Games occurring in Pinawa and Beausejour. These games feature athletes from across the province and have involved literally hundreds of volunteers who have given their time and skills in pulling off such an impressive event. The members of the Conservative Government are yelling out it is tomorrow but, Mr. Speaker, the official opening of the games that I have referred to is today. The official beginning of these very important games is today, and I would like to be the first to stand up and commend the thousands of

participants and volunteers for making these games possible. I am sure all Members in this House will join me in congratulating these volunteers, as well as the many people involved in initiating the games in these communities.

In addition, I personally would like to congratulate the former Member for Lac du Bonnet, Clarence Baker, who as we all know worked very hard to ensure that the games would be held in these communities and convincing the provincial Government to financially assist the games.

Thank you, Mr. Speaker.

Hon. James Ernst (Minister of Industry, Trade and Tourism): Mr. Speaker, I wish to seek leave to make a non-political statement.

Mr. Speaker: Does the Honourable Minister have leave? (Agreed)

Mr. Ernst: Mr. Speaker, I would ask all Members of the House to join with me in congratulating Mr. Dale Goehring of Winnipeg Breezy Bend Golf Course who, last Friday, won the Canadian Junior Men's Golf Tournament in Kelowna, B.C. with a four-day, 72 hole total of 298. At 16 years old, it bodes well for the golfers of Manitoba, particularly the junior golfers and the junior program that is carried out amongst the golf clubs in Winnipeg. So, Mr. Speaker, I would ask that all Members join me in those congratulations.

While I am on my feet, and again in a non-political vein, I would like to advise the Members of the House that the official opening of the Manitoba Summer Games will be held tomorrow evening, an event in which I will participate.

Hon. Edward Connery (Minister of Labour): I would like permission to make a non-political statement, Mr. Speaker.

Mr. Speaker: Does the Honourable Minister of Labour have leave? (Agreed)

Mr. Connery: Mr. Speaker, over the past weekend, there were two very important tournaments on, and two teams from Manitoba won very important championships. It is just a coincidence they both come from Portage.

Mr. Speaker, the Sports Stop Women's Team from Portage La Prairie captured the Manitoba Intermediate B Softball Championship and, especially important because it is of a larger nature, the Keystone Chiefs of the Western Canadian Bantam Baseball Championship won the Western Canadian. So, Mr. Speaker, to those players who performed so well and to the coaches who were good coaches and to all of the participants who were in those tournaments, we should give our congratulations.

Mr. Speaker: I would like to caution all Honourable Members when making non-political statements, I see we are treading very close to the line. Rather than abuse the privileges that are given to an Honourable Member because leave is needed, therefore, I would just like to caution all Honourable Members.

ORDERS OF THE DAY

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 Thompson (Mr. Ashton), who has 25 minutes remaining.

Mr. Steve Ashton (Thompson): Mr. Speaker, yesterday when I started my speech on the Budget, I was pointing out some of the inconsistencies we have seen from the Conservatives over the last five months. In fact, it has been a rather incredible period in Manitoba political history. I outlined how the Conservatives, during debate on the last Budget of the former New Democratic Party Government, talked about cutting spending and cutting the deficit as their top priorities. I talked about how the Conservatives, when they were in the election, talked about cutting taxes or certainly implied that to the people of Manitoba in terms of individuals in this province, and how some few months later they have changed on both those scores.

Now, I want to clarify that I am pleased that they have not gone ahead with the wholesale cutbacks that the Minister of Finance (Mr. Manness), when he was Opposition Finance critic, was talking about. I want to make that perfectly clear on the record that I think that would have been a disaster for this province if he had gone ahead with the 2.5 percent cutbacks, the \$112 million that he talked about. So I am pleased with that, although I am a little puzzled.

I am not however, pleased with the double talk we have seen from the Conservatives on taxes, the implication to people that somehow, if they voted for the Conservatives—and many people in my constituency thought this. They thought that somehow their Autopac and their individual taxes would go down. We have seen in the short months we have seen this Government in office that, unless they happen to be a shareholder in Inco and I suppose some in my constituency are, they get very little benefit out of the Conservative Government.

As I said, in trying to trace how this conversion took place, the obvious fact came to me, and that was the fact that the big difference between the Conservatives really is whether they are in-between elections or they are during election campaigns. In some ways, people might say, well this is in-between an election but I think, in many respects, the Conservatives have decided, because they are in a minority position and there could be an election at any time, that they are going to act like they do when they are in preparation for an election. That is important because, when they are during an election period, they talk about health and social programs and maintaining spending for Manitobans. They talk about tax breaks for Manitobans. That is during elections but, when they are in-between elections, we see things shift quite dramatically.

I was doing some research just overnight for my speech. The most interesting giveaway of what the real Tory strategy was at the time came from a comment made by the current Minister of Finance (Mr. Manness)

when he was Finance critic for the Opposition, and it was not made in his speech. It was made during the speech I gave, a comment to me from across the floor. I think it indicates the bottom line of the Conservative approach in this Budget, of why the average Manitoban has not received any break from this Government.

I was talking at the time about the Member for Morris (Mr. Manness), the then Finance critic, talking about borrowing, borrowing, borrowing, borrowing. I suggested that he was more interested in the question of borrowing than maintaining or increasing health care. I made reference also to cutbacks in health care that had taken place under Sterling Lyon. The current Minister of Finance (Mr. Manness) said—I asked what is he suggesting? The Minister of Finance said, tax for it, do not borrow it. In other words, he was suggesting that, if there was going to be spending on health programs, on social programs, it should be coming from taxes not borrowing.

I think we have seen a few short months later that was the real agenda of the Conservative Party. Even back then they knew that, if they formed Government, what would happen would be that the tax grab that they talked about would be maintained, in fact, continued by the Government, by the Conservatives because their real agenda was not to decrease taxes for the average citizen in Manitoba but to maintain those taxes. Their real concern, their only concern was on the fiscal side, the financial questions, the borrowing, etc., and not for the average Manitoban. I say that, and I can point once again to the fact that this is on the record in Hansard, and I would encourage people to read it, because that has been seen as the true agenda. Unfortunately that agenda, I do not think, is one that most Manitobans thought they were going to be getting as a result of the election.

As I said, there are some Conservatives who, like the Minister of Finance (Mr. Manness) or conservative Conservatives, they stand up and they make no bones about it, the Minister of Northern Affairs (Mr. Downey), and I think he made no bones about his true agenda. I am not sure if that is one that is in keeping with the majority of the people of Manitoba, but he at least said up front that he is in favour of taxes and decreasing the borrowing. That is fair enough. I think that is a fair statement on his part.

I think however, as I said, there are other Conservatives who sort of, to use an analogy of what is being talked about in the States right now by the President who talks about the L-word, there are some Conservatives who are afraid to use the C-word, conservative. They go to any lengths to attempt to appear anything but conservative in their actions, and I think they are the group that is in charge right now. They are the group that has persuaded Ministers such as the Minister of Labour (Mr. Connery) to get up and talk about how concerned he is about affirmative action, about working people, labour, when the people of the Province of Manitoba know clearly where that Minister stands on those types of issues. That is the new strategy of this Government and that is, because they are in a minority position, to pretend they are in election and run on a constant election footage. I think that is probably accurate.

Mr. Speaker, I want to get to affirmative action because I find that, once again, the Minister of Labour (Mr. Connery) does not have any idea what he is talking about in regard to affirmative action. If he would have looked at what has happened in a number of key areas, he would have seen the progress that took place. In fact, I am quite concerned that, despite for example the fact that there are no wholesale cutbacks in this Budget, the few areas that have been cutback are what I consider to be priority areas. I think they talk a lot about the priorities of this Government or the lack of priorities.

I am critic for the Labour Department. I have gone through what has happened in the Labour Department, a department that is very important to the working people of this province, very important to women, to Native people, disabled, the visible minorities, and it is one of the six departments that has been cut back. Let us look at what they have done. Let us look at what has happened in this department, because I think it is an indication of what we would see on a broader scale if the true agenda of the Conservative Party was being enacted, in other words, if they were a majority position and did not feel that they had to pretend to be moderate. If they allowed the conservative Conservatives such as the Minister of Northern Affairs (Mr. Downey) to have their way and do what they would really like to, and that is engage in those kinds of wholesale cuts that we have heard talk from before from the Finance Minister (Mr. Manness).

Let us look at what they have done. Let us talk about affirmative action. Progress was made in terms of affirmative action, and the Minister of Labour (Mr. Connery) should check the figures. He should look at the fact that, yes, there is need for a lot more hiring to ensure that affirmative action does succeed but he would also find that, in looking over the various periods, there was significant hiring of Native people, of the disabled, of visible minorities. In fact, more than 200 positions were filled in the year between 1986 and 1987 from the target groups, indicating once again the fact that there was a priority given to affirmative action.

I think if he looked at the situation in terms of affirmative action, he would realize that to continue towards the targets that have been set, because targets have been set in terms of ensuring that women have 50 percent of the employment, that Native people have 10 percent of the positions with the provincial Government, that the disabled had 7.5 percent, and visible minorities have 6 percent, he would see that the only way to ensure that would be to continue the position of the Affirmative Action Coordinator. Unlike what the Minister just said in Question Period, the Affirmative Action Program was working.

If he is arguing that it could work better, then I will certainly be more than happy to hear his ideas on how it could work better. I think that is an excellent proposal on his part. I do not think it will work better, in fact, I know it will not work better without that affirmative action position. We have seen what happened under the Sterling Lyon period when there was no progress on affirmative action, when we had the same structure as the Minister of Labour (Mr. Connery) has moved the

department to now. So we have seen that it does not work. Yet, this Minister is suggesting that we now spend another year to found out that, yes, once again it will not work.

Once again, that speaks for the priorities of this Government. It is fine for the Minister to get up and talk about concern and it being a priority, the buzzwords of this new Conservative Government, but his actions and the actions of his Government certainly indicate that it is clearly not a priority with this Government.

That is not the only area. Let us talk about what this Government has talked about in terms of balance and labour relations. Well, I look at this Budget, and I see \$40 million in cuts of taxes for businesses. I see \$150 million in additional revenue. Yet, it was only a few months ago, a few weeks ago as a matter of fact, that the Minister of Labour (Mr. Connery) had the gall to say that he was cutting funding to the Labour Education Centre by \$235,000, not even 1 percent of the amount that they have given to businesses as a result of the cuts in the payroll tax in this Budget, not even 1 percent, in fact less than 1 percent of the total business tax cuts. He had the gall to get up and say that there was not the money available when there clearly was.

I would have felt at least there was some greater integrity shown if the Minister had had the guts to get up and say that this is part of the Government's agenda and say that they are not interested in the Labour Education Centre, which I feel has been a tremendous program for working people in this province, a program also incidentally that has been used by many businesses. During the Estimates of this Minister, I will go through some of the programs that have been developed by the Labour Education Centre, some of the businesses that have used its services, some of the many working people who have used it. I intend to demonstrate that the move by this Government was petty and vindictive, that it was aimed strictly—a political vendetta against the labour movement—against working people of this province because of the lack of support they have received over the years. There clearly was the money available if the Minister of Labour (Mr. Connery), if this Government had seen fit to be fair to the working people of this province.

* (1430)

We are seeing this in other areas too. We are seeing this Minister's statements on Workers Compensation. We are seeing quite clearly once again that the working people of this province have particular reason to be concerned about the agenda of this Government. I have said quite clearly that I think the agenda of this Government on Workers Compensation is aimed strictly at the financial questions. In fact, in the last couple of years, all I have heard from the Conservative Members in this House is talk about Workers Compensation Board finances, and no talk about the injured workers and their families themselves.

We have seen the Minister of Labour (Mr. Connery) talk about changes that would have set back Workers Compensation 20 years. I hope he has had a chance to look at the implications of the changes he was talking

about only a few months ago, back in May, because if they were introduced, they would have a devastating impact on the working people of this province. I hope that he will take the time that he has got now, given the fact that he said he is going to delay introducing changes to The Workers' Compensation Act to research that area, to look into it and realize that he was wrong.

I hope he will also take the time to read the King Report, because that report outlined many positive changes that this Minister should be introducing in this Session to improve Workers Compensation. I hope he will look at them, because I think there are changes that will improve the situation for injured workers and their families in this province and ensure far fairer treatment, far better treatment from the Workers Compensation system. Certainly it is a system that is in need of reform. I would hope that the Minister would move on the recommendations of that report.

But once again, the indication of the agenda is rather concerning. We are seeing this Government talking about rolling back final offer selection legislation without even giving it a chance in practice, without even looking at it to see if it is working. I think if the Minister of Labour (Mr. Connery) would take the time to research where final offer selection has been used since it has been introduced, he will find that in many cases it has provided a clear option to strikes. In fact, it has allowed the settlement of disputes without strikes where strikes clearly would have taken place. I think it is a fair piece of legislation. Yes, it is innovative. Yes, it has not been tried on the scale it is being tried in Manitoba, but I do not see that as a reason to fear final offer selection. I see that as a reason for us here in Manitoba to give it a chance. That is another way I am concerned about the real agenda of this Conservative Government.

Let us talk about pay equity. Once again, if you look at the comparison between the Budget that was introduced by the previous NDP Government and the comparison with this Budget, one will find that the amount that has been allocated for pay equity in the Budget has been decreased substantially from the amount that was allocated by the NDP Budget back in February. That concerns me again because we are facing a situation in this province where women, on average, earn less than two-thirds the wages of men. Yet this Government does not see fit to give that issue a priority by giving the Pay Equity Bureau the resources it needs to properly implement pay equity, first in the public sector and later in the private sector. That talks a lot about the true commitment of this Government to women's issues in this province. I think we are seeing quite clearly that, despite their words, the real Conservative agenda, the one that they do not like to be identified with more closely, the one that does not put any priority on pay equity, is one that will not, while it may not be expressed publicly to the same extent as the other aspects of the agenda, it is one that is clearly there.

I have seen, in other areas that I am critic responsible for, the same process. There has not been much attention paid to the Co-op Development Department, but it is another one that has been subject to cuts by this Government. I think once again it indicates their

true biases. This is a Government that believes that the private sector, and the private sector alone, should be responsible for economic development.

The New Democratic Party believes that the best economic development will occur when you have the combination of the public sector, the private sector and, yes, the co-op sector, because it is, I think, a legitimate third sector. It is one that has seen great growth in this province in the last number of years. I think it is one that deserves a priority, instead of what this Government has done which is to bury the Co-op Development Department with the Department of Consumer and Corporate Affairs because I really believe it has been buried. Its effectiveness will now be diminished and we will see the true impacts of the true policy of this Conservative Government.

We are seeing the same in another area that I am responsible for—Youth Policy. We are seeing no response to the major increase in Youth Unemployment that took place this month. We are seeing no indication that this Government has job creation strategy for young people, for that matter, for Manitobans as a whole. That is a matter that particularly concerns me.

We have seen other true indications of the true agenda. I outlined in the Throne Speech my concern about what has happened with the Community Places Program and how the North in particular was singled out for cutbacks by this Government. We are seeing in other areas, in terms of day care, the complete lack of direction that this Government has, another area that is of particular concern I know in my constituency.

Well, we have seen the true Tory strategy. I am not sure exactly what the Liberal strategy is, if they have one. I went back and tried in vain to determine from the statements of the now Leader of the Opposition (Mrs. Carstairs), what she truly stands for in terms of the Budgets of this province. Her speech back a few months ago talked only about the form that spending took place. There were no comments about what level the spending should be at, what priorities, departments there should be. There was no mention of her economic strategy for this province.

In fact, I noticed basically in her speech on the Budget this time that the position put forward by the Liberal Party is not a clear position. There is no clear indication as to where the Liberal Party stands on the budgetary and economic issues we face in this province. They seem to be in favour of all things: cutting the deficit; cutting taxes and increasing spending. We all know that cannot be done. I think it is incumbent on the Liberals during this debate to put forward which one of those they want, because they cannot have all three. That is impossible.

I suspect there are Liberal Members of this House who do have a clear idea. I would hope that they would stand and during the Budget Debate indicate clearly where they stand, because I think it is incumbent on people to do.

You know, I think that the New Democratic Party has done that. I think we have indicated what we would have done. We indicated back during the election in

terms of the fiscal situation facing the province. I can tell you that had we known of the \$150 million in extra revenue, Mr. Speaker, had we known at the time the Budget was being introduced, I think there would have been a substantially different Budget. Believe you me, when you have to talk to the people of the Province of Manitoba and listen to their real concerns, you get the message. We got the message. Yes, people could say the previous Government made many mistakes. I acknowledged that in the Throne Speech and I acknowledged the fact that the New Democratic Party has to listen and learn from those mistakes.

We were clear. We said that the priority had to be towards reducing the income tax load for the average wage earner in Manitoba, not for the businesses, but for the average wage earner. In fact, our Leader, during the election, when there was indication there would be about \$75 million in additional revenue, talked about a cut of \$54 million in income taxes. I can tell you that a lot of people were surprised when the other Parties in the election kept talking about the payroll tax. I went door to door, I talked to people and I never once had someone raise the issue of the payroll tax with me. The concern was with income taxes, the taxes facing the average income earner in the Province of Manitoba. The Deputy Leader of the Liberal Party acknowledges that that was the concern.

Well, I think that there is a need on the part of this Minister of Finance (Mr. Manness) to recognize that the people of this province do not support what he outlined a few months ago, the idea of taxing them to the hilt on the income taxes. He perhaps should learn the same lesson that Members of the previous Government learned, that I certainly learned by going door to door and talking to people and finding what the priorities of the people are. I think he should orient the priorities of this Government towards those priorities.

Let us look at this, I suppose, as a rather unusual period in Manitoba political history. I think it is. As I said, when I look at the contradictions we have seen from the Conservatives, when I look at this contradictory Budget, one that does not include the cuts that the Minister of Finance was talking about as being necessary only a few months and also does not include tax breaks for Manitobans. It leaves us in a position of trying to figure out where the Tories really stand. What their true agenda for Manitoba is.

As I said, I really feel that what we are seeing is not a true strategy for this province, but a tactical move by a Party that is right wing, is truly Conservative, would like to cut social spending but cannot because it is in a minority position. We are saying on the other hand, on the fiscal side, and I think probably a better indication of their true preference. The Minister of Finance today said the top priority of his Party was to eliminate the payroll tax. That was the direct quote today in Question Period. He started along that road. I do not happen to agree with that, but at least there is a clear indication of where the Conservative Party stands. It certainly puts the objective observer in the position of being confused by the various signals emanating from this Government.

* (1440)

As I said, the Liberals are equally unclear as to where they truly stand. I remember during the election—and the Deputy Leader of the Liberal Party can correct me if I am wrong—but the Leader of the Opposition said she was going to eliminate the payroll tax in three years. I believe that was the direct quote. She then, when she was pressed on this, indicated she did not really specify what years. I think there was a lot of disbelief by that statement and I can see why. I know a lot of my constituents really did not take that promise by the Leader of the Liberal Party seriously. I notice in debate on the Budget Speech this time around, she neglected to mention that stand by the Liberal Party to eliminate the payroll tax in three years. I, of course, wonder why. I suspect it is because she found that the people of Manitoba just did not believe irresponsible statements such as that. I think she would be far better off stating clearly what the Liberal position is in this debate, and also I would say the Liberal position on the major issues of the day.

I mentioned before the questions of affirmative action, about labour legislation, about pay equity. I will tell you what concerns me the most. In the few areas where we are seeing the true Conservative agenda in the Budget, the Liberals are saying, me too. On each one of those issues, many of the issues in the Labour Department, for example, the Liberals have not stood up and said, no, that is unacceptable to cut back the affirmative action position or to cut back the funding for pay equity. I wonder why. There will be those who will say it is because the Liberal Party of Manitoba is just as right wing as the Conservative Party. If that is not the case, it is up to them to indicate clearly and on the record. But clearly, the fact that they are not opposing what right-wing manoeuvres there are taking place by this Minister of Labour (Mr. Connery) and other Ministers, I think, is a matter of concern to many people in this province. Because I would consider not putting affirmative action as a real priority or pay equity or rolling back labour legislation or rolling back Workers Compensation to be part of the classic right-wing agenda we have seen from Conservative Governments further east.

But I think the NDP is in a position where our agenda is clear. I will say that it is an agenda that I do not measure by the number of seats that the New Democratic Party wins in any given election. I happen to view the New Democratic Party as much as a movement as a Party. I know from my own individual circumstances that I will be fighting for greater social and economic justice, whether I am a Member of the Legislature or not, no matter what the result of one single election is. I will be fighting for what I see as the principles that are part of that. I am not afraid to tell the people of the province about those principles, because I think there is the need for the democratic socialist or social democratic option. You can choose the description you want here in Manitoba. I also believe there is a need for a Party that will be populist and speak up for the concerns of the people of Manitoba. I am not ashamed to be part of the New Democratic Party in doing that.

Seven years ago, when I was first elected, I was told that you become less idealistic as you become a

Member of the Legislature. I can truthfully say seven years later that I am probably more idealistic than I was in 1981. I may be an exception to the rule but, when I look at what people can do by working together, when I look at what people in my own constituency have done in a community that is only 30 years old by working together, I have great faith in the ability of people to achieve goals by working together. I guess that is where I get my political philosophy and my political approach from.

I have no doubt that, as people look back over this period, there will be one paradox that will strike them most strongly. That is the fact that, at the time when the New Democratic Party had reached its relative low, because certainly 12 seats is a low in this two-decade period, they will find a clear option being stated by the New Democratic Party for social and economic justice, speaking up for Native people, for the disadvantaged, for the handicapped, speaking up for women, the unemployed. That is what I intend to do, to speak up for the disadvantaged of this province, to speak up for the ordinary citizens in my constituency and others.

An Honourable Member: Taxpayers.

Mr. Ashton: Yes, the taxpayers who for the Minister of Finance (Mr. Manness) do not support his approach of taxing the little guy and then giving tax breaks to the major corporations. The Minister of Finance can talk about that in this Budget, but I think, in the long run, he will find that his approach is not the approach of the people of Manitoba because the people of Manitoba are looking right now, I think, to the Party that will speak up for ordinary Manitobans. We are in a period of political flux. The one thing that I have no doubt about is that probably Conservatives may have a confused image, while they may not really have a consistent approach in this Budget, or the Liberals may not as well, but I know where the New Democratic Party stands. I know where I stand as a Member of that Party. I am going to continue to speak up for the ordinary people of this province, the ordinary people of my constituency, the ordinary people of this province and

Ms. Avis Gray (Ellice): Mr. Speaker, consider this picture. There is a baby elephant chained to a tree—bear in mind it takes four years for elephants to reach adult size. A full-grown elephant in its natural state can knock down any tree in the forest, but when this baby grows to adulthood, this particular baby elephant cannot even knock down a piece of wood, let alone the tree, or the chain. This is because he has grown up learning that he cannot move the chain and the tree that has held him as a baby.

I tell this story because the Conservatives on the opposite side have had years to mature as an Opposition and a Party, and they have had years to develop their philosophies, their goals, and a sense of direction. However, they do remind me of that baby elephant who lives with a chain around his leg. There has been a golden opportunity for the Government, maturing as the Opposition, to break free of traditional bonds and chains to explore the forest and set a new

direction to create economic growth, while maintaining and truly enhancing and being creative with health and social services.

What chain has held the Conservatives from attempting to achieve much more, Mr. Speaker? A chain of insecurity, lack of progressive thinking, and an inexplicable bond that believes in the status quo. That chain prevents us and prevents the Government from exploring the forest because they do remind us today of the baby elephant standing beside the tree with the chain.

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

Mr. Deputy Speaker, the Government presented a Budget to us on August 8 of this year, a Budget which followed a Throne Speech filled with promise and filled with hope. The Honourable Members on the opposite side see fit to lecture us about economic growth, deficit cutting, and how not to spend, spend.

We do not argue that economic growth is paramount. We do not argue that deficit reduction is important and that spend, spend is not the answer, but how you spend your dollars is important. Do not promise enhancement and creative innovation and expansion of programs in a Throne Speech, and then follow it with a Budget that clearly does not, by any stretch of the imagination, live up to those promises.

Mr. Deputy Speaker, when we do ask for clarification of the Throne Speech and of the Budget, and when we probe for answers, what do we get? We constantly have rhetoric from the opposite side: We have only been in the Government for three months; wait till the Budget; wait till the Estimates. Well, some of that might be acceptable, but it is not us. It is the First Minister who called this Session for July 21, 1988, and we would assume that in calling this Session he would be ensured that his Ministers would be able to take on full responsibilities of their departments.

It is the arrogance with which some of the Government Members on the opposite side continually, day by day, respond in Question Period that disturbs us—your First Minister today. One Honourable Member in this Legislative Assembly recently said, and I really could not have said it better myself, so I will quote him: "We get answers that ooze with arrogance from the Members opposite in the Cabinet and it shows up everyday on the television screen as Question Period is being televised. So keep giving your arrogant answers to the people of Manitoba. They are watching you." Those words were said in this House on March 4, 1988. The orator, the Honourable Member for Pembina (Mr. Orchard). How quickly they forget.

* (1450)

Let me refer to some specific items in the Budget, Mr. Deputy Speaker. I wanted to talk about affirmative action. We on this side of the House are very, very concerned about the Government's seemingly lack of understanding and knowledge of the whole concept of affirmative action. The Honourable Minister responsible for the Civil Service Commission has said that it is important that equal opportunity and fair treatment be

given to minority groups, Natives, women, and the physically handicapped.

However, this is not the intent of affirmative action. We have to redress past wrongs. It is much more than giving fair and equitable treatment, and I do question whether the Members opposite understand that concept.

We are very concerned on this side of the House because a coordinator of Affirmative Action—the position has not been filled. I have a lot of difficulty with the Honourable Member for Thompson (Mr. Ashton) who has just said, "Yes, fill the position."

He, as part of the previous administration, gives a typical answer as to what the NDP Government did when they were in power. Put in a coordinator and the problems are solved and the program will run on its own. Well, it did not run on its own, even with a coordinator before. It takes much, much more than that. It is incumbent upon this Government to ensure that a centralized affirmative action program which is very strong is implemented in the Civil Service.

By leaving it up to individual departments, what inevitably happens is that affirmative action gets put on the bottom of the list. We all know that civil servants are taxed and worked very hard in their day-to-day work and what will be left to the last—affirmative action.

The Honourable Minister for the Civil Service (Mr. Connery) talked about only time will tell. Well, I say to this House, that is a wonderful method of evaluation of a program—only time will tell.

Mr. Deputy Speaker, the Honourable Government House Leader, (Mr. McCrae) in his response to the Budget Address, chirped about how wonderful it was that RCMP service would be restored to Reston. What about other areas of this province. What about restoring service to Grand Beach? Does one have to be represented on the front benches of this Government to get any service? This same Member spoke about the Liberal plan to divest McKenzie Seeds and chastised us for supposed inconsistencies about McKenzie Seeds and Manfor.

There are no inconsistencies in our policies. We are concerned about Manfor. Manfor employs hundreds and hundreds of people in The Pas, Manitoba. What comprehensive plans does this Government have to ensure that the needs of those employees are met? We had a plan with McKenzie Seeds to ensure that those employees in Brandon would be looked after. Again, I asked the opposite side of the House, let us keep McKenzie Seeds. Very interesting, since it happens to be in Brandon West, the same constituency as the Government House Leader (Mr. McCrae).

I would like to address a few comments regarding the Budget in the area of the Department of Community Services. For the information of the other side of the House, because it has been obvious to this point that they are not very aware of what goes on in the Department of Community Services, I would like to give them some information about Child and Family Services. Caseloads are very, very high. The average caseload for a Child and Family Services worker who deals with

family situations and abuse cases, physical and sexual abuse cases every day, is over 40. The average optimal caseload should be 30 to 35. What measures has this Government taken to ensure that Child and Family Services Agencies are going to receive adequate funding so that they can carry out the basic maintenance mandatory services? It is a very long-term answer the Honourable Minister from Arthur (Mr. Downey) says—less abuse—a very long-term answer. In the interim, we have to protect our children.

This side of the House certainly agrees with the need for community based services. I have some difficulty in the Budget when it mentions what services are going to there for the community based child and family services agencies. How much of a priority is prevention and is treatment of the physical and sexually abused children? What dollars are going to be going to those agencies so they can carry out their mandate?

What about foster parents? Only in the last week, after much lobbying by the Foster Parents Association, Child and Family Services agencies, and this side of the House has the Government perhaps begun to listen to the Foster Parents Association? Foster parents are a vital, vital resource for delivering appropriate child and family services. It is the most economical and desirable form of alternate care for children. It is imperative that the Government establish a good relationship with the Manitoba foster parents. To suggest that their administrative grant be reduced, when in fact that particular agency is an umbrella organization and recruits foster parents in this province, is totally unacceptable.

The Honourable Member from Arthur (Mr. Downey) talks about where are you going to put your dollars and having to make tough decisions. Well, I suppose if I had the choice between fixing some potholes and repairing a courthouse in Minnedosa or caring for our children I would have to choose our children.

Respite care, again, the opposite side of the House has had policies introduced where respite care was not available for people in the community. There is a lot of difficulty in the Department of Community Services because of the past and previous administration regarding lack of accountability and policy direction. Yes, the funds and the dollars have been out of control. It is incumbent upon this Government in their Budget to really examine the accountability measures in the Department of Community Services and ensure that regions have a commitment accounting system where they know where their dollars are being spent.

I question how important community services is to this particular department. I have a lot of difficulty when the Premier of the province (Mr. Filmon) makes light of key policy decisions where there are moratoriums on entry into day programs. I am sure Manitoba Council and Rehabilitation Workshops and the workshops in the City of Winnipeg would be very interested to know exactly what priority this Government places on day programs for the mentally handicapped. Maybe we could, if the First Minister is interested, I could talk to him after and explain to him the difference between a memo and a key policy decision.

In reviewing the Budget and looking at services for the mentally handicapped in the community, I ask this

Government to consider developing a philosophy as to where they are going with balanced services in the community. The previous administration had an extremist approach in that if you developed a group home in the community and happened to have more than six beds per group home, rather than fill those two extra beds and provide service to someone from the institution, they would remain empty. Has the Minister of Community Services (Mrs. Oleson) looked at the existing group homes in the City of Winnipeg and in Manitoba to determine if there are beds out there where there are actual vacancies? I encourage her to do so.

The Budget does not seem to address staff years for regional services for the mentally handicapped. The salaries have increased and some of the budgets have increased, but when you look at it you can tell there are salary increases, some pay equity increases within that, and maybe one or two SYs per region. I question whether in this time with increased caseloads for the mentally handicapped and in creating a balanced approach between institution and community, if those workers out there can adequately deliver the services when there are no new resources.

* (1500)

In reference to the day care, and certainly the NDP and ourselves have continually asked this Government what specific plans are in place. We still do not know by looking at the Budget, how many new day care spaces are there for children? What about the day care centres out there who have received approval in principle to open a new day care, but they have not received that final approval because they are waiting for the Estimates to be completed? What do we tell those parents out there, such as parents who have children on waiting lists at Meadows West Day Care, when they have to find an alternative form of day care by September 1 because they do not know if that day care will open? What do we tell those parents out there—wait for the Budget? Unfortunately, it places a lot of stress on families, and surely the Government on the other side of the House could make some recommendations and has some idea of whether in fact those day cares can open as they have been promised.

The Throne Speech talked about health and social services—one or two paragraphs in the whole speech—which indicates to me about the importance that this Government places on health and social services. I direct my responses specifically to the Minister of Health (Mr. Orchard) and the Department of Health.

The first indication that we have about the priority for Mental Health Services was the Budget Address, which had about two lines about Mental Health Services. The second indication we had was the main Budget which was tabled in this House which does not give a significant increase to Mental Health Services, if in fact this Government was willing to really move ahead, look at the reviews that had been done in Mental Health Services and actually put real dollars into the programs.

The third indication we have about the low priority in Mental Health Services is a reluctance by the Minister

of Health to answer questions about what is happening to the Director of Mental Health Services for this province? He was hedging on the answers in Question Period, and I am wondering what kind of messages he is sending out to this side of the House, to community agencies and groups, to mental health recipients, about the value of Mental Health Services. It took a long time in this province to even get to the point where there was a Mental Health Directorate. They have had a long hard struggle. To now suddenly say that we are not going to fill the position, we will leave that directorship vacant, I question again the message that this Government is sending out to the people of Manitoba.

We talk about Respite care for the mentally handicapped, but what about Respite care for mental health recipients? What kind of comprehensive plans are contained within the Budget for Mental Health Services? I say to you, none. It is almost a xerox copy of the previous NDP administration. It accounts for a few increases in salaries, a few dollars here and there for maybe the odd pilot project, but no real dollars for real comprehensive long-term planning and actual implementation. We have had lots of reviews in the areas of mental health since 1975, when the White Paper on Mental Health Services was tabled—a number of reviews. It is time to quite reviewing and start putting into practice. It is impossible for that to be done given the increases in this Budget in those services.

Mr. Speaker, when you look at the regional operations in the Department of Health, and you look at, oh, there has been an increase in salaries of some \$2 million, you think, good, we are going to get an increase in services, but when you really start calculating that increase and say we have got 10 regions in the Province of Manitoba; we have 3 or 4 percent salary increases in September; we have some pay equity increases that we have to take into account; and you divide that between mental health, home care, home economics and Public Health Services, what do you have? One or two token SYs at the most in all of those program areas. So what priority does mental health really have? Who is going to deliver the service if there are no mental health workers? Who is going to deliver all the health promotion services that this Government pays lip service to? Who is going to deliver the home care services in this province, because we know the caseloads increase by 5 percent or 7 percent every year? Where is that in this Budget? It is not there.

I question whether the Government on the other side or whether the previous administration actually knows what health promotion and disease prevention really are. It is always so easy for Governments to pay lip service to the concept. I would rather have the Government be honest and say, no, we are not going to put real dollars into health promotion because we cannot afford to. We are not going to do it. Better to say that and be honest than to say oh, yes, it is a very important priority with this Government, and then what do you do about it? You pay lip service to it.

How are you going to reconcile the increase in early discharges from our hospitals in the City of Winnipeg and across Manitoba when it is the public health nurses in the community who must provide the service? How

are they going to provide that service for early discharges and, as well, assume an increased emphasis in health promotion? It cannot be done on the resources they have, it cannot be done.

We see from the Budget there are increases in communicable disease control for AIDS education—very laudable, but AIDS is only one disease. The whole area of communicable disease control has never been given enough priority with any Government. We are not just talking about treatment. We are talking about counselling and we are also talking about prevention. Who is going to provide real preventative support services to school children, to young families and to adults? Usually, it is public health nurses and home economists who do that but they are overburdened already with the work they have to do, and there are certainly no new resources or increases in staffing in this Budget so that they would be able to actually provide better health promotion services.

Communicable disease control has received extra dollars. That is at directorate level. There are no increases for communicable disease in any other parts of the department that actually provide the service delivery, so all the dollars that go into the directorate for probably mass education and more supervisors to talk and research communicable disease, but who is actually going to deliver the service and do the work?

When you look at the home care budget, we see that there is a 24 percent increase in home care assistance. That is an increase that has been noted in the last few years. I questioned the Minister of Health (Mr. Orchard) in his statements about the home care program being financially out of control, so what does he do? He puts 24 percent more increase into the home care assistance and gives no increases in the rest of the home care system. A 24 percent increase in the home care system's budget will not deal with the difficulties that home care is facing in the regions. If that side of the Government knew, had any knowledge of the home care program and how it operates, they would know exactly what to do with their dollars.

There has been an increase in the Budget for personal care homes. This Government is always purporting that we give them advice and consultation and information. Here is a piece of advice and information for the Minister of Health (Mr. Orchard). Keep in mind that there are actually vacancies right now in personal care homes in Winnipeg. Some personal care homes have 10 to 12 vacancies. I note a question mark on some Members' foreheads. Talk to the Manitoba Health Services Commission, talk to the people from the personal care homes who run them and find out why, because there are beds that are available at a Level 1 and a Level 2. What we are finding now is that people who need to go into personal care homes are at a much higher level of care, Level 3 and Level 4. Lower levels of cared people can be maintained in the community.

What is this Government going to do to work with the administrators and the staff of the personal care homes to look at what they can do about those vacancies and those empty beds? What is this Government going to do? Talk to the personal care home administrators. Work with Manitoba Health

Services Commission and find out what you can do about those vacant beds. It is probably going to mean increasing the staff level of some of those personal care homes because there are such complex needs of those individuals.

* (1510)

I have to make a few comments to the Minister of Government Services (Mr. Albert Driedger). It is nice to repair the Minnedosa Court House, but what about the neglect of the past 10 years to a few community services and health district offices? We have an office in East Kildonan which has attempted, through the previous administration and I am sure will be attempting with this administration, to actually get the staff moved out of those premises. There are 15 to 20 staff who work out of a basement which is like a zoo. It has bugs, it has mice, it is damp. The absenteeism rate is very high, and we actually teach prenatal classes in that basement. I certainly hope there is never a fire there because, as the fire inspector has said, there is only one exit out of that basement and it is right beside the stairway. If there were ever a fire in the stairway, nobody would get out.

The previous administration refused to deal with the problem and look for alternate space. I am asking the Minister of Government Services (Mr. Albert Driedger) to take a look at these deplorable office conditions and do something about it. You talk about staff morale on the other side of the House. That would be a wonderful proactive method to really show to those health professionals that you are concerned about their health and that you are concerned about the health of community people, mothers who bring their babies to the basement to have them examined, pregnant couples who go down to the basement and sit through three hours where they have the heaters plugged in when it is 90 above outside because it is so cold in the basement. I ask the Minister of Government Services to consider looking at new office space for 1400 Henderson Highway.

The Honourable Minister of Finance (Mr. Manness) has asked me how much money have I spent so far. If the department or if the Government on the opposite side would actually implement the real concept of what better management is and get rid of the financial mismanagement that is going on in some of their departments such as Health and Community Services, you would be saving a lot of dollars.— (Interjection)— Set up the meeting, and I will be glad to tell you in detail where the spending can be reduced in Health and Community Services. In fact, I have made some offers already.

The Government responses to date, responses on the Throne Speech and responses on the Budget Speech, are weak. They go merrily along thinking that everything is wonderful, not a care in the world, because their Budget is an exciting document, a fine piece of craftsmanship. Then we ask this Government tough, far-reaching questions, and what are their answers?

It reminds me of the scenario between two of God's creatures, the frog and the centipede, the latter being

this Government which displays at least 100 appendages, each appendage an argument or a rationalization for this Budget. I quote: "A centipede was quite happy until a frog in fun said, 'Pray, which leg comes after which?' This raised his mind to such a pitch he lay distracted in the ditch, considering how to run."

Mr. Harold Gillehammer (Minnedosa): It is a pleasure to rise and speak in support of the new Budget. I congratulate the Finance Minister (Mr. Manness) and the Cabinet on bringing in a Budget that is both responsible and sensitive to the needs of Manitobans. It reflects the concerns raised by Manitobans and promises made during the recent election campaign by Members on this side of the House.

One of the first acts of the Government was to commission an independent audit of the financial state of this province. The results of the first phase of that audit have been released and certainly justified the step. Some Opposition Members dwell on the manner in which this came about. I would hope that they study the results.

Manitobans now have a much more accurate sense of the total debt of this province. It is not enough just to address the general purpose debt, which was \$5.3 billion at the end of the last fiscal year, but also the liabilities and debt of Manitoba Properties Inc., the debt of the Crown corporations, and the valuation of debt issued in foreign currencies. This increases the total debt by \$1.3 billion. The Winnipeg Free Press captured this in their editorial, that the Pawley Government's failure to follow accepted accounting procedures led to the provincial debt being understated by \$1 billion.

During the past six years, the general purpose debt has tripled and interest costs have quadrupled. In 1981-82, the cost of servicing the debt was 5.2 percent of total revenue and, at the present time, it is 12.5 percent. This spiralling debt is the greatest threat to our social and economic programs. If this were allowed to continue, we would have seen a greater increase in taxes to pay for this debt. The Manitoba economy cannot continue to be stimulated by expenditures based on debt.

The Brandon Sun, which is the major newspaper in my area, captured this, that the main change in the Budget Address is in philosophy, as the Conservatives have moved to change the focus of job creation in Manitoba from the Government-funded initiatives to that of relying on the small- and medium-sized business sector to create jobs. Probably the most significant recommendation in the review was to change the accounting policy to recognize losses when they occur, to record foreign currency gains and the losses in the provincial financial position on a more current basis, and to consolidate accounts related to the general Government operations.

This Government is committed to regaining control of this debt and thereby the growth of interest rates. We must reduce and work towards eliminating the province's annual deficit.

There are some specific areas of the Budget that I would like to comment on at this time. Certainly,

agriculture is recognized in this Budget as one of the most important industries in our Manitoba economy. The impact of tough times in the agricultural economy are already impacting on the small communities and the trading centres in Manitoba. Higher milk prices is just one example of this. In the last few days, Manitoba consumers will be paying five cents more for a litre of milk. This reflects the dramatic increase in the price of feed caused by the drought.

The new Budget indicates that there will be \$115 million spent on agriculture, an increase of 50 percent. Some \$18.3 million is earmarked for drought assistance. Most of this money will go to finance programs announced earlier this summer for livestock producers. Grain producers will receive money under Crop Insurance and Western Grain Stabilization programs. At this time, it seems premature to make a decision on additional drought aid, but you can be sure that we will not be making Crop Insurance retroactive.

* (1520)

When Members opposite indicate that the Government does not understand the farm situation, it has a hollow ring to it. Let me assure you that this Government is committed to helping the rural economy and it recognizes the economic spin-offs that occur from a sound farm economy. The flooding, the drought, and other accidents and conditions of nature, which from time to time beset those whose livelihood depend on the climate and the environment, can be sure that this Government will do everything possible to assist them.

This Government acted very quickly with the onset of the drought to put into place a committee of Ministers who have monitored the drought situation and have taken action on it.

The Budget also includes \$100,000 to open a rural Research Institute at Brandon University. I fully support this and hope that valuable research on rural life can be done to improve the quality of life for rural Manitobans. Hopefully this is the start of some major research at Brandon University.

The other major announcement that has been well received is the start to reduce school taxes on farm land. This Budget calls for a 25 percent reduction. Twelve million dollars has been designated for this initiative. Nothing seems as unfair to the farm community as the high taxes farmers pay to local school divisions because of the amount of farm land that they own. The cost of education to a farmer who owns two sections of land is extremely high and what compounds the problem is that the people living in neighbouring villages pay a lot less for the education of their sons and daughters. This Budget, is a major step forward in addressing that concern and this is a topic that has been well received in the rural area.

The rural municipalities have found much to be happy about in this Budget. These are the grassroot representatives of the population of rural Manitoba. The School Tax Remittance Program has been revamped after consultation with school divisions and municipal governments. This is a fine example of the

manner in which the various levels of government can work together in a cooperative and constructive way.

In the past, many school divisions had to borrow to cover operating costs, while municipalities would earn interest on the school taxes until they turn it over to the school division. Under this new program, taxes collected by the due date will be remitted by the end of the following month and at the end of each month thereafter.

Also the water tax is being eliminated to the delight of the people and the municipal councils in rural Manitoba.

Next I would like to turn my attention to the part of the Budget dealing with education. The education budget has been increased by 3.3 percent over last year, plus the addition of some benefits from the accelerated remittance of school taxes. Education takes 17.2 percent of the provincial Budget. Education has been and will continue to be a major draw on the provincial Budget. This is a significant amount.

I look forward to further cuts in the deficit and the provincial debt so some of the terrible amount currently being spent on interest—\$580 million a year—can be redirected towards education. There are many issues in education dealing with curriculum, with programmed delivery, with policy, and these will be dealt with on an ongoing basis. This Government is committed to consultation with the major players in the education game, with the teachers, the students, parents and the trustees in Manitoba.

This Budget has also allocated \$4.5 million for distance education. There are some interesting things happening in distance education. This should be examined as a new way to deliver a program to students who do not have access to a teacher or to a program. What is particularly intriguing about distance education is that it is such a low cost method of delivering a program.

There are two good examples of this offered in western Manitoba. The first that I would mention is the Wawanesa program. The Wawanesa project is a project which offers calculus and computer science over the Minago Hookup, using a telephone conference call on a computer. These courses are offered simultaneously to up to 30 students in perhaps six or eight different locations. This is a pilot project that has been ongoing for a number of years and it is one that is worth studying as schools in the remote areas get smaller and smaller. It is a way of delivering a program in areas where there is a small enrollment. It is something that this Government should certainly take a look at and will be taking a look at.

A companion program is one offered by Assiniboine Community College in Brandon, which offers courses in farm accounting and business education by a similar method. Again, I would emphasize that this is a low-cost method of delivering programs over great distances to students who would otherwise not have this opportunity. It cuts down on the busing that is required for students. It means that students do not have to be relocated. They can take these courses by distance education.

I would like to also mention, in the Budget, there is money set aside for a Task Force on Literacy which will help pinpoint the Manitobans who are functionally illiterate. There have been previous studies on this, and we know that there are large numbers of people in our society who are functionally illiterate. But are these the graduates of our programs that currently exist? In most cases, that is not true. These are students who have dropped out of school along the way for a variety of reasons. They are people who have been seasonal workers. These are new arrivals in Manitoba, but they are illiterate, and they have a very difficult time in achieving a job. There is a tremendous job to do in identifying these people, in providing them with a form of education which will make them employable on a permanent basis. I think this was a small part of the Budget, but a very significant one, and this Task Force on Literacy could go a long way to remedy some of the problems in our society.

I would like to mention Highways, and the Highways budget next. This is a long-neglected item in recent Manitoba Budgets. No one can seriously argue this is not a priority item in Manitoba today. The additional \$7 million for road construction is a modest increase, but an area that will have to get more attention in future Budgets.

There has been a lack of attention given to Manitoba highways, and that is a budget that has not kept pace. As the Budgets of Manitoba have increased over the last five and six years, one that has fallen seriously behind is the money allotted for highways. We have heard of the major work that is planned for Highway 75. There is currently work going on on the Trans-Canada Highway and also another major highway, the Yellowhead. What is not lost on this Government is the amount of work to be done on numerous provincial roads throughout Manitoba. Much of that work cannot be done this year but, in subsequent Budgets, Highways will be given a much higher profile.

I commend the Minister of Finance (Mr. Manness) for taking the initiative to roll back the payroll tax, and I would like to again refer to an editorial in the Brandon Sun. I quote: "The elimination of the payroll tax burden on half of Manitoba businesses in one fell swoop is an impressive accomplishment." That is what the people of Manitoba are saying.

This tax was a major disincentive for small businesses to operate in Manitoba. This will affect 3,700 small businesses who are paying 2.25 percent tax on their company payroll. They will be exempt. In addition, another 1,400 businesses will see their taxes reduced. Similarly, the tax holiday offered to new small businesses opening in the province will create the type of climate that will encourage businesses to again consider Manitoba as a good place to locate.

In addition, the concept of multi-year budgeting will be introduced in the next fiscal year. This type of long-range planning is long overdue. It will allow the Government to have more control over Government spending with a view to further deficit reduction. It will give the Government an opportunity to analyze past Budgets, the current Budget, and project for future years.

The Budget calls for an expenditure of \$1.5 billion for quality health care. That is an increase of 9 percent. This is 31.8 percent of our total Budget. A large part of the increases will go to cover the cost of contract settlements to doctors and nurses, contracts that were settled by the previous Government. We have heard in recent times some of the inequities, some of the problems in the health care system. These are things which will be debated in the Estimates. I think the answer to a lot of the questions raised will be answered there.

* (1530)

The need for improving and upgrading our hospitals and personal care homes is an ongoing concern. But there are a number of new initiatives announced there that I would like to deal with. The new initiatives announced are worthy of comment. The Health Advisory Network has been portrayed as just another study. The health care field and the attendant problems are very volatile. We need consultation with all the players to adopt an approach that will successfully carry us into the 21st Century.

I would like to mention the \$100,000 pledge for the Youth Drug Abuse Program and that this has been well received. Nothing confounds parents, educators and those in the helping professions more than the steady rise of drug and alcohol related problems with our youth. Strong efforts must be made in this area to reverse this trend. More must be done in the area of prevention to avoid the high costs related to solving problems after addiction has occurred.

The third measure mentioned under the Health budget is \$150,000 for industrial health promotion. It is another item that comes as an ounce of prevention. The number of cases before the Workers' Compensation Board is staggering. While there have been many problems associated with that program, it is very positive to see that this Government is taking the initiative to promote good health and a good work environment.

Just a couple of other areas that I would like to mention. The previous speaker mentioned the RCMP detachments that have been reopened in rural Manitoba, specifically at Reston. The RCMP are an institution in rural Manitoba and the reduction by the previous Government showed a lack of recognition of the fact that there are large areas that have to be covered by more distant detachments. The reopening of the Reston detachment is a sign that this Government is aware of the concerns and needs of rural Manitoba.

Tourism is another area that was highlighted in the Budget—\$1 million has been included in the Budget for new initiatives in tourism marketing. We have just seen the completion of another highly successful Folklorama event in the City of Winnipeg. This, of course, is a major tourist attraction. The summer months see hundreds of events across the province which help to bring tourists to Manitoba. This Government recognizes the importance of the tourist industry in all parts of Manitoba. It is presently the third leading industry in our province, but the potential is

unlimited. An increased emphasis on tourist promotion will assist Manitoba to capture a greater share of the national and international market.

In closing, I would like to just comment on some of the attitudes reflected in the Budget. Certainly the attitude of deficit reduction was very clear, and it is one which has been well received by Manitobans. This is the first step towards debt reduction. The tax relief for small businesses is a very clear signal that the Manitoba economy cannot continue to be buoyed up by Government spending and we must look for small businesses to create these jobs in Manitoba. A more equitable way of collecting the education levy on property has been introduced and has been well received by rural Manitobans.

The Budget also reflects the high priority on health care, education and social services that this Government has. Above all, I would emphasize that we are doing these things in consultation with the people of the Province of Manitoba. These are the positive things that Manitobans see in this Budget and these Budget items I have no trouble in supporting.

In conclusion, I would hope that the Members opposite realize that all of the aims and objectives put forth by our Party cannot be realized in our first Budget. This is a start toward deficit reduction and fiscal responsibility. It is a Budget that you should support at this time. Thank you.

Mr. John Angus (St. Norbert): My friends, it is with pleasure that I rise to respond to the financial master plan that my Conservative colleagues have unveiled. I compliment the new Member, the Honourable Member across, for the fine, articulate, very well-defined representation he made. There are a number of points that I can agree with on his representation. So I compliment him as a new Member in the House, as I am, in being able to deliver such a fine speech.

I think that we all recognize the difficulty of the financial machine and the inertia that has been developed through history, of trying to provide all things to all people by the former administration, all things to all of those people that they found deserving. Unfortunately, far too frequently they tended to live in their riding, tended to be people that they could support or that they found were supporting them politically.

I think—it would seem to me that there must be a fairer way of distributing the monies that are available, through the taxpayers, to administer the things that we, as people, want in this province.

Being a newcomer to the House I find the process of budgeting, and the process of trying to understand the budgeting a difficult one to follow at times. I find that in my role as a critic of Industry, Trade and Technology that even past studies, history does not help me understand how they arrived at where they are, because they have amalgamated those two departments.

Hon. Clayton Manness (Minister of Finance): That is the adjustment vote. That is what that one does. That is why it is adjusted.

Mr. Angus: I see. I thank the Honourable Finance Minister (Mr. Manness) for bringing that to my attention. It still makes it difficult when two or three days before we are actually to get into the Estimates, and that is the first one, I have no detailed information on the break down of those departments or the assimilation of those departments.

So it is bad enough that I am unfortunately a new Member to the House, a new Member in a role of being a critic of a very, very important department, and legitimately trying to do my best to be constructive in my criticism, to try and do what I perceive my role as Opposition to be. That is to bring to the attention of the Government the flaws that I see in their Budget, the flaws that I see in their legislation, and the flaws that I see in their activity with hopes that they will address those.

But I find it very, very difficult when I have got figures that are indicated, actual expenditures that differ drastically from Budget projections, and then both of those figures when tied together are totally different, because of the fact that they have amalgamated two departments. I think if the Honourable Members opposite want, as I have heard a number of them suggest, constructive criticism and positive input on how to do things differently, one of the things that they might be prepared to do is start with the critics and tell us how they arrived at these particular figures, what their rationale was.

* (1540)

I find it very difficult in terms of arguing specifics of a Budget that is made up when I am on the outside, forced to ask questions to penetrate, to drag information and systems, theories and projections out of the Government. I think there must be an easier way of cooperating. It seems to me also that reducing this to simple terms—I look at the managing of a household in terms of the Budget that the Honourable Finance Minister (Mr. Manness) has brought in. He has got a very large House and he has a certain amount of revenue that comes in. It seems to me that he is looking at doing certain things with the money that he has coming in, to try and create a house that everybody wants to live in. But it seems to me that it is with difficulty that I understand he is trying to fault the former administration for a Budget that they brought in when I see so many similarities.

The Budget and, I am sure, in the Estimates, we will find that it is different. I hope we will find that it is different. I hope that we find there is new direction. But it puts me in a very awkward position to be able to stand up and say I think that this Budget is a positive step for Manitoba. I cannot say that because a few months ago I ran an election campaign on the fact that it was not a very positive Budget. So I am finding myself wanting to try and live in this House with my honourable colleagues across the way. I want to get into discussing whether or not we have enough money to paint the fence, or fix the grass, or redo the foundation of the house. Yet I have to stand back and say how much money are we spending on these things? Where is it coming from? Where is it going to? The information

is very limited, and it is not coming forward with any direction, in terms of a plan.

We talk about studies, we talk about plans, we talk about Ministers that know what they are doing, but it seems to me that they are almost as much in the dark as I am.

An Honourable Member: Worse.

Mr. Angus: It seems to me that they do not—and perhaps worse, you are right. It perhaps is a little bit worse because they, unfortunately, are in the decision-making role. They have to make the decisions as to where they are going to invest the money. I have the fortunate position of standing back and say now give me an explanation as to how you are going to invest that money.

So I find the Budget short in a number of areas. If I am sounding critical it is not because I have any specific remedies as to where money is going to come from. I do not have a magic pot. I do not have enough knowledge of where we are wasting money, and where we are not spending money appropriately, or what plans the Government has to streamline the expenditures they have, in order to provide the social programs. I do not have that. I am not enlightened by that information. Once I see it, maybe I will be able to take a better direction. But if I appear to be critical it is going to be because that is my role as an Opposition Member: a) to critique and b) because I am genuinely in the dark. So I am going to point out things that I think are not there and I am going to start with job creation.

I see that we are projecting—and I will allude to free trade—simply because it has been something that has been bandied around this House, and it is certainly being bandied around the country continually. Let us start with free trade. I have heard the First Minister (Mr. Filmon) of this province stand up and tell us that there are going to be thousands of jobs created as a result of free trade, and that it is going to be a very, very good thing for this province. Yet I see that the projections in this book of less than 1 percent growth in employment.

I find that the Budget Speech is very shallow on how they are going to create a lot of jobs. I do not see any specific programs for teenagers, for high school students, for university students. I do not see any positive actions in terms of adjusting minimum wages, if that would help. I do not see any incentives to employers for the age groups of people. I do not see write-offs for employers for specifically hiring people on particular programs. Maybe that does come in the Estimates. But I have this overwhelming, sinking feeling that when the Estimates come, I am going to be so bogged down in the technical jargon that accountants put together, that I am not going to be able to get a clear understanding of the specific picture as to what they are going to be actually doing.

So I ask you, where are your job programs for teenagers? Where are the nuts and bolts of these programs so that I can ask it to pass a test of

reasonableness. That is my standard, that is, does it pass a test of reasonableness.

How about seniors? We have an aging population. The demographics indicate that there are literally thousands and thousands and thousands of people of my generation who are taking early retirement, are getting older, and would like an opportunity to work on a part-time basis. These people have an awful lot to contribute before they become a drain on society, before they are closeted away and told to mind their own business and not pay any attention and not ask any questions. Let me ask you, where is money being invested in this Budget to help those people maintain a standard of living, to maintain their dignity, maintain the opportunity to continue to be productive? Are there programs?

I go down to Florida sometimes. I have been down there once or twice in the last few years to visit my mother who is 70 years of age and is certainly not short of being able to provide for herself, and she is not short of the energy or the brains to be able to provide for herself either. I see down there in Florida when I am there a number of senior citizens working on a make-work project where their wages are subsidized to a certain extent to employers so that they can do things like pack groceries, stack groceries on shelves, deliver groceries from the stores to seniors' homes for those seniors who have difficulty getting out.

If you look around, there are literally hundreds and hundreds and hundreds of activities that need to be done, whether it is cleaning up garbage on river banks, whether it is picking up litter on streets, whether it is providing school crossing guards, whether it is taking Meals on Wheels or volunteer programs of that nature. The important thing is, it does not take a mental giant to make a list of the things that need to be done and it does not take a mental giant to put together those people who would like work, those high school students who are hungry for jobs. They do not particularly care what it is. They do not want to start at the top as chairman of the board. Those kids who are going through high school and going to university would love to be able to go out and do things and get paid for it.

Maybe, just maybe, I would like to have seen a program in the Budget that provided for cooperation between the unions and the needy, those people who need employment and those jobs that need to be done. I did not see any of those things.

Maybe it is my naivete. Maybe I am just very naive in terms of how these Budgets are put together and maybe all of these questions will be answered in the few hours, in the miniscule hours that I am going to get to cross-examine—and I use the word cross-examine with a little bit of hesitation, because that is unfortunately what I am going to have to do.

There is no semblance of cooperation. There is nothing that I can say when the Minister of Trade, Industry & Tourism (Mr. Ernst) comes forward and says here is a program that I am going to see for the first time. I am not going to be able to stand back and say, gee, I think that it might work better if you did this or

if you did that. I am not going to have those opportunities so I am going to be forced into a role of being critical. I am going to be forced to be into a role of cross-examining and asking him, demanding of him, why are you doing this, why are you doing that, justify this. He is not going to be able to justify it any more than I am in terms of real factual information because he is going to have to turn to the administration.

So I come back to an age-old problem in politics. Who runs the Government? Is it the administration or is it the decision makers? If it is the decision makers, if it is the elected representatives, then where are those decisions? Where are those programs that say we are going to recognize this need and we are going to fulfill that need in this fashion? I do not see them. I do not see them in this Budget. In looking at ideas for constructive criticism, there are a couple in terms of employment.

I applaud the initiative of suggesting to new companies that they are not going to have to pay any taxes and that the Government is going to recognize that. I think that is an admirable step in the right direction but, as the Finance Minister (Mr. Manness) will quickly recognize, there is a give and take. As you reduce the amount of taxes that companies have to pay, the theory is that they are going to become more competitive, that they are going to reduce their prices, that they are going to have a little bit of extra money and be able to hire some more people. That may or may not be a fact in reality. That is the payroll tax I am talking about—I have sort of switched streams a little bit. I applaud the initiative to remove the payroll tax. The method, I dispute. I would have preferred to have seen a general reduction all over the place. However, those are different philosophies.

* (1550)

I would prefer to have seen certain categories of public purses being exempt, such as the City of Winnipeg. I do not think that it makes sense to tax the City of Winnipeg a couple of million dollars on a payroll tax out of one pocket and then give them money back with another hand. I do not think it makes sense to put a payroll tax on the school boards who just simply have to go back to the people. I think the whole thing is quite a bit of subterfuge. Hospitals, universities, the list goes on. I think there are different ways that we could have attacked the payroll tax, provided the cash-dollar benefits to those institutes that can genuinely use the money, but I applaud the initiatives that they have taken.

As far as eliminating the taxes on new businesses starting up, again the theory is that these guys are going to plow this money back into hiring more people. Let me tell you, I have been fortunate enough to be fairly successful in business. I have started a number of companies and amalgamated them into various enterprises that have generated at least a passable income for me in the last 35 years that I have been a straight-commission salesman, working and trying to satisfy the needs of an all-consuming market, but I have not had a large taxable profit at the end of those

years. I am not a big corporation. I do not pay dividends out to people. I do not hire accountants looking for loopholes and tax dodges and everthing else.

If you wanted my advice, if anybody from the other side was interested in what I would have suggested that they could have done to help businessmen, I would have said, take the paperwork that is surrounding the things that I have to do and tear it in half and throw it away. Get rid of the regulations. Those are the things that are penalizing me. Those are the things that would be really beneficial to me. Get rid of them, chuck them, and help streamline the procedure of Government, help for everybody. It would be a very definite idea.

Let me move to the very obnoxious 2 percent tax on the income tax. I think that it is very, very important that we recognize where the priorities of Government lie. I think that it is important to share with this House that I got elected because most of the people in my riding, the majority of the people in my riding were fed up with the extremist Parties that we have in this House. We have a right-wing, business-oriented element that only thinks about business and has limited ability for social conscience. They do it at the expense of people, even in amalgamating Tourism and Industry, Trade and Technology. What was the Minister most proud of? The fact that he had been able to lop off 35 jobs. While I appreciate the fact that he wants to streamline the procedures of his department, I am not sure that doing it at the expense of people is practical, nor is it realistic.

I think that, while we look at the business-oriented attitudes of our Honourable Members from the Government side, we see that they are very "gung-ho" on business. I have not seen an awful lot of positive action, action-oriented steps, goal-oriented plans, any method of measuring the ability that they are going to indicate that they are going to be doing. There does not seem to be any method indicated by them for standards to measure their productivity in terms of how well they are doing their job.

The people in my constituency were tired of that from the six years of Sterling Lyon promising them an aluminum smelter. For five years in a row, they promised them an aluminum smelter and now, within three months of being elected, we are back into the same old promises.- (Interjection)- I think that is wonderful that you started it and I think it is wonderful that they are going to be able to pick up the ball, because you were not able to pull the deal together when they fumbled the ball and got thrown out of office six years ago.- (Interjection)- I beg your pardon? Is that parliamentary, for him to call me a fool?

Let me tell you that there were a number of people from the extreme left of the political spectrum who voted for me as well because they were fed up with the social giveaways, with the fact that somebody was going to pay but we were not concerned about who was going to pay. It did not matter who was going to pay. So we came right down to the middle. I got elected, in my mind, because I was prepared to go to the people and say that I am prepared to work cooperatively. I am prepared to try and find answers to problems whether it is an abuse of the health care system, whether it is providing for elderly people who actually have

genuine needs, whether it is helping businesses actually by providing good solid programs that will give them an opportunity to employ people, or whether it is working cooperatively, sometimes by being critical of the way the Government is doing it. But more, I would hope it is by making positive and good suggestions.

Now let me move to the other area that I have responsibility for. The other area that I have responsibility for is Urban Affairs. That is the City of Winnipeg, in which we have been fortunate enough to elect 19 Members. I think that it behoves us to recognize that these people have some concerns on behalf of their constituents. Their constituents are property taxpayers. There is not one thing in this Budget that is going to help the property taxpayers reduce the amount of property taxes they are going to pay. There is nothing that suggests a new financing scheme. There is nothing that is going take the high cost of capital infrastructure off the backs of the taxpayers, and put it on to those areas of expenditures like transportation that actually do spend the money. There is nothing there that removes the cost of social welfare from the back of property taxpayers.

The reason they have the property taxes is because, in the beginning, my neighbours and I got together and we put a certain amount of money on the table so that we did not have to have outhouses, so that we could have a sewer system. We did that voluntarily, we did it legitimately, we did it realistically. We recognized that somebody was going to have to run that sewer system, and so we hired an engineer and we ran it. We decided at that time not to fund people on welfare. We decided that was going to be a provincial matter. We decided that the running of the hospitals was going to be a provincial matter. We decided that, as a road was coming to my house that was most beneficial to me and my neighbours, we would pay for that road. So, we have a division of responsibilities in terms of where the taxpayers' dollars go.

But to suggest and to propose and put on paper a plan that says we are not going to be making any changes, that we are not going to be providing any relief to the property taxpayers by removing the cost of delivering health services like ambulance, by removing the cost of delivering various other social welfare programs like the first three months of welfare, health inspections—there are all sorts of things. The list goes on and on and on.

It does not matter whether the provincial Government offers to take some money off the property tax in a property tax rebate—smoke and mirrors, find the hidden shell game. It does not matter whether or not they say, well we support the City of Winnipeg by donating \$70-odd million to them over the years. The fact is that the people who own homes, who are out working right now in legitimate jobs, are coming home and paying astronomical taxes. They are paying astronomical property taxes, and there is not one initiative in this particular Budget to help those people.

So I think that it is very plain that there are a number of positive initiatives that this Government had an opportunity to take. I, for one, would have been prepared to work cooperatively with them. Yes, I would

have pointed out the holes that I saw. Yes, I would have asked questions, what if-type questions, and how are they going to do this. I would have liked to have seen, and I would have been an awful lot happier, if this Budget was not simply a rework of a social Budget that was thrown out by the people of Manitoba but a Budget that actually had specific programs, direction and some thought given to it.

Thank you very much.

* (1600)

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): I am pleased to participate in the Budget Debate, and a very fine Budget and I think one that all of us should be supporting.

I want to congratulate my colleague, the Minister of Finance (Mr. Manness), for a very fine job in producing a Budget on such short notice, and I think it is important that all Members of the House recognize the process. I also want to congratulate the Members of the Treasury Board, myself included, because let me tell you that, as the Member for Lakeside (Mr. Enns) said the other day, the time element required to produce this Budget saw a group of people work harder probably than any other in terms of the shortness of time to produce a Budget to lay on the table at this Session of the Legislature.

It took hours and hours and hours of time, and let me explain the time scheduling for Members so that they understand, particularly for my honourable friend from St. Norbert. Let him understand this, that the Cabinet was sworn in on May 9. Approximately 10 days later, the Treasury Board was struck, May 19. At that point, about two or two-and-a-half weeks into office, Cabinet Ministers are learning about their departments, learning familiarity with them. Notwithstanding the fact that you may have been a critic of a particular department in the past, it does not give you the kind of understanding of how the department functions, its financial problems, and I think everyone in this House who has ever been in that situation will freely admit that it takes some time to understand that. Normally, when you are dealing with that kind of a situation, it takes some months to learn how the department functions, then get into the Estimates process, which normally starts in September and goes on until well into January before any Budget is finalized.

In this situation, we started on the first of June, some three weeks after we were in office and, after those three weeks, we started on this Budget process. We completed that Budget review, process, and so on in order to have the Budget tabled on August 8. Because of logistical problems associated with that, we completed the review of the Budget and so on in the very early days of July. The timing, the amount of time and effort that went into this did not give us the opportunity to go as in-depth as we would well have liked. The Minister of Finance (Mr. Manness), I think, has said this in various comments over time.

We would have preferred to have another six or eight months to be able to deal with it in the normal type

of process but, because of the election, because of the timing of a new Government coming into office, the Budget had to be brought forward to the people of Manitoba as quickly as possible, and that is exactly what we did. We spent weekends and we spent nights and we spent days dealing with those items that create the Budget, dealing with departmental reviews in an attempt to determine as best we could in a short period of time what we could bring forward to satisfy the last half of this fiscal year.

Spending in the current year was well under way by the time that we came to the Budget review process. By the time the Estimates would be completed, that process would well have been six months into the fiscal year, and the opportunity for us to do very much was very limited. So based on the limiting factors of time, the limiting factors of expenditure and management and expenditures that have already been under way for some time, it became a lot more difficult to produce a Budget that was as comprehensive as we might have liked. However, notwithstanding that, those who were responsible, primarily the Minister of Finance (Mr. Manness) and my Premier (Mr. Filmon) as Chairman of the Treasury Board, did produce a Budget that I think goes well on its way to reaching the kinds of goals that we had set for ourselves during the election campaign. It does not reach all of them and I do not think we pretend for a minute that it will meet all of our goals, because we had not the time to be able to do that. In the next Budget we will have that time, and we will give that scrutiny that we would have preferred to give at this particular juncture.

In the time that was available to us much was accomplished in terms of the Budget that has been tabled in the Legislature. We have, in fact, merged six departments and we have reduced the bureaucracy. To use the words of the Leader of the Opposition (Mrs. Carstairs), we have done what she said she would do. We have reduced the bureaucracy. We have not cut back on programs and we have reduced expenditures.

An Honourable Member: Reduced administration.

Mr. Ernst: Reduced administration—and quite frankly when Members opposite and their “computer” stand up in this House and suggest that administrative costs have increased—let me tell you then of the departments of which I am responsible.

I would like the Leader of the Opposition (Mrs. Carstairs) and those Members of her caucus, who wish to go out and tell the 34 people who will no longer be employed at the end of this month in that department, that administrative costs have not gone down in that department. They have significantly, in excess of \$2 million in administration alone, in that department. Yet not one program was cut, not one program service delivery area was reduced. In fact, we are going to be able to provide, under that reorganization, a better form of administration than was provided by two departments in the past. Those two departments, in fact, had fragmented programs, had fragmented delivery systems and had duplicate administrations, which are no longer present in that department today.

I find it somewhat hard to accept the comments of the Members of the Opposition in suggesting that

nothing has been done because something certainly has been done. It has been done not only in the Department of Industry, Trade and Tourism, but it has been done in the Department of Labour, Environment, Workplace Safety and Health. It has been done in Consumer and Corporate Affairs, to some degree more or less, but it has all the same been done. It has been done in a very short period of time, given all of the other constraints that we have had to operate under these past few months.

We have lived up to many of our election commitments. The Minister of Finance (Mr. Manness) has brought forward a major reduction in the payroll tax, one disincentive to industry, disincentive to job creation that I think most of us, if not all of us, in this House subscribe. The fact that the payroll tax has had a significant detrimental effect on industry in this province, that we have seen business after business after business decide to close, leave the province because of that retrogressive tax. One of the two jurisdictions in North America that has a tax on jobs, a tax on people's employment, something that I think, as I said earlier, most of us in this House subscribe to its removal.

We have done that. We have gone some considerable way to reducing that tax, given the fact that we are forced to labour under an impressive debt, and an inordinate amount of expenditure levied by a previous Government, who had their priorities as they saw them. That was their decision. They were Government of the Day. It was their decision to create those expenditures, to create that debt, to create those deficits year after year after year. That was their management style, their philosophy, but the piper has to be paid eventually.

The order of magnitude of payment today is the thing that all of us have to face, and it is an inordinate burden. It is a very inordinate burden and one that is not easily accomplished. Without seeing major reductions on services across the board, we are going to have to attack it on a very slow methodical but planned basis. The Minister of Finance (Mr. Manness) has said that. He said we will be working towards multi-year budgeting; our commitment to show the kind of financial plan that is necessary to lead us out of the financial wilderness that was left to us by the previous Government.

* (1610)

We have to take the time to analyze that properly, take the time to deal with a plan to lead us out of that financial problem that has been created in the past. That is not something that is going to happen in three months and I do not care who is in Government. I do not care if it was any of the political Parties here. No one is that smart. No one has enough hours in the day to be able to come out and create an expenditure situation, a Budget, a plan, within that short a period of time to cover every base. It is not possible.

I see the Members opposite stand up day after day after day asking about additional expenditures, asking why we are not spending money on this or why we are not spending money on that or, alternately, why we are

not reducing this tax or that tax or some other tax which cuts into the revenues available to deal with the kind of financial problems that we have.

We cannot have it both ways; we cannot have it all ways. Quite frankly, if it had not been for the fact that some sanity returned to the financial expenditures of Government, we may not have been able to have it any way in the future if someone had not come back into Government that could take the controls and try to bring the expenditures of the province back into line with its revenues.

We have lived up to our commitment of no increase in the personal income tax, no increase in the corporate tax. We have had people stand up—Members opposite—and believe you me, there is not one person in this House, not one person who would like better to stand up and say, yes, we are going to remove the 2 percent net tax on income; yes, we are going to remove the surtax on higher incomes; yes, we are going to remove income taxes on all categories of people in our society. Not one person here would not like to do that, but we have to deal with the financial realities of what we are faced with.

They are significant, very significant, and we have to have a plan to work our way out of it. How do you do that? You deal with using the "goose and the golden egg" scenario. Do you deal with the eggs or do you deal with the goose? And in this situation we dealt with the goose. We said the private sector industry in this province that creates jobs, that creates wealth, that creates income taxes, both corporate and personal, are the one we are dealing with first; and we said we will remove as much as we can of the payroll tax so that industry can create jobs, so that industry can create wealth, can create tax income for the Government to be able to both fund the existing and enhanced programs that all of us would like to see and deal with the debt problem.

Mr. Deputy Speaker, that is what we chose to do. Now the Members opposite may have chosen to do something else. They may have wanted to give, for short-term political gain or whatever other reason, a tax break to the individual. We said we would much rather see in the short-term the individual bite the bullet so that we can create a longer-term financial network for this province that will see all of us better off in the future than to give them a short-term tax credit that would disappear within a year or so. That is short-term politics in my view and not in the best long-term interests of the province—not in the best long-term interests of the taxpayers of this province, certainly.

They are also the consumers of the goods and services that are provided by Government. They are consumers of health care and they are consumers of education. They are consumers of social services. The best guarantee for those kinds of programs into the future will be a healthy economy that can afford to pay for them. We cannot continue to raise taxes in this province. We cannot continue to tax business out of existence because quite frankly, we will have none left if that road is continued on.

We have also lived up to our promise of a comprehensive audit. We said before the election that

we were not sure of the financial morass that we were facing and we said we would go out and we would hire the best possible audit firm—not the lowest tender but the best possible audit firm, the one with the greatest capability, to come in and do a comprehensive audit of the province's financial situation.

How can we present a long-term plan to get us out of a problem when we do not know how big the problem is? That is what we have to find out and that is why we appointed that comprehensive audit to find out what those problems are. We found out right away that our liabilities were understated by some billion dollars—a billion dollars of understatement—in previous Government budgeting procedures—not something that any of us should be very proud of, and something, quite frankly, that should scare the hell out of all of us.

Mr. Deputy Speaker, we also lived up to our promise that we would reduce property tax on agriculturally productive land. I represent a city riding, as you know, but the fact of the matter is that this economy depends so greatly on agriculture both in the city and outside. While the farmers are suffering under drought circumstances, under low grain prices, we said to them, on the production value of your land, on the production asset, we would reduce that property tax up to 50 percent as quickly as we could. We said that during the election and we have, in fact, lived up to it in this Budget.

Just on the question of property tax, my honourable friend from St. Norbert (Mr. Angus) a few moments ago harangued us all about the fact that there was not \$1 of property tax benefit to the City of Winnipeg located in this Budget. He was wrong—dead wrong, Mr. Deputy Speaker. There is \$2.1 million of additional assistance, financial assistance, to the City of Winnipeg as a result of this Budget.

We took the cap off that the former Government put on—the cap on revenue sharing that was hard fought, negotiated back in the Seventies where the former NDP Government, under Mr. Schreyer, who at that time fought it tooth and nail but finally was convinced of the error of his ways.

I, as a municipal politician of that day, take great pride in the fact that I was able to participate to show the provincial Government, together with all municipalities in this province, the fact that revenue sharing was a reasonable way to go for municipal financing.

The former Government decided that they would do away with that plan, that they would say no to the municipalities and they would cut off \$2.1 million of additional revenues that would have gone to those municipalities to do the kind of things that municipalities need to do and/or reducing their property tax rates accordingly. So the Member for St. Norbert (Mr. Angus) was incorrect that there was \$2.1 million of additional expenditure for the City of Winnipeg property taxpayers.

We also lived up to the promise of returning to maintaining the infrastructure in our cities and towns and in the whole of the province that had been let go by previous Governments—infrastructure that had been

paid for by my father and your father and by our aunts and uncles and all of the other taxpayers that have gone before us. They let that huge, huge investment in infrastructure decline very, very dramatically—something, quite frankly, that is shameful for all people in politics to have to face that kind of situation.

The fact of the matter is that while not doing nearly enough, we are still making some movement toward dealing with that infrastructure problem to maintain our highways, to reconstruct those infrastructure improvements that have gone on in the past before they deteriorate totally and we are faced with a massive, massive bill dealing with entire replacements of that infrastructure.

The Leader of the New Democratic Party (Mr. Doer) earlier today raised questions about dealing with the infrastructure in terms of what the FCM would do. Let me inform the House, Mr. Deputy Speaker, that I served on the task force of the Federation of Canadian Municipalities under Mr. Harcourt, the mayor of Vancouver at that time. I served on the task force dealing with that and we created that demand. So in terms of commitment, there can be no question that this Member on this particular side of the House is certainly committed to that. I put too much of my life into that study in order to see it go by the wayside, and we will be pursuing every avenue we can to deal with that particular problem.

It is one I believe in. I do not care, quite frankly, whether the Premier of British Columbia agrees with it or does not agree with it. This is Manitoba. It is Manitoba's infrastructure and it is Manitoba's taxpayers that have to foot the bill.

As Chairman of the Intergovernmental Ministers Committee, I have pursued that and am pursuing that with my federal colleagues as long and as hard and as quickly as I can to see that infrastructure agreement come into place, so we can start doing the kind of things that we should have been doing a long, long time ago. Collectively, we should have been doing it a long, long time ago.

* (1620)

Those highways, that other infrastructure, that is in place is the life line of our community, life line of our province. If we cannot export our goods on those highways, if we cannot interconnect in terms of commerce amongst our communities, we are going to be in trouble. The Minister of Highways (Mr. Albert Driedger) has gone some distance in the short time that he has been in office to start to correct that problem. The Minister of Finance (Mr. Manness) and the Treasury Bench has backed him up on it. We would like to do more, we will do more. Again, it brings us back to the kind of problem that we have faced from time to time, for time immemorial, as a matter of fact, under the previous government. We have lived up to those commitments.

As well, we have a new focus on small business and tourism, a new focus with increased funding; \$2.4 million of increased funding for tourism in the Province of Manitoba this fiscal year, more focused on program

delivery, more focused on rural economic development. We now have a Rural Economic Development Committee of Cabinet that will deal with rural economic issues. The issues of population—depopulation in rural areas is best faced by creating industry and jobs in rural Manitoba, so that the people who are born and raised there can work there and stay there and raise their families there and be productive taxpayers in this province in those communities, not to try and create short-term jobs in the North, not to try to create short-term jobs somewhere else in the province and expect those people to root up their families, move, have a short-term employment problem and then be out of work again. That is not the way. The way is to create long-term, meaningful jobs in those communities so they can live and raise their families there and create and be good citizens in this province.

We are going to recognize the seniors of this province, in a small way, to start admittedly. But then again having been three or four months in office—the world was not built in a day. “Rome was not built in a day,” I think, is the appropriate quotation. But the fact of the matter is we have given that commitment. We have a Minister in place. We will have a secretariat in place very shortly. We will have the funding for that secretariat so that they can begin to do the kinds of things, to begin to do the coordination necessary to help and assist the seniors of our province. It is not, quite frankly, their desire to have money thrown at them. At the same time they want to have some assistance, some direction, so that they can partake of existing programs, understand what is available to them, understand where they can go. They are not looking for handouts. They are very proud people. They built this country, for heaven’s sake. They are not ones to be running around with their hand out all the time. They are very, very proud people. We want to be able to assist them, to provide direction for them, to provide some coordination of programming available to them. That is what we want to do. We will do that. We will do that within the Seniors’ Secretariat and under the direction of the Minister responsible for Seniors.

In dealing with our Budget, as I said earlier, we did not have the time that we might have liked in order to deal with all of the problems with respect to the Budget. We had only limited understanding, admittedly, by the Ministers responsible for those various departments, because they have been in office only a short period of time, some month before the Estimates review took place. Many of the expenditures were already in place and were difficult to control or stop, certainly in the short term and even in the medium term, in terms of the fiscal year. Those expenditures were ongoing. By the time you find out: (a) where they are, (b) what they do, (c) is it valuable, and (d) how do you control it, the year is significantly gone. So that any savings that might be accomplished by stopping some of those kinds of expenditures are cut in half or less, because of the time frame associated with the Budget.

We also had to deal with a number of other issues that came up that were not accounted for in previous Budgets. All of a sudden, during the election, the previous Government settled with the Manitoba Medical Association at a significant cost to the province of

Manitoba. They settled with the nurses at a significant cost to the people of Manitoba. Regardless of whether it is good or bad or whatever, the fact of the matter is it is a cost and a cost that has to be accounted for.

We cannot do the kind of creative accounting that occurred in the past. We cannot, for instance, put into the Budget \$1 million for forest firefighting when in fact the average cost of the last five years has been \$5 million or \$6 million. We would not do that kind of thing, but that is the kind of creative accounting that occurred in past Budgets in order to keep projected deficits down, in order to keep projected expenditures down. We had to deal with those kinds of issues.

The full provision for the settlement with the Manitoba Government Employees’ Association was also not included in the Budget. A significant amount of money was, but it was not all included. That added more money now to a Budget that we had to deal with.

Then we looked at \$19 million for drought assistance, which was not contemplated in the Budget of last March, \$19 million of additional expenditure that was required in order to deal with the drought situation that is very hard pressed on our rural communities.

There was a substantial increase as well, some \$13 million or \$14 million, I believe, for forest firefighting. As I indicated, \$1 million was put in the Budget, spent \$14 million or \$15 million. We had other issues to contend with in trying to put together this Budget that is before you today.

In total, those unbudgeted-for costs ranged in the area of \$80 million to \$90 million of additional expenditure, \$80 million to \$90 million. We talked about windfall revenues but there were also, if you want to use the same analogy, windfall expenditures as well that balanced off some of those windfall revenues. We have these additional expenditures that were not accounted for anywhere in the Budget despite any increase in programming, despite a wide variety of normal operating additional costs that were not included in that Budget. There was \$80 million to \$90 million of additional expenditure that was unaccounted for anywhere when we took office.

Yet all of a sudden, it is the same Budget, according to my honourable friends opposite. It is a carbon copy, it is Eugene Kostyra recreated, only maybe in size in my terms. But let me say this, that in terms of the Budget, we dealt with \$80 million or \$90 million of additional expenditures. We spent some \$10 million or \$15 million of other expenditures, and we also provided a number of new initiatives in the Budget that were unaccounted for in the previous one. I do not understand, quite frankly, where the Members opposite are coming from in terms of their reincarnation of the previous Budget.

If it was a reincarnation of the previous Budget, quite frankly, the Leader of the New Democratic Party should be standing up and touting it. He should be speaking in favour of the Budget, not opposed to it. If it is such a reincarnation, why is he not doing that? Why are not all the Members of the New Democratic Party standing up and saying, this is a great Budget, we introduced

it? All of a sudden, we started to take some financial direction. We started to pull in the reins of Government. We started to, all of a sudden, look at the debt problems that we had and tried to come up with a way of addressing it, and trying to make it somewhat more palatable into the future for the future generations of Manitobans, something the previous Government did not do.

So I do not understand, if it is such a carbon copy, why the New Democratic Party is not standing up and waving the flag and saying it is a great Budget and we are behind you 100 percent. Instead we have the Leader and other Members of the New Democratic Party standing up and criticizing that Budget.

An Honourable Member: We want you to cut taxes.

Mr. Ernst: Cut taxes? We significantly cut taxes, as a matter of fact. We certainly did cut taxes.—(Interjection)—The Members of the New Democratic Party do not understand the difference between the goose and the golden egg. They do not understand. They have no idea where the egg comes from. All they know is that it is there and they should grab it, put it in the bank or spend it. That is all they know. They do not know the fact that the goose that lays the golden egg needs to be fed once in a while, needs to have a little water, a little nurturing, a little something to bring it along so it will lay another golden egg, but they do not understand that.

* (1630)

We have a major number of new directions in this Budget, something that our Party is very proud of, and one that the people of Manitoba will judge, I think, as an appropriate Budget for this time and in this place. We recognize the role of business in the creation of wealth and in the creation of jobs and, as a matter of fact, business is the goose that lays the golden egg. We are prepared to give it a little food once in a while, to give it a little water instead of trying to strangle it at every turn like the former Government did on a regular basis. We are prepared to feed it, to nurture it, so it will lay more golden eggs. Those golden eggs will pay for the services that the people of Manitoba want. Hopefully, we can squeeze enough golden eggs out of that goose in order to pay for the debt that was created by the previous Government through their years of administration in this province.

We have to recognize we need to be honest with the people of Manitoba and tell them what kind of financial straits we are in, what is going to be expected of them over the next period of time, not to throw a few bucks at them with the hope of getting a few more votes. We have to be honest and up front to tell them the kind of financial problems the province has and what we need to do as a Government, collectively as Members of this Legislature, in order to ensure that we are going to have something in the future, that we are going to be able to pay for health care and education and social services, something quite frankly we cannot do by building up deficit upon deficit upon deficit. That is the financial understanding that we have to impart to the people of Manitoba.

We have recognition of that high personal tax rate. I think we all recognize that and there is not one of us on this side of the House who would not dearly love to say to the people of Manitoba, we will remove that tax tomorrow. We would dearly love to do that but we know, Mr. Deputy Speaker, that is not a prudent fiscal move at this point in time. It is a short-term political gain, yes, but a prudent long-term fiscal move, no. It is not.

The problem has been created. We cannot do away with that. There is no magic wand that we can wave to say that all of those problems are going to go away because they are not. So we have to be honest to the people of Manitoba and say, look, this is the problem, this is how we are going to pay for it and, unfortunately, we have to do that over a longer period of time than we might like because we do not want to reduce the kind of services that you have come to expect and enjoy in this province.

Those kinds of issues have to be brought forward and they have to be understood. I, quite frankly, would dearly love to remove the sales tax or at least reduce it back to 5 percent, but the 2 percent increase over the last period of time has created revenues upon which the province has become dependent. In addition to having all of the deficits that we have had, we have had this massive increase in tax as well. So we have to deal, Mr. Deputy Speaker, with a long-term financial plan, not a short-term political gain, and that is something that we are not going to do. We are going to deal with that long-term financial plan. We are going to be fiscally responsible and we are going to tell the people of Manitoba that is the case.

I would like to deal with some of the statements issuing from the Members opposite. After the Budget was presented last Monday, we had the Leader of the Opposition (Mrs. Carstairs) exiting the Chamber into the hallway dealing in front of the television cameras and saying 6 percent spending is too high. There should have been more cuts, Mr. Deputy Speaker, was her statement to the press. Spending should have been no more than the rate of inflation. That was her statement to the press outside this Chamber—and a Liberal Government would have done more. That was Monday.

Tuesday, the next day, first Question Period after the Budget, the Leader of the Opposition did not even stand up in her chair. She sat there and said nothing, left the Honourable Member for Transcona (Mr. Kozak) to carry the ball. He tried hard, I must admit, he tried hard. The Leader of the Opposition had no questions at all on a Budget that she deemed was totally inappropriate, she was not going to support, was far too high in expenditure, and should have been not more than the rate of inflation.

Yet, let me say this, every single Member of the Liberal Party who stood up in this Chamber on that day, the day after the Budget, either demanded an increase in expenditure or a reduction in revenue—every single one of them. Yet, their Leader was outside saying that the expenditures were too high. Every single one of them stood up—and I checked Hansard.—(Interjection)—My speech, Mr. Deputy Speaker . . .

Mr. Mandrake: If he would kindly check my words when I made my presentation on the Throne Speech, I never condemned the Highways Department for reduction. The only time I did is—and the boards, that they increase it by \$139,000, so where is he getting his figures from?

Mr. Deputy Speaker: The Member may have a point of clarification, but a dispute over the facts is not a point of order. I will ask the Minister of Industry, Trade and Tourism to continue, please.

Mr. Ernst: Thank you, and I hope that you will add that flurry to my time.

Just to let all the Members of the House know, I did not mention \$139,000 and I do not know where the Member for Assiniboia (Mr. Mandrake) got any of the information he raised as a point of order because I did not say it. What I said was every single Member of the Liberal Party who stood up in Question Period on the day after the Budget raised the question either of increased expenditure or a reduction in revenue which does not, in my view, kind of meld with the statement of the Leader of the Opposition when she made that statement outside the House. I find some difficulty with that.—(Interjection)— Well it is not hard to find difficulty with Members of the Opposition.

Let me say this, the Leader of the Opposition in her reply to the Budget Address by the Honourable Minister of Finance (Mr. Manness) called no less than 21 times in her address for either increased spending or revenue reductions—21 times in her address. Yet outside the House, she said there was too much expenditure; outside the House, she said 3 percent was a maximum that she would have produced in a Budget. So again I do not understand.

She says her computer tells her that administration costs in the Department of Culture, Heritage and Recreation, for instance, increased 18 percent, while library funding was reduced \$1 million. What that shows is a distinct lack of understanding of how the Budget process works and how expenditure works in that department.

(Mr. Speaker in the Chair.)

For years I, as a former critic of Culture, Heritage and Recreation, condemned the previous Government for using lottery funds to pay the salaries of the employees in Government related to Culture, Heritage and Recreation. The Provincial Auditor did the same thing. We changed that. What we did was we put those salaries out of Lotteries back into the Budget so that both the people of Manitoba and the Members of the Opposition would know that these are the salaries and this is the cost of administering that department. We said we would take the program funding out of Lotteries which we did, and that is where the other \$1 million is in terms of library grants. If anybody had stopped for five minutes and asked a question or in fact bothered to look or understood the process, they would have found that out, and they would not have embarrassed themselves by standing up and asking dumb questions like that.

* (1640)

Mr. James Carr (Fort Rouge): On a point of order, I believe that the Minister of Industry (Mr. Ernst) is imputing motives to Members of the Official Opposition, and I believe that is not parliamentary.

Mr. Speaker: I thank the Member for Fort Rouge (Mr. Carr) for a point of order, and I will review Hansard and take it under advisement and advise the House at a later occasion as to a ruling on that matter.

Mr. Ernst: If the Member opposite would take offence at that term, then I will withdraw the term so that we need not trouble you further.

Mr. Speaker: I thank the Honourable Minister for the gracious withdrawal, and I do not think there will be any more need for me to come back at a later time in the House.

Mr. Ernst: Thank you very much.

We say that the computer that the Members of the Opposition have is only as good as the operators who put in the information, and that is the key. If you put in the wrong information, you are going to get the wrong answer, and that is where they have embarrassed themselves over the last period of time.

Could you tell me how much time I have left?

Mr. Speaker: The Member has two minutes remaining.

Mr. Ernst: I want to address the Budget speech by my honourable friend, the Member for Assiniboia (Mr. Mandrake), who has raised a number of issues with respect to me. He said, in Headingley, I had no understanding of their problems. He said that in this House. He was critical of me for lobbying the former provincial Government and the Minister of Urban Affairs, presently the Leader of the New Democratic Party (Mr. Doer), for a \$30,000 study. He criticized me for that.

Well in doing that, he also criticized all of the people of Headingley, because they petitioned this Legislature for that study. By the hundreds and hundreds, those people signed petitions that demanded that the Legislature and the Government of the Day, represented by the present Leader of the New Democratic Party as Urban Affairs Minister, petitioned the Legislature for that study. They wanted to know the basic information about whether they should leave the City of Winnipeg. But if he had bothered to check, he would have found that out. If he knew anything about Headingley, he would have found that out. If he knew anything about Headingley, he would have asked somebody out there and they would have told him they petitioned for that report. Quite frankly, the then Minister of Urban Affairs was a gentleman, and dealt with that issue expeditiously and brought forward that study.

Mr. Speaker: The Member's time has expired. Is it the will of the House to grant the Minister of Industry, Trade and Tourism (Mr. Ernst) leave? Does the Minister have leave?

Mr. Elijah Harper (Rupert's Land): I am pleased to participate in the Budget debate. I would like to place some words and comments on record.

Usually, people look toward the Budget for any kind of goodies or any kind of benefits that will enhance their day-to-day lives. Being from the North and being a Native person, I try to look at the Budget, whether there will be any benefits derived from this Budget that was presented to the House.

* (1650)

As a Native person, I am pleased to say that many of the aboriginal people in the Province of Manitoba look toward this Government for support, and the expenditures and the policies of this Government hopefully would reflect that positive direction.

I look forward to working with this Government; I look forward to working with all the Ministers in the new Government. I particularly look forward to working with the Minister of Northern Affairs and Minister responsible for Native Affairs (Mr. Downey). Let us see what kind of program and policy he is going to be announcing in the near future.

I know that he has announced that there is going to be a review of the Native Affairs Secretariat. I look forward to the conclusions and the final result of that study and the recommendations. I know he had a tendered contract to Resource Initiatives, to a particular person who I know who would be doing the evaluation.

I might give advice to the Minister of Native Affairs (Mr. Downey) that he should be consulting with the aboriginal people in this province directly, meeting with them. Also at the same time I ask the Premier (Mr. Filmon) of this province, the First Minister of this province, why he was not attending the Assembly of Manitoba Chiefs.

He was requested some time ago, about a month-and-a-half ago—almost two months—to attend the conference. I believe the letter was written some time on June 21 inviting him to speak to the Assembly of Manitoba Chiefs, which is an organization representing all the reserves in the Province of Manitoba. It was a golden opportunity for the First Minister (Mr. Filmon) to announce his program or any changes in respect to any aboriginal issues.

I must say that the Chiefs were totally dissatisfied with the Premier (Mr. Filmon). I realize that the Minister responsible for Native Affairs (Mr. Downey) attended on his behalf and made some announcements there. But the Premier's lack of presence I guess signifies the priority, in a sense, of this Premier and this Government. Because the announcements that were made by this Native Affairs Minister were basically the same programs that we were carrying out.

He announced I guess the grant of \$325,000 to the Assembly of Manitoba Chiefs. Also, he announced that there will be an urban development strategy in this province which, as a matter of fact, we were doing. We were initiating some positive steps in that direction because Winnipeg, in a sense, is the largest reserve in the Province of Manitoba. We have many of the

Indian people, the Metis people, who are living in the City of Winnipeg and many come to the City of Winnipeg looking for jobs or a new way of life.

As a result, many of the Indian people find it difficult to find a job or even find homes, or even apartments to rent, because they are discriminated against. Those are the issues that need to be addressed: a high unemployment rate, not necessarily on the reserves, in the northern communities, but a high unemployment rate, unemployment in the City of Winnipeg. We see many of the Native people on welfare or else being incarcerated for many reasons. That is not necessarily due to unemployment, but I guess due to lack of education, to many other factors.

We see Native people being incarcerated in our jails. Most of our jails are represented (sic) by Indian people, maybe 60 to 75 percent, and you ask the reason why is that and we, as Native people, represent maybe 10 percent or 15 percent of the total population of Manitoba, yet our people are incarcerated, most of them, I guess mostly populated in those institutions. There has to be, I guess, an answer to these questions.

We are trying to address that and, like I mentioned before, it was one of the announcements that was made by the Minister of Native Affairs that the urban Natives strategy would be one of the things that would be looked at. As I mentioned before, it is a carry-over during our administration. That was one of the issues that we were beginning to address.

We were very concerned, too, in terms of the federal responsibility because in a secret document that was leaked some time ago it indicated that the federal Government wanted the provincial Governments to take more responsibility over aboriginal issues, Native issues. The Treaty Indian people have always maintained that the primary responsibility is with the federal Government.

A secret document that I referred to is a federal secret document that was leaked some time ago and it indicated that the federal Government wanted to have the provincial Government take over some of the responsibilities. As you know, the Indian people made treaties with the federal Government and they hold those treaties as sacred and binding to the federal Government. In that sense, the Indian people fear that any kind of transfer of responsibility onto the provincial Government would be no longer binding to the relationship or the treaties that were made with them. I see the federal Government's direction is that they want the province to take over some of the responsibilities.

One example that I can give you is the child welfare issue. In our term of office, expenditures in the child welfare department were enormous. I think, in terms of expenditures relating to the Treaty Indian children that were expended on, I think the total amount came to \$17 million and that was spent on Treaty Indian children. That itself says something, because the federal Government should be looking after its obligations, the Treaty Indian people, because they signed treaties with the Indian people.

Because of the federal Government's policy is that any Indian person who leaves the reserve and comes

into the city becomes a provincial responsibility or a municipal responsibility, so there is a lot of buck passing that has been played by the bureaucrats. Part of that problem is the expenditures being made on Treaty Indians. Like I mentioned before, \$17 million alone on child welfare is a huge expenditure for the Province of Manitoba to expend. I feel that the responsibility should rest with the federal Government, not only with the Treaty Indian children but in other areas like education. During our term of office there were many Indian people who were seeking assistance from the provincial Government which the federal Government should be picking up.

Also, on health services, we see a lot of Indian people using the health services which the province is paying for. Those are treaty obligations of the federal Government, the constitutional obligations of the federal Government, which I feel the federal Government should be picking up. I do not say that either that the provincial Government does not have any responsibility to the Indian people, because Indian people also pay taxes. They also take part in the democratic process of this province and certainly the provincial Government has a role to play in supporting the developments of many of the Indian reserves and the lack of employment, the many social problems that we have in the reserves. The province has that responsibility also to carry out, to make sure that the Indian people also have a share in the resources that are available in this province.

One of the things that is always raised with the Indian people, particularly when it is election time, when the Premier (Mr. Filmon) was asked whether he supported self-government. At that time, he responded that he could not support it unless there was a definition as to what that meant. I think a lot of people have the problem of not knowing what is meant by Indian self-government. Some people have not a good perception of what it is.

I think that alternative funding arrangement that was signed with Norway House and other bands, I think that in itself illustrates some of the positive steps that would be taken. But I think there is much more that could be done, or what could be done by the Indian Bands. There is still a stranglehold by the Indian Act itself. I think there is not that much flexibility as to what the Indian people can do. Still the Indian people are subjected to the Indian Act. The Indian Act restricts itself to more of self-government. It is creating more of municipal-type arrangements, and that is not necessarily the direction that the Indian people want.

The Indian people need to be flexible, need to be more accountable, need to be responsible for the way the money is spent, because the Parliament allocates money. It is still the Minister of Indian Affairs who is still accountable, still responsible for expenditures relating to Indian people. So in a sense, he is the one who is going to be defending the budget. He is the one who is going to answer for the expenditure and spending of the funds. It is not the Indian leaders themselves but, although at the local level when a democratic process is taking place, they might be able to replace the Chief or the councillors. What the Indian people want is to be able to not be restricted by the directives of and the policies of the federal Government.

When we were attending the Constitutional Conference, we took the position that the Indian people were here since time immemorial. They practised their own culture; they practised their own resource development, and their social way of life. Some of the provinces did not even want to recognize that the Indian people existed prior to their arrival. That was the concept that we presented to the First Ministers when we were at the Constitutional Conference.

That says quite differently from the other Premiers across this country, whether it be Devine, Getty or Vander Zalm. They still want to maintain the control on the lives of Indian people. They want to define what self-government is. They say it is too vague and yet, on the other hand, I find it insulting that the Prime Minister was able to invite other Premiers across this country and able to force them to sit down and discuss the Meech Lake Accord because, just a month before that, all the aboriginal leaders and the First Ministers attended a conference. He invited all the First Ministers of this country to attend and try to hammer it out so that they can accommodate Quebec.

During the whole constitutional process since it started, the Premier of Quebec always attended the Constitutional Conference, Rene Levesque. When the change of Government took place in Quebec, the First Minister of that Province of Quebec did not attend the Aboriginal Constitutional Conference, and I felt that it was insulting. I felt that, in order to solidify this country of ours, Quebec, the West and particularly the first citizens of this country, the aboriginal people, who gave up this vast land to open up to other people from across the world to live in Canada and to share their wealth and also to be recognized as developing this country and have developed this country because Indian people helped people coming from the fur traders and the development of the west from the Churchill, Nelson River and also in the Rocky Mountains. Indian people participated in the development of this country.

Yet, we are not even recognized in the Constitution. Aboriginal people are not the founding nations of this country. It is only the English and the French who are recognized to have founded this country. The Indian people who gave up this vast land are not even recognized. It was only after a protest by Indian people that they were included in the Constitution. Initially, when Pierre Trudeau had the Constitution brought to Canada, Indian people—I believe, also the women—were excluded. We were able to get that amendment made to include the aboriginal people in the Constitution.

When I speak of our aboriginal people, their participation and their also being left out in the cold, being not part of the developing of our societies, no wonder that we are still at the bottom of the social scale ladder. Our Indian people are still poor; our Indian people are not educated; the high school dropout rate is really high; our Indian people are in jails; our Indian people are unemployed. The hospital use by aboriginal people is high, maybe four times higher than the average Canadian. I think the average lifespan of a male Indian is 40 and, if that is the case, I will be 40 next year. So anyway, I hope to live beyond that, but you never know. I am not going to predict.

* (1700)

Those are the panic conditions that we live in because we have not really participated. We, as a Government, begin to look at some ways that we can help the North, the aboriginal people begin to develop their skills and begin to open a door in the sense that they would have equal opportunity to attend schools.

In the North, we have upgrading programs. We deliver some of the programs in the North at the Keewatin College in the North in The Pas. Some of the training programs are delivered in Thompson. We see social work training taking place and northern nursing taking place. Through the Limestone Development Agency, we were able to offer, I believe, maybe 1,700 trainees through the Limestone training agency. We offered the simulated training, which was a program that we initiated when we were in Government. We took from Inco a mine that was abandoned in Pipe Lake, a few miles south of Thompson, and we were able to place some of the people from different remote communities, some of the reserves, so that they could start training, and the skilled development that is needed there. The Member for Arthur (Mr. Downey) says, it lost a fortune. I think to build up the mine is not a loss of fortune. You can never place the value on that. I think a mine that is wasted is a terrible loss. To equate it with money, I think it is unthinkable. You cannot place a value on that.

Those are things that we need to do to start developing the human aspects of people, their skills. That is what we were trying to do. We trained many of the people on-site, whether it be driving the huge trucks, the graders, building maybe of cement blocks. Those were the kind of simulated training programs that were done at Pipe Lake. We did some community-based training right on the reserves. People were developing a road in Oxford House. They were able to build a road with this program, carpentry program. That was done in many of the reserves.

I might say that I attended a ceremony in which I think eight people from the carpentry program had graduated, and they had their journeyman papers at that time. It is exciting to see that these young people finally had an opportunity to develop their skills and they are equipped for the future, and able to implement their jobs maybe in their communities or maybe at some future project.

Through the Limestone Training Program, we also instituted the institutionalized programming which is more of a career-oriented program. We have many of the Native people attending university, taking engineering at the University of Manitoba. That was as a result of our initiatives, to train people to become engineers. At the first intake, we had 16 students taken in and they are on their third year. Hopefully, next year or in a couple of years, we will see graduates of that first intake of students. That is part of our strategy to start opening some opportunities for the North and utilizing a project so that we can enhance the benefits of the northern people.

In the North for many years, we see developments taking place: the mining development, the forestry

development, the hydro development taking place in the North. We see centres developing, small northern urban centres developing. With many of the surrounding communities being more, I guess, stagnant, they do not really benefit from those developments.

You ask yourself: why are these communities not participating in these developments? We see in Thompson a mine developing. Yet there are communities surrounding it that are not benefitting by this development. Those communities have no running water, they have poor housing conditions, overcrowded housing. They have poor quality education. They do not benefit from the development of these activities. We see a flurry of activities but yet, on the other hand, these urban centres tend to bring in roads. They have boat facilities, health facilities, good education facilities. But the surrounding communities, predominantly Native communities, do not benefit by these developments, whether it be in the mining industry, whether it be in the forestry industry, and certainly in the hydro development.

The development of Hydro certainly brought on, I guess, a devastating situation to many of the communities. Then, as a result, many of the communities, it destroyed their livelihoods, destroyed their recreation areas, something that can never be put back as it was once before. Those are things that communities are trying to deal with presently.

I know the Minister of Northern Affairs (Mr. Downey) is dealing with the communities affected by Hydro. I know in our term, in our administration, we were just beginning to deal with many specific claims by the communities. I know we settled a fisherman's claim in Norway House and Nelson House, some of the claims in the Minago Bridge with the Cross Lake Band. We were also able to provide a facility for the reserve at Cross Lake in which they are utilizing the arena, at which time the Conservatives criticized us for building that arena. I remember the Finance critic at the time criticizing us for building an arena that supported the recreation activity of that community, because they did not have any recreation activity on the lake because it was totally destroyed.

I know that the Minister of Northern Affairs (Mr. Downey) will be entering into negotiations with the federal Government on the Northern Development Agreement which is expiring next year, Special ARDA. There is another agreement which is expiring. I hope that he will be putting the interests of the northern and Native people in that agreement. There is an agreement that has been in existence for some time, since I believe 1972 or 1974, and which I believe was called the Northlands Agreement. Now it is The Northern Development Agreement, in which we were able to build roads. Many of the airstrips in the North we were able to implement, many of the programs, social development programs, economic development programs for the North, in which we cost-shared with the federal Government and also together with the provincial Government. The Special ARDA also provided some programs for the northern people. We were able to help out many of the trappers and the fishermen, enabling them to maintain the lifestyle traditionally which they have had for many years.

I am somewhat concerned whether this new Government will be able to get the Government, the federal Government, involved in the new agreement. My feelings are that the Special ARDA will be gone. Maybe the NDA will not be the same as it is. I believe they might be lumping this special program and the northern development program into one new program. The Northern Development Agreement at least provided the focus for northern people and northern development. If we are to develop a new program which would be available to all the northern remote communities and apply to the North, that attention which is required for development in North would not be there.

* (1710)

So I would urge the Minister of Northern Affairs (Mr. Downey) to continue to set aside funding, especially for the North, a program which was needed because the North has yet to be developed. Many of the communities do not have economic opportunities and also the training dollars that are needed for the North. I would urge to put high priority in that area so that we can have a meaningful program for the people living in the remote northern communities.

The other area that I would like to mention is the whole Native Affairs issue. As you know, there is a review that was announced by the Native Affairs Minister. There are many areas that need to be addressed by this Government. One area that is being looked at is the whole issue of child welfare. I believe I heard the Minister, in his presentation to the Chiefs, that they are awaiting the outcome of the national child welfare negotiations that are going on with the federal Government. I think what needs to be done here is for this Government to take a lead on this issue. As a matter of fact, the leadership that we provided when we were in Government in the area of child welfare is to be applauded, not only in the Province of Manitoba, but I think it is an envy of the rest of the country in which the Indian people, the Native people, were able to take on their responsibility to look after their own children.

Part of the problem is that the arrangement, the tripartite arrangement, that the Indian people had with the provincial Government, the federal Government and themselves, is that the federal Government has sort of reneged on the negotiations for funding to continue the development of the child welfare program here. I know that the Indian people need more professional people; they need to train their own child care workers in many of the fields that are mandated by this Government. When I was looking at the secret document by the federal Government, which was leaked some time ago, the federal Government did not want the Indian people from the Province of Manitoba to continue pressuring them, in terms of what their expenditures should be, and they are sort of looking at the other provinces to catch up to the Province of Manitoba, which leaves the Indian child welfare agencies at this point with no money to continue to develop their own agencies.

I think that is where the provincial Government, the Minister responsible for the Community Services (Mrs.

Oleson) should be talking to the Indian leaders, so they can pressure the federal Government to provide the funding that is needed so that they can provide adequate delivery of a program to the Indian children.

The other area which I am really disappointed with is, of course, the whole area of tree line entitlement. As you know the tree line entitlement is an ongoing issue; it has been ongoing for some time. We had an agreement signed some time ago by the federal Government, by this provincial Government and by the Indian people. As a matter of fact, the agreement was signed with the Liberal Government to implement the tree line entitlement. It was this—not this Government, but rather their colleagues—the Conservative Government that reneged on the negotiations that were going on. As a matter of fact, I received a letter from the federal Minister of Indian Affairs on February 26 that he is not prepared to proceed with the Manitoba agreement in principle that was reached but rather he wanted to proceed with a new arrangement. He wanted to proceed with the shortfall at the time of the treaty. He wanted to use the population figures when treaties were signed at that particular time. The agreement that was reached was that we would use the 1976 population figures. Then I questioned the federal Minister of Indian Affairs as to where his commitment is in respect to the aboriginal people, because he is the Minister who has a trust relationship for Indian people in this country.

I would ask the Minister responsible for Native Affairs to speak on behalf of the aboriginal people in this province, to carry that message. Because when I see the federal Minister of Indian Affairs, where his priorities lie, when the Lupicon Indian people were asking for land in Alberta, he gave them some money which was totally rejected by the Indian people. Yet the federal Minister of Indian Affairs gave 11,000 square miles or more to a Japanese company, a foreign company, a paper company, that particular land that the Lupicon Indian wanted. At the same time, he gave \$9.5 million to this Japanese company.

You wonder where the priorities of the federal Department of Indian Affairs Minister is at. What he could have done was given some money to the Lupicon Indian people and told them to negotiate with the Japanese company. That is the approach maybe he should have initiated. No, he did not do that, rather treated the foreign companies better than its own first citizens of this country. That says something to me as to what the priorities of the federal department are and this Minister of Native Affairs has a lot of convincing to do to work together with the federal Government.

Even during our term in office, when we were trying to negotiate with the federal Government in trying to build a hydro line into those communities, we gave that commitment two years ago and we have been trying to convince the federal Minister of Indian Affairs to participate in that agreement. We were astonished when he would not participate in the agreement because the arrangement that was agreed to was that the hydro line would be paid by the federal and provincial Governments through a surtax charge because the present rates that are being paid by the communities in the North would be paid the same amount over the next 13 or 14 years, whatever the case may be.

There are no capital dollars that are required by the federal Government. All they have to agree to is that the surcharges being applied at the present time would continue to be applied for the next 12 or 14 years. Hydro was willing to finance the entire project; I mean they were willing to put up the money for the entire project. That kind of arrangement was a proposal and I was surprised not to hear anything from the federal Government. As a matter of fact, we continued to pressure them, but unfortunately we were unable to get any kind of commitment. I hope this Government will be able to pressure the federal Government into securing a commitment from them.

* (1720)

The other thing I just want to bring forward is the question of free trade. How many minutes do I have, Mr. Speaker?

Mr. Speaker: Two.

Mr. Harper: I want to just say briefly that on free trade, I have spoken to many of the aboriginal leaders and they are really concerned about what kind of impact it is going to have on the aboriginal people. They told me, as a matter of fact, we did not give Canada to the other people just to give it away. Canada is going to know what it is like to be a reserve, I believe, if this free trade is going to be implemented, and many of the things that this provincial Government would be stuck with if free trade is to be implemented.

I feel, for instance, Limestone, in which we were able to insist on local content provisions, we were able to require companies to comply with certain initiatives like the training programs. Canadian General Electric provided \$2 million for northern Native businesses as part of their contribution for the development of northern people, Native people, in the Province of Manitoba. I feel those kinds of things might not be possible under the Free Trade Agreement. There are many other things, many other issues that the aboriginal people have raised with me, but maybe at some other opportune time, I may be able to raise that. Thank you very much, Mr. Speaker.

Mr. Gulzar Cheema (Kildonan): Mr. Speaker, let me quote from the Throne Speech: "My Government is committed to maintaining and enhancing high quality health services for all Manitobans. We are moving towards a future of increasing demands and escalating costs in our health care system. If we are to sustain the level of quality care expected by our citizens, we must be prepared to meet these challenges with new innovative ideas on the provision of health care services."

Mr. Speaker, further, it was like that: "My Government will implement new and creative incentives to attract and retain physicians and other specialized services, health care professionals in rural Manitoba."

As well, "In support of my Government's commitment to AIDS education and prevention, additional resources will be made available to provide services across Manitoba."

These are wonderful words and sentences, but, in reality, words without direction and amounting to inaction. How do we know?

It is time to discuss the Budget. Everytime we asked the question for action, the Budget was the document that would give us all that action.

"By following a path of prudent management," I believe that this phrase has been taken from the Throne Speech and epitomizes what in reality is a falsehood. We just have to review the executive support provision of the Health budget which has increased from \$426,000 to \$500,000.00. It is about a 19.6 percent increase. This is used for the growth and expansion of administrative support to the Minister and Deputy Minister.

"Government does not have all the answers to all these challenges. A health advisory network will be established to call upon the expertise of health care providers and lay people outside the Government to address major health policy issues . . . "This great expenditure of \$500,000 is a great expense for information, participants and organizations who already exist within and outside the Government; for example, Community Coalition on Mental Health, Manitoba Medical Association and many more names, as well as the Manitoba Health Services Commission which has the legislative mandate to plan, organize and develop their balanced and integrated health care facilities and services. As a matter of fact, based on the Manitoba Health Services Commission Annual Report (1987-88), a majority of the issues which this Government faces today—all related to health—have been and will continue to be addressed by various standing committees and directorates already funded to do the work of the so-called "advisory network."

Mr. Speaker, in the area of Research and Planning, there is an increase of 10.3 percent. It would seem to me that it might be more advisable to review the activity of this cost centre in that this area of expenditures is one which jointly plans and evaluates specific activities and may act as a clearing house and even a coordinating body to gather appropriate individuals and groups in and outside of Government. What a good reallocation of this \$500,000 from this advisory network. I understand that this directorate in the past year has done the following work:

- (1) It has reviewed physician supply data and initiated discussion with the University of Manitoba regarding the number of post-graduate medical education positions to be funded.
- (2) It has analyzed data on community-based management of pregnancy-induced hypertension. Impact was that home care was found to be safe and acceptable.
- (3) It has completed a plan for a review of the Seven Oaks General Hospital/Community Health Psychogeriatric program.
- (4) It has participated on two in-hospital committees to develop functional plan for expanded ambulatory surgical services at Victoria Hospital.

- (5) It has contributed to an interdepartmental working group which examined problems and health service needs of status Indians in Winnipeg.

It is interesting to know that this and other material found in the annual report from Manitoba Health Services Commission indicates clearly that there are many more creative and logical options available to continue the task of planning a more comprehensive health care system than this \$500,000 advisory network at this time. I repeat, in my view, it is a politically motivated fund.

Mr. Speaker, in the area of administration and financial services for health care, there is a more reasonable increase of 3.7 percent over the previous year; however, still an administrative function.

In the area of human resource management, this category seems to have risen similarly in the area of almost 34 percent. Yes, a 34 percent increase. What can the reasoning be for such an increase? No one will disagree with the proper human resource development. However, it seems to me that with the increase of this amount, we should be demanding answers.

Is that increase to be used to increase the recruitment of needed physicians, or to research the reasons for the loss of needed professionals for our health care system or for use of salary settlements? Is it not correct for a Government interested in coordinating available resources to continue to utilize the Manitoba Health Services Commission services, specifically the Standing Committee on Medical Manpower which oversees the category of practice and geographic distribution of physicians in Manitoba?

They also provide a placement bureau, an incentive program and facilitate the immigration of foreign physicians. As well, in the past few months of this new Government, when asked about the reasons for the loss of qualified health professionals, why did this Government not speak to its own authority—that is the Manitoba Health Services Commission and Standing Committee on Medical Manpower—and review its analysis. Will it review this report and communicate the analysis to this House as soon as possible, or is this increase a bureaucratic increase within the department which does not allow for innovation and program changes? The major theme of this new Government is innovative solutions. We need the answers now.

* (1730)

In the area of Community Health Services, this area is an interesting one, where most of the direct program leadership to the program directorates, regional operations—that is the delivery of Community Health Services and its evaluation, service delivery and staff training has a loss of \$55,000, a decrease of 4 percent. What type of priority is this? The Government is concerned, as is often stated about coordination—that is the inefficiency and ineffectiveness of the present program and coordination. This is the area where the coordination between the directorates, regional and administrative services is required.

Mr. Speaker, how many senior positions are going to disappear? Compare this area to the Minister's support staff, where the increase is 20 percent.

Where are the priorities of this Government? You need more staff to support your judgments, decision-making process, at the direct loss of monies for the program which is extremely important to Manitobans.

Mr. Speaker, in the area of Communicable Disease Control, in reviewing this area, it becomes a great concern to this Party and to the people of Manitoba, that this Budget is projected to increase by 23 percent and that is quite significant, but only if the delivery of services is remarkable and that the services are delivered in the right manner. These are focuses on the spread of communicable diseases, specifically AIDS, and other sexually transmitted diseases. Public education and its treatment is essential.

To clarify the needs for this expenditure and the right method of delivery, let me provide the House with the facts of alarming proportion. According to the Royal Society of Canada, the majority of those infected with AIDS, 89 percent are between age 20 and 49 years. After diagnosis, 52 percent of these patients die within one year and 75 percent die within two years. In 1985, among men aged between 23 and 44, there was a death rate of 2.5 per 100,000. The number of years of potential life lost is nearly doubled now. Compared with other causes of death, this age group, AIDS ranked tenth in 1985, following suicide, motor vehicle accidents, coronary heart disease, stroke and cirrhosis.

Mr. Speaker, preliminary data for 1986 says that AIDS has moved up to fourth place. If current epidemiological trends remain constant, AIDS will surpass coronary heart disease to become the third leading cause of death for men in this age group by the year 1992.

Mr. Speaker, let me repeat this: the leading cause of death for men between 20 and 49 year of age. Where is the expanded AIDS campaign as the Minister in his discussion with advocacy and community health groups promised? My Honourable Minister has indicated that he is caring and sensitive to this issue. It is time to double our efforts, expand our communication program to the general public, to everyone in every workplace; to the families and friends, and especially to youth who are beginning to engage in sexual activity at an earlier age than before.

Mr. Speaker, if this increase of 23 percent is indicative of this direction, then we applaud the initiative. However, if this increase is directed towards other ways and not to the community and other initiatives, then I give warning that my vigilance will increase as the need for these services increase. Will it take someone we know, someone significant to each and every one of us to contract this unfortunate illness before we take this seriously? Mortality has limited our impact on the death of loved ones. The Budget must address this issue properly and now.

In the area of Maternal and Child Health, this Budget area is a disgrace in that respect—a minimal increase of only 3 percent for this Budget area in a time of great need. With the loss of the In-Vitro Fertilization Clinic,

and no notice of this area in the Throne Speech and the limited area for this area, it is very clear that this Government has turned its back on the children and mothers of Manitoba. The need for promoting optimal health to the expectant and new mothers, new families, children and youth is somewhat of a thought, not a priority—a limited concern, and ultimately an undesirable factor within the health care budget. With the increase in costs, what can we expect the Minister to cut, shelve, or place on the back burner? Will it be the prenatal education classes? Will he limit them or reduce staffing? Will he drop the assessment clinics, or will he limit the postpartum home visits? Of course, we can spend 35 percent more on the department's internal staff needs, but limit our services. Where are our priorities? And who made these decisions? Are the services to the newly arrived communities, the prenatal counselling to be reduced or expanded in this budget? Mr. Minister, we need some answers.

In the area of health promotion, which is extremely important, we are glad to see there is one area at least where there is an increase of about 18 percent. This need in this area seems to be increasing as the time goes on. Lifestyle counselling and programming are needed. However, the Government must reassure all of us in this House that the focus of this increase will be towards seniors and their programs. Will the increases to external agencies guarantee the further development of support services in all the regions of Manitoba? Will the nutrition counselling programs be targeted at certain communities? Will the focus on non-smoking programs increase in the workplace?

In the past few days, we raised some questions as regard to speech therapy. We were very disappointed in the increase in this area, as the Minister indicated in the House on August 3. "Regrettably," I quote from his own words, "there are line-ups in the Province of Manitoba for needed medical health services and those line-ups have grown over the last number of years, unfortunately." He goes on to say: ". . . the woeful inadequacy of speech therapy services available to preschoolers . . . There are waiting times of up to 12 months for an appointment."

What is woeful is the fact that this area received only a 3 percent increase. Where are the priorities? What are the priorities? By providing more funds, we could have avoided the unwanted intellectual behaviour and emotional problems of a number of children. At present, there are about 250 children waiting at Health Sciences Centre just for assessment.

In the area of our growing population of the elderly, as indicated in my Throne Speech: "The basic level of the care and services available to our senior citizens must be improved." This area has an increase of 13 percent over the previous Budget, and that is a positive one. However, one must see this for what it is, an increase in the program and policy consultation, more bureaucracy, or with a minimal increase in external grants. If this was a major concern for this Government, then more dollars would have flowed into the grants and not the policy directions.

There is a complete lack of any direction for the delivery of psychogeriatric services in Manitoba. As we

indicated earlier, for the last few weeks, statistics regarding suicide rates show that 25 percent of all completed suicides are being committed by those age 65 and older. The highest rate is among white males over 80 years of age. As suicide is highly correlated with the presence of depression, so the phenomenon of suicide indicates a serious mental health issue.

Since the evolution of the psychogeriatrics program three decades ago, there has been no clear direction of policy guidelines for the development of these services in Manitoba. To date, planning and implementation of these services has occurred at random, resulting in fragmented and underdeveloped services of delivery.

By the year 2001, the projected increase in the population of the age 65 and over will be from 11.8 percent to 12 percent.

* (1740)

The age 80-plus group are extremely important to the planning of mental health care and the psychogeriatric program in Manitoba because of the following reasons. They are the highest medical risk in general. There is a correlation of physical disease and mental disorders. An elderly person's network is reduced due to economic setup and people move from one place to another. There is a diagnostic difficulty in the elderly age group.

A comprehensive needs assessment survey of the psychogeriatric population should be undertaken for the long-term planning process. We must have research in the psychogeriatric field as soon as possible. At the present time, the service to the psychogeriatric population is provided by two sectors, hospital and community sectors. There is a gap between the two sectors so the linkages should be developed between the hospital and community sectors to make sure there is continuity of care, availability of resources, sharing of information and joint treatment planning.

In the area of continuing care, there is an increase of 30 percent, an amazing figure. However, we must dig deeper into the dollars and ask if the Government is focusing on using the increase for more professionally trained staff with the required salaries, or a movement to more highly trained home care staff which increases the expenditures, or a real increase in the number of staff available for home care placements in private homes. Will the services focus on more primary care in the homes of elderly clients and demand less from families not able to provide any type of care? Mr. Speaker, before we can celebrate, we must have all those answers.

In the area of medical equipment and supplies, there is an increase of 24 percent, which is a healthy one. It is extremely important to ask this new Government why salaries have been increased by 25 percent. How many new staff are coming on to administer this program? How many are needed and what other services will be provided? Increases of 29 percent in Other Expenditures begs more details.

In the area of dental health care, as discussed in the section on child and maternal health, the slight increase

over the previous Budget, this area of dental care, specifically delivered to children throughout rural Manitoba has received only a 4 percent increase, a prevention program which seems to be valued at less than most administrative costs. Salaries have increased by 9 percent, while Other Expenditures has decreased by .12 percent.

As stated in the Throne Speech: "My Government will work with industry and labour to undertake cooperative projects in the workplace focusing on the prevention and reduction of factors contributing to injury and disability." If this is the statement of policy then, when one looks at the dollar value available for such programing, one realizes that this Government is not serious. A total expenditure of \$218,500 for environmental health is not to be seriously taken when one compares the expenditure of the Minister's office of \$509,700.00.

What is the value of our environment, especially its effect on our workers and general public? Environmental pollution, effluent in our air and water, toxins in our air and other general factors affecting the health of the community is at stake. The limited dollars speak for themselves.

In the area of northern health, this service which focuses on the North has no increased budget for this year, perhaps an oversight but perhaps not. Are we to infer that all in northern Manitoba is well, all is under control? Of all the places in the Health budget, one significant area, the North, is forgotten—no increase. What assumptions regarding these needs were addressed? Is there a statement referring to the fact that most of the northern population have health costs and needs under control? Are we to assume that they are to be forgotten in this Budget. How disgraceful is that? Can we spend time and money improving the delivery and quality of health services to remote locations? Where is this Government's responsibility to the population which inhabits from other remote locations—in these remote locations? Has the Government lost the sight of responsibility to these communities? As costs are rising, services are needed to be expanded in Manitoba.

In the area of Community Health Services, this cost centre which consists of salary and operational expenses for all regions in Manitoba has an overall increase of 11 percent. Are there any new initiatives that might be expected with this large overall increase? Are we to expect new staffing? Why the large overall increase?

The one area which has been completely ignored is Mental Health Services. According to my speech, to respond to the Throne Speech, "Historically, the field of mental health has been given a low priority in comparison to other fields of health care." This Budget has proven the history books right. Another time and the same story.

Even though the Throne Speech stated that "My Ministers will take a lead role in the improvement of provincial Mental Health Services." "The management of resources in the institutional and community mental health sectors"—the overall increase for this program

is only 3.8 percent. The program and management support functions and the Chief Provincial Psychiatrist's office, both support functions to the system had an overall increase of 5 to 7 percent. While direct service through the Mental Health Directorate, a promise of growth and expansion by this new Government had an increase of .8 percent.

* (1750)

The Child and Adolescent Mental Health Services, a priority of the community, a needed service and needed increase and expansion, had an increase of only 1.6 percent. In contrast to the staff functions, support to all these programs had between 5 to 7 percent only.

Hansard records the First Minister (Mr. Filmon) responding to the Throne Speech on August 3, "The challenges of health care present themselves in the form of new and increasing demands; increases in long-term chronic illnesses, orientation to high-cost care, development of an experimentation with new technologies, uneven distribution of our resources, and the serious need for practitioners in rural Manitoba, the need for innovation and a vision for the future."

My answer to this, is that the Budget which establishes the framework for all of these components to take place is missing, is misdirected, and is focusing on the wrong approach. The overall Budget increased 9.8 percent, however, when you review the major increase based on each cost centre, the real story hits you directly in the face. Fully administrative supports increased by 31 percent. Community Health Services increased by 24 percent, with the major increase in the area of the Communicable Disease Control Program of 23 percent, and Continuing Care has increased by 30 percent, while other programs have increased at a lower rate or even decreased, Community Health Care Services for regions increased at 11 percent, with the bulk of that being salaries increasing at 10 percent. The other relevant expenses are limited to 2 percent growth only.

The most disheartening increases were in the mental health care area of service where overall the smallest increase was given—that is 3 percent. But even within this component, the Mental Health Directorate had an increase of .8 percent.

If you take into the account the First Minister's (Mr. Filmon) comment and his Minister of Finance's (Mr. Manness) comment about the Mental Health Services of Manitoba, all these services under this category have suffered under this Budget. Child and Adolescent Mental Health Services had an increase of only 1.6 percent. The only significant increase which flies in the face of Government, committed to community-based programming, is the increase for the Selkirk Mental Health Centre of only 5 percent.

We, on the Liberal side of the House, sincerely hope that some of my concerns will be dealt with during the Estimates, and, accordingly, we hope that long-term planning can be effectively made to provide universal health care for Manitobans. Thank you.

Hon. Edward Connery (Minister of Labour): Is it the will of the House to call it six o'clock?

Tuesday, August 16, 1988

Mr. Speaker: Is it the will of the House to call it six o'clock? (Agreed)

This matter will stand in the name of the Honourable Minister of Labour (Mr. Connery).

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