

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 29 February, 1988.

Time — 1:30 p.m.

OPENING PRAYER by Madam Speaker.

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

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MADAM SPEAKER: The Honourable Minister of Education.

HON. R. PENNER: Madam Speaker, I beg leave to table three reports: the Annual Report for the Department of Education, 1986-87; the Annual Financial Report for the University of Manitoba, for the year ended March 31, 1987; and the Financial Statements, for the year ended March 31, 1987, the University of Winnipeg.

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

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before moving to Oral Questions, may I direct the attention of honourable members to the gallery where we have, from Murdoch MacKay Collegiate, sixty Grade 9 students under the direction of Mr. Green. The school is located in the constituency of the Honourable Minister for Health.

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

ORAL QUESTIONS

Budget - revenue increases

MADAM SPEAKER: The Honourable Member for Morris.

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

In rereading the Budget Address, in attempting to reconcile the appended financial statistics to the claims made by the Minister of Finance within the Budget, it is obvious, Madam Speaker, that the government has chosen a path of number manipulation to serve its own political purposes. Madam Speaker, over the next number of question periods and Budget speeches, we will endeavour to point this out. I honestly believe, Madam Speaker, that the Minister of Finance's credibility is on the line because of the manner in which he chose to present many of the figures.

Madam Speaker, given that the government is forecasting revenue increases of \$451 million and yet only \$284 million is being directed to increases in program expenditures as shown in detail on page 14 of the Budget, can the Minister of Finance tell me where the other \$167 million is going?

MADAM SPEAKER: The Honourable Minister of Finance.

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

The money that is in the Budget is going to the services that are outlined in the Budget Speech and in the spending department by department. Again, the majority of the money, the largest increase of any spending area in this Budget is health care, and interestingly, Madam Speaker, that's somewhat different than what took place at the federal level in the federal Budget. The largest increase in federal spending this year was for public debt costs. That is not the case in Manitoba. The majority of money is going towards health care. The other areas are outlined in the Budget.

The member wants to talk about credibility of figures. I would ask him to follow up on something he said last year during the debate - and the member is laughing because I think he knows what I am going to ask him - but he made a statement last year, Madam Speaker, in Hansard where he says, "I would love to see that." He was talking about last year's Budget and the deficit figure. He says, "I will give the Minister great credit if he brings in this deficit anywhere close to \$450 million."

Madam Speaker, given that this year's deficit is below the \$415 million that was predicted in last year's Budget - in fact, as reported by the second quarter, is below \$450 million - I would wonder if he would now like to take this opportunity to give credit on last year's Budget and maybe some on the issues too.

MADAM SPEAKER: May I remind all honourable members that question period is not a time for debate and that questions should have one short preamble and answers to be brief.

The Honourable Member for Morris.

MR. C. MANNES: Madam Speaker, I reiterate my question.

Where did the \$167 million go that is not shown up as a program expenditure but yet which represents the amount in additional revenue that has been increased? Where did it go?

MR. H. ENNS: You know, if you've got the program expenditures, detail the Budget. We can read.

HON. E. KOSTYRA: Well, Madam Speaker, the Member for Lakeside says we can read, so I presume that if he can read, then also the Member for Morris can read and he can go through the Budget documents and look at spending area by area.

The majority of increases that were available this year have been directed to program areas, particularly health care, followed by other areas such as education, social services. Other funds that are not directly related to program areas go to other things such as public debt costs that received an additional \$85 million in order to pay for the interest on the public debt.

And also, Madam Speaker, a good part of that money went to bring about a further reduction in the deficit

- a reduction that again I thought the member would compliment me for because he's indicated how good the Federal Minister of Finance is doing with deficit reduction and yet our deficit was reduced at a far greater pace than the federal deficit. So I would expect that he would be complimenting me today on doing better than his federal counterpart.

Budget - public debt costs

MR. C. MANNES: Given that the government says in the Budget that the public debt cost will be \$523 million - by the way, Madam Speaker, up nearly 20 percent, using the government's own figures - I ask the Minister of Finance to indicate whether all direct government borrowing costs are included within this figure. Is this the sum total of all the government borrowing costs, excluding the Crown corporations?

HON. E. KOSTYRA: Madam Speaker, again the member would like to create an impression that isn't quite true. The increase in public debt costs, Madam Speaker, are just over 19 percent over last year, and as a proportion of our spending is just over 11 percent, which is less than half the proportion that the Federal Government spends on public debt costs, which is about 25 percent by the latest Budget, and when you compare our borrowing costs - the costs that we associate to public debt - you find that it is in the mid-range of other provinces in Canada.

In regard to the figures that are in there, it contains all the costs associated with the public debt of Manitoba other than that which is directed to the self-sustaining Crown corporations.

MR. C. MANNES: Madam Speaker, can the Minister of Finance explain why he wants to be less than forthcoming within this whole area, and why will he not admit that Manitoba Properties Inc., the cost of keeping this operation going, which is, in essence, an interest cost, has not been included within the \$523 million?

Why will the Minister of Finance not be so openly candid as to tell us that within the \$523 million figure that all the costs of borrowing by this government are not included?

HON. E. KOSTYRA: Madam Speaker, the costs associated with the lease costs of Manitoba Properties Incorporated is contained in the Spending Estimates of the Government of Manitoba. It is contained in the area that it always has been contained in since the commencement of Manitoba Properties Inc., and that is through the Department of Government Services. That has been reflected in past years there and it is reflected in this Budget as part of the costs of those buildings that are paid for through Government Services. So I am not hiding anything, Madam Speaker.

On the contrary, we are presenting even more financial information year by year than has ever been the case in the Province of Manitoba and it's certainly more than is provided in other provinces that are governed by Conservative Governments.

Budget - borrowing costs

MR. C. MANNES: Madam Speaker, given now that the Minister of Finance has admitted that there's some \$60 million of interest costs, more or less interest costs which are not reflected in the statutory debt figure, Madam Speaker, can the Minister of Finance now indicate what percent of total expenditures are directed to borrowing? Given also, Madam Speaker, that there was some \$38 million that has gone into the hydro rate stabilization which represents a liability against borrowings in outside markets, would the Minister of Finance now indicate that the true cost of borrowing represents 13 percent, not 11.4 percent, but indeed 13 percent of all expenditures?

Madam Speaker, this is the first contradiction of facts.

HON. E. KOSTYRA: Madam Speaker, again the member is trying to create an impression that is not true.

All the costs that he . . .

MR. C. MANNES: You said so; it's on the record.

HON. E. KOSTYRA: Madam Speaker, now he not only wants to ask the question, he also wants to give the answer, and I would suggest that he be patient and - (Interjection)- I would suggest the member be patient. I know he's having difficulty finding areas of this Budget to attack, but if he'd patient maybe he might find some areas that he might be able to raise some legitimate criticisms of the fiscal and budgetary capacity of the Province of Manitoba.

But in this area, Madam Speaker, all of the costs are shown on the books of the Province of Manitoba. The hydro rate stabilization costs are shown there, and I would remind the member that is as a result of a decision that was made by the Conservative Government which caused that expenditure to be shown on the books of the province like it is, rather than being borne by Manitoba Hydro where it should have been borne.

In regard to Manitoba Properties Inc., I have indicated and responded to the question that it is contained in the Spending Estimates of the province in the same manner and the same way that it has every year since Manitoba Properties Inc. has been put on the books of the Province of Manitoba through Government Services; and public debt costs, the costs associated with the actual borrowing of funds for nonsustaining Crown corporations, they're shown in the Department of Finance expenditures where it's always been shown, Madam Speaker.

Budget - sales tax revenue

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

MR. C. MANNES: Madam Speaker, the Minister of Finance has made the assumption the economy will grow next year at the rate of 2.5 percent real growth.

Madam Speaker, my question to the Minister of Finance: Why is this fact not reflected in the estimate of sales tax revenue? Madam Speaker, why is the sales

tax revenue forecast to increase only 1 percent? Is this not an admission that the Manitoba economy is about to go into the tank?

SOME HONOURABLE MEMBERS: Oh, oh!

A MEMBER: Lucky you didn't estimate it at 3.

HON. E. KOSTYRA: No, and it's not going to hell in a hand basket either, Madam Speaker.

What that indicates is that sales tax revenue is increasing by that amount over what was budgeted last year - the reality is this - or this current year. This current year the expectations of sales tax revenue did not meet what we had put in place at the beginning of the year, and that's for a variety of reasons.

First of all, there were a number of areas where we broadened the base of sales tax in a significant way and we had to make some assumption, some estimates, as to how much revenue would come from those additional sources because there was no track record of actual spending to be able to give a specific figure on that. Some of those growth figures for the areas that were added into the retail sales tax base proved to be inaccurate, that they were not up to the levels of expectation.

Secondly, the figures that were used in Manitoba for retail sales tax growth last year proved to be somewhat optimistic, as was the case in terms of the Canadian figures because sales tax growth has slowed over the past few years. So the actual increase is significantly above the 1 percent because the actual revenue that we expect to get from sales tax this year will be about \$25 million below that which was projected in last year's Budget.

Municipal payments - cutbacks

MADAM SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Thank you, Madam Speaker. I have a question for the Minister of Finance.

In his decision, Madam Speaker, to limit the provincial-municipal tax sharing payments to 3 percent of the 1987 level, could the Minister of Finance meet with the municipal corporations of the City of Winnipeg to discuss this proposal?

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: I'm not sure if I heard the member correctly, if he was asking if I did or if I will be meeting. If the question is did I meet with him regarding this, no, I didn't. If the question is if I will be meeting with him, I understand that there are ongoing meetings that are scheduled with the Urban Affairs Committee of Cabinet, which includes myself and other Ministers, to meet with the City of Winnipeg. I'd certainly be pleased, along with the Ministers of Municipal Affairs and Northern Affairs, for those communities that come under Northern Affairs that are impacted by this decision, to meet with them to discuss the implications of this decision.

MR. J. DOWNEY: Madam Speaker, so much for this great conciliatory government, this great handholding that they do with the people of Manitoba. A major tax move and a major taking away of funds from the municipal corporations, and he didn't have the intestinal fortitude to meet with them prior to it, Madam Speaker.

Madam Speaker, a further question. How much revenue does this mean to the municipal corporations? How many dollars of a cutback is this 3 percent cap mean to the municipal corporations, Madam Speaker? How much money is involved?

HON. E. KOSTYRA: Madam Speaker, we're being criticized for not consulting prior to the Budget with the municipalities to indicate to them that we were going to limit the amount of growth from the provincial/municipal tax sharing.

I don't believe, Madam Speaker, that in the Conservative provinces where they actually froze or decreased municipal support that there was any prior consultation with the municipalities on the freezing or the reduction that took place in those provinces.

The reality is, Madam Speaker, that we are providing an increase in financial support through that mechanism to municipalities. We are also providing increases in support in other areas to municipalities and to municipal governments, and certainly we intend to discuss the implications with them. The amount that they would have received if that cap was not in place would have been probably in the range of 9 percent or 10 percent over that which they received the previous year.

MR. J. DOWNEY: Madam Speaker, I would appreciate, not necessarily at this point, but a dollar figure on that amount as well.

A final question to the Minister of Finance, Madam Speaker. He's indicated in his Budget Address that he will be providing \$5.5 million to municipal corporations for the monies which they took away on the education tax payment system which was recently announced.

Madam Speaker, how does he plan to break that down - on a municipal-by-municipal program or does he have a formula for the province? How much does he plan to put into the city and how much does he plan to spread throughout the municipal corporations of rural Manitoba?

HON. E. KOSTYRA: Madam Speaker, firstly there's some of the background or the preamble to the question that is incorrect. The Province of Manitoba took nothing away from municipal corporations. The member knows that on a long-standing recommendation of the Provincial Auditor, one which I think some of his members support action on, we took action to deal with the situation whereby municipalities were holding back funds that were due to school divisions, placing those funds into interest-bearing accounts while, at the same time, school divisions had to go to maybe the same or other financial institutions and borrow funds in order to provide for the costs of school education in the province.

So the real winner in all of that was not the municipalities, was not the school divisions, but it was the financial institution that were making the profit on the interest spread between that which was on the

interest-bearing accounts of the municipality and that which school divisions have to pay. So the net benefactor was not the taxpayers, which will be the net benefactor in terms of the changes we put in place with respect to having a more timely payment of - (Interjection)- if the member doesn't want to hear a rebuttal to his inaccurate accusations, he ought not to make them, Madam Speaker, when he raises a question.

We expect, within a very short period of time, to be able to indicate to the municipalities how the grants will be paid. They will be paid on some form of per capita payment to all the municipalities in the province, taking into account the fact that it is a special payment from prior year's adjustments of the provincial/municipal tax-sharing formula, and taking into account that some municipalities have had a greater benefit from that interest than other municipalities. Indeed, some municipalities had no benefit whatsoever from the previous arrangement that was in place with respect to the forwarding of those tax revenues to the school divisions.

Budget - interest costs

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: Madam Speaker, my question also is to the Minister of Finance, listening to previous questions on fiscal prestidigitation.

It's been reported in the Winnipeg Free Press and picked up by the other media that the second largest item in the Budget now is the Department of Finance because of interest rate payments. It was my understanding that this item includes other such things such as rebates for whatnot. I'm wondering if the Minister could state whether or not this is the case. Is this now the second largest Budget item?

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker, and I thank the member for his questions because there is some inaccurate information with respect to the spending of the Department of Finance.

Yes, it is true. In terms of total spending, the Department of Finance is receiving the second largest amount of money next to health care in the Budget. What is unfortunate that it was not mentioned is that .25 billion or over \$250 million, actually an increase of \$31 million over last year, is going to tax credit payments, which is payments back to individuals, either through the Cost of Living Tax Credit, the Property Tax Credit Program and other tax credit programs that go directly to ease the burden of taxes or ease the burden of the costs of education, municipal services on the individual taxpayer. So while it's true that the Department of Finance has significant spending, it is untrue to suggest that all that is due to interest costs and that the second largest spending in the government is due to interest costs. That is not true, Madam Speaker.

Chuchman Report - Hydro objection

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My question is to the Minister responsible for Manitoba Hydro.

During the recent Public Utilities Board's hearing regarding hydro rates, Manitoba Hydro objected to the presentation of the Chuchman Report because they said it forecast beyond the five-year minimum limit set by the PUB. In the new spirit of accountability announced both in the Speech from the Throne and repeated last Thursday in the Budget, will the Minister order Manitoba Hydro to lift its objection to the Chuchman Report in order that it may form a significant part of the PUB report due in the immediate future?

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

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

I think the Member for River Heights knows that the PUB hearings have concluded. I think perhaps the member also knows that the particular report in question, in the opinion of the PUB - and I think correctly - had nothing to do with the issue of the rate increases, the '86-87 and '88 announced increases.

The PUB, I think, looked at the relevant factors and that is the rate structure, the requirement that Manitoba Hydro has for increasing its reserves, Madam Speaker, and the necessity of modest increases. The report that's referenced by the member had little to do with those matters and more to do with the question of long-range planning.

Madam Speaker, I should indicate to the member that the issue of alternatives have been explored, not only by the department and the Energy Council, but also Manitoba Hydro. In fact, Manitoba Hydro is involved in a very extensive least cost energy alternative study and that will be useful information, Madam Speaker. But it does not detract from the fact that neither the rate increases that were being requested were out of line and the PUB, of course, will be recommending and making a report on that issue. But it will not be dealing with the question of the longer term alternatives that the province has with respect to energy generation.

MRS. S. CARSTAIRS: So much for open government, Madam Speaker. A supplementary question to the same Minister.

Why did Manitoba Hydro, which had the Chuchman Report in September, not object to it until it was brought before the PUB, thereby denying the opportunity to present any of the relevant data that Dr. Chuchman had gathered?

HON. J. STORIE: Madam Speaker, I don't particularly understand those facile comments.

The Chuchman Report can be made public by the individual in question. Manitoba Hydro does not have any interest in denying that kind of information to the public, Madam Speaker.

The individual in question has discussed that report with other individuals, including the press. There are other individuals, Madam Speaker, both consultants who were brought before the PUB and individual members of society who have done their own analysis of the direction Manitoba Hydro should be taking, assessed the decisions which have been made, Madam Speaker. Manitoba Hydro has no control over that information and neither, frankly, do I. Madam Speaker, if the press or the public want to review those particular assessments, they're free to do that.

Madam Speaker, in our opinion they have no relevance on the question that was before PUB. The PUB will be making its recommendations and its views known as a result of the hearings; and, Madam Speaker, I will point out that those hearings were extensive, exhaustive, certainly the most exhaustive in 10 years, and neither the Liberals nor the Conservatives had representatives there to make any presentations whatsoever. So their concern comes a little belatedly.

MRS. S. CARSTAIRS: With a final supplementary to the same Minister, Madam Speaker. When I get the same budget they have for research, I'll appear.

Why does Manitoba Hydro believe it is acceptable for their chairman to discuss the effects of the NSP power sale which doesn't take effect, for the most part, until the next century, but objects to consumers presenting material of more than five years in the future? Who is Manitoba Hydro serving themselves or the consumers of this province?

HON. J. STORIE: Madam Speaker, Manitoba Hydro serves the interests of consumers in this province and has done for many, many decades. Madam Speaker, the issue which the Member for River Heights would like addressed through this form has been addressed in other forms.

Madam Speaker, the National Energy Board did a review of the decision and its implications for Manitoba, and what did it find? It found that it was in the best interests of Manitoba, the best interests of Manitoba Hydro and in the best interests of Canada, and that, in fact, it would lead to the substantial profits we said it would, Madam Speaker. That decision has been taken.

The Limestone construction is under way and the benefits, frankly, because of the foresight and the vision that the previous Minister had, and the Manitoba Hydro Board of Directors had, will be taking place because of those decisions, Madam Speaker. So we need not be defensive about the information that was available when those decisions were made.

That information has been made available at successive standing committees of this Legislature. It has been made available through the National Energy Board hearings, Madam Speaker. There is no lack of information around which the decisions were made. Madam Speaker, they were good decisions and they stand to be good decisions in the long-term for both the ratepayers of Manitoba Hydro and the province.

Lottery revenues

MADAM SPEAKER: The Honourable Member for Charleswood.

MR. J. ERNST: Thank you, Madam Speaker.

On Friday last, the Minister responsible for the Manitoba Lotteries Foundation informed the executive director of the Manitoba Sports Federation that the \$7 million lottery allocation to health care done in last year's Budget was in fact unexpended.

Could the Minister of Finance advise whether the money has been expended, and if not, why not?

MADAM SPEAKER: The Honourable Minister of Finance.

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

I don't know what the member means by being expended. Any lottery revenue which will flow into the Budget, into the provincial coffers this year, will be put into general revenue as will the case be next year in terms of the additional amount that we're talking about.

As I understand it, that lottery revenue is not at the levels that was anticipated and it may not be possible to move all or some of that portion which was contained in our revenue for this current year into the Budget this year, but that will be determined as we move towards the year-end. At this point in time, no monies have been moved from Lotteries into general revenue as was put in the Budget this past year.

MR. J. ERNST: Madam Speaker, then again to the Minister of Finance.

If, in fact, lottery funds are accumulating at the Lotteries Foundation, why are we out borrowing in foreign markets rather than taking that money as it accumulates over a period of time? If the allocation of \$7 million, presumably, was coming from Lotteries, it would come in any event.

So, Madam Speaker, could the Minister of Finance advise why money isn't accruing over a period of time instead of accumulating at the Lotteries Foundation?

HON. E. KOSTYRA: The practice with respect to lottery revenues has been that they've been put into trust accounts for specific purposes and any of the interest that is available in the trust accounts accumulates for the purposes of those designated funds, and that has been the practice for as long as I'm aware since the establishment of the various trust accounts for Culture, Heritage and Recreation and Sports, Health and Fitness. So that has been a practice that is longstanding. The money stays in those accounts. The practice has been to try to have enough revenue in the lotteries accounts to sustain the following year's spending of those particular areas. That again has been a practice that has been in existence for some time now. So that practice is in place and there's no thought, at least at the moment, to change it.

MR. J. ERNST: Madam Speaker, again to the Minister of Finance.

If the expectations of lottery revenues for the fiscal year are current, are below that anticipated in the

Budget, that is to say ability to transfer \$7 million, then on what basis does the Minister now expect to accumulate \$10 million in fiscal year next? On what basis does he expect to get \$10 million if he couldn't get \$7 million for last year?

HON. E. KOSTYRA: It's done on the basis of looking at all the lottery revenues that are available and the fact that revenue last year may not have been at the levels that were considered appropriate to be able to effect that kind of transfer. It's our indication from both the Lotteries Minister and Lotteries officials, and my own, that we will be able to accomplish that this next year.

Livestock Feed Security Program

MADAM SPEAKER: The Honourable Member for Lac du Bonnet.

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

Concerns have been expressed by some farmers about the Livestock Feed Security Program. I wonder if the Minister of Agriculture could make us aware of what these concerns are.

MADAM SPEAKER: Would the Honourable Member for Lac du Bonnet please rephrase his question?

The Honourable Member for Lac du Bonnet.

MR. C. BAKER: Yes, Madam Speaker.

I wonder if the Minister of Agriculture could identify what these concerns are.- (Interjection)- Madam Speaker, I wonder if the Minister of Agriculture could identify the concerns of some farmers in regard to the Livestock Feed Security Program, and I wonder if he would also tell us what he's doing about it.

MADAM SPEAKER: The Honourable Opposition House Leader.

MR. G. MERCIER: Madam Speaker, on a point of order.

The concerns of farmers are not within the administrative competence of this government.

MADAM SPEAKER: The Honourable Member for Lac du Bonnet, would he care to rephrase his question.

MR. C. BAKER: Madam Speaker, there are several farmers who are concerned about the Livestock Feed Security Program. I would like the Minister of Agriculture to identify these concerns and to tell this House what he's proposed to do about it.

MADAM SPEAKER: I'm sorry, the Honourable Member for Lac du Bonnet's question is not in order.

The Honourable Member for Lac du Bonnet, for the last time, please rephrase your question so it's within the administrative responsibility of the Minister.

MR. C. BAKER: Madam Speaker, some farmers are having difficulty with the Livestock Feed Security Program. I'm wondering if the Minister of Agriculture can tell us what these concerns are and if, in fact, what he's doing about them.

MADAM SPEAKER: The Honourable Minister.

HON. L. HARAPIAK: Thank you, Madam Speaker.

The Livestock Feed Security Program, I'm sure members would know, is a program offered through the Manitoba Crop Insurance Corporation, which is a joint federal-provincial program with farmer participation. There has been concern expressed on the part of farmers who are participants that there has not been a payout from the program when they in fact did expect that there should have been one.

It seems, Madam Speaker, that the concern arises from the nature of the program, wherein rather than providing for individual coverage within the municipality, a payout is triggered when the production for that municipality is below 70 percent of the historical average.

Now, given that kind of a program, Madam Speaker, it is quite possible that an individual farmer could have production below the historical 70 percent average where the average for the municipality might be at 70 percent or above; therefore, an individual participant may not receive the benefits.

Farmers should be aware, and I think some are, Madam Speaker, that if they are not wanting to participate in the group package that they can, for domestic forages, subscribe to individual coverage and that concern would be addressed.

Leaded fuel tax

MADAM SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Madam Speaker, a number of my constituents have asked me to raise with the Minister of Finance a Budget item that we find particularly hard to explain - how hard to explain when a government singles out lower income, poorer people of our province for a specific tax penalty. I refer to the additional tax on leaded fuel.

Madam Speaker, I wonder, if prior to imposing that tax, had the department run off any figures to indicate how many people are using the older vehicles, which normally are those people who are less able to pay, generally speaking, on the farms or in the driving public, as to how many you're hitting with this tax.

MADAM SPEAKER: The Honourable Minister of Finance.

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

First of all, the member mentions farms. The situation is as it was before that farmers will not be paying any fuel taxes and certainly not any increase, as we indicated, with the increased differential on leaded gasoline. The reality of the situation is the pricing policies of the oil companies, for the last period of time, had a lower price for that more pollutant gasoline than the less pollutant non-leaded gasoline. In fact, if you survey costs right across Canada, you'll find that in most provinces the cost of leaded gas and non-leaded gas is the same. The reality is that . . . - (Interjection)-

MADAM SPEAKER: Order please.

I'm sure the Honourable Member for Lakeside would like to hear the answer to his question.

The Honourable Minister.

HON. E. KOSTYRA: The reality, Madam Speaker, is a lot of vehicles that are equipped and are able to use the non-leaded gasoline are using the leaded fuel because of the fact that it is a difference in price. That is causing a serious pollution problem to the environment. Studies have shown - and I know maybe the Member for Morris doesn't care - that the leaded fuel is causing significant health problems in Manitoba, as it is in other provinces, particularly for children. As a result of that concern, we put in place the increased differential. It will mean a decrease in consumption of that particular gas, we estimate, by about 30 percent, as a result of those people who were previously using that reverting now to the non-leaded gasoline.

MR. H. ENNS: Madam Speaker, I don't argue with and I'm prepared to even acknowledge the laudable objectives of reducing pollution with respect to the use of leaded and unleaded fuel, but the solution is very simple for it. Do at least what the so-called big business corporations are doing and acknowledging that poorer people, people of lower incomes drive the older vehicles that aren't equipped to use the unleaded fuels, so you just drop your tax on the unleaded fuels and you accomplish the same objective.

Madam Speaker, a simple question is this, that the more wealthy people, the people who can afford it, drive the newer vehicles, they use the unleaded fuel. They get the tax advantage out of this government. Those of us, particularly many of my constituents . . .

MADAM SPEAKER: Does the member have a question?

MR. H. ENNS: . . . drive the poorer or the older vehicles, that have to use leaded gas. They are the captive audience of this tax Minister and they pay the tax.

I am asking him. Has he at least done a count as to how many people of lower income is he hitting with this tax, how many people with the least ability to pay? That principle should strike a note with members of the New Democrats - the ability to pay. How many people are being subject to this new tax?

HON. E. KOSTYRA: The simple answer, Madam Speaker, is that less people are being affected by the 1 cent per litre increase in the federal tax right across the board on all forms of gasoline.

Madam Speaker, again, if you look at gasoline taxes right across this country, Manitobans pay amongst the lowest gasoline taxes of provinces in Canada. We always maintain to try and keep costs down for Manitobans, particularly on the area of consumptive taxes, whether they're gasoline taxes or retail sales taxes where we have again amongst the lowest rates of retail sales tax in Canada, and certainly to the east of us. That has been a deliberate policy.

We believe that there should be a balanced approach to taxation and that more emphasis should be put on the ability to pay, whether it is through the higher

incomes, through income tax, or whether it is taxes on large corporations like banks and mining companies.

Ticket fixing charges

MADAM SPEAKER: The Honourable Member for St. Norbert.

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

Madam Speaker, a few months ago, the Attorney-General appeared at a press conference to announce the laying of certain charges against judges, magistrates, lawyers and private citizens in regard to alleged ticket fixing. I do not want to, because it certainly would be out of order, get into the merits of it, but I would simply ask the Attorney-General whether he reviewed and approved the laying of those charges?

MADAM SPEAKER: The Honourable Attorney-General.

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

The charges were laid after they were examined by our senior prosecuting attorney, the Director of Prosecutions and our Assistant Deputy Attorney-General.

MR. G. MERCIER: Madam Speaker, a final supplementary question.

I would ask the Attorney-General whether he has authorized the continuing investigation into this whole matter.

HON. V. SCHROEDER: Madam Speaker, I don't see that as being -(Inaudible)- police are investigating this case in the same way that they would investigate any other case where there is a suspicion that there is something wrong.

Air ambulance policy

MADAM SPEAKER: The Honourable Member for Thompson.

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

It falls on the announcement in the Budget on Friday that there's going to be a new out-of-province policy for transportation with the air ambulance. My specific question to the Minister of Health is as to whether that will apply to individuals who recently had to use the air ambulance. I know of one couple in Thompson where they are currently faced with a bill of \$8,000 for the use of the air ambulance for an operation that was not available in Manitoba.

Will that policy be retroactive?

MADAM SPEAKER: The Honourable Minister of Health.

HON. W. PARASIUK: Madam Speaker, I'm pleased to announce that we have indeed brought in a new policy whereby air ambulance will in fact be paid for for those people who are critically ill, who need an air ambulance.

We have sent letters off to those people who have incurred expenses in that respect over the last year, indicating to them that we are prepared to sit down with them and discuss that matter with them, and we hope to resolve this issue to everyone's satisfaction in the near future.

MADAM SPEAKER: The time for Oral Questions has expired.

SPEAKER'S RULING

MADAM SPEAKER: Before moving to Orders of the Day, I have a ruling to present to the House.

On Wednesday, February 24, 1988, I took under advisement a point of order raised by the Government House Leader respecting the words used by the Honourable Member for Sturgeon Creek in referring to another member.

I have reviewed page 270 of Hansard and note that the member made the following statements:

"... if anybody lies about what I said in this House, I take it as an insult to myself. I did not say that, what he (meaning the Premier) said . . ."; and

"If that First Minister wants to tell lies about what I said . . ."; and

"... and he (meaning the Premier) deliberately presented to this House a completely wrong impression of it to this House, which I believed was downright lying."

The Oxford English Dictionary defines "lie" as an "an intentional falsehood."

The words "lie" and "lies" appear only in the list of unparliamentary expressions contained in Beauchesne Citation 320(2).

Citation 322 indicates, in part, that "no imputation of intentional falsehood is permissible."

I conclude, therefore, that the remarks of the Honourable Member for Sturgeon Creek are blatantly unparliamentary and I must therefore ask him to withdraw his unparliamentary language.

The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Madam Speaker, in using the word "lie," I have examined your ruling and, of course, it says, "the Oxford English Dictionary defines." I probably could have used or said a person that twists other people's words is a person who is incompetent and insecure and desperate, because those people who choose to interpret people the wrong way are usually desperate people when they're telling people wrong things.

So from the point of view that I probably interpreted his statement wrongly by using the word "lie," I will withdraw the word lie because we have a desperate Premier in our province.

MADAM SPEAKER: The Honourable Minister of Health.

HON. W. PARASIUK: Madam Speaker, I wonder if I might have leave to make a non-political statement.

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

NON-POLITICAL STATEMENT

HON. W. PARASIUK: Madam Speaker, I know that all members of the House and I think the entire province would join me in congratulating all the people involved in staging what I think has been universally acknowledged as the best Winter Games for the Olympics ever. The Olympics that began just over two weeks ago with high expectations and with high national feelings of good will in part engendered by the Olympic Torch Relay that passed through Manitoba.

The Winter Games concluded yesterday and the expectations were exceeded and the good will has grown beyond people's wildest dreams. Other than the weather, which I told the Alberta Minister of Sport was a federal responsibility when I met with him, everything went off extremely well.

Manitobans, I think, made a great contribution to those games. We had 10 athletes and I'd like to read their names into the record. We had Lyndon Johnston from figure skating pairs; we had Paget Stewart from biathlon; we had Lorna Sasseville in cross-country skiing; we had Greg Haydenluck, Cal Langford and Peter Robertson-Stovel in bobsledding; we had Vaughn Karpan and Bob Joyce in hockey; we had two people involved in demonstration sports - Patti Vande from curling and Susan Auch in short track speed skating.

I would slip in one other name. This person competed for another country. Karl Friesen was the goalie for West Germany, from West Kildonan. I think that virtually every Canadian was on his side as he stonewalled the Swedes and almost enabled Canada to achieve a medal in hockey.

Manitoba was also well represented in terms of coaches, officials and volunteers. We had bands, cultural groups and artistic performers there as well in Calgary.

Manitoba was also represented in the closing ceremonies. These closing ceremonies were choreographed and designed by Jacques Lemay of the Royal Winnipeg Ballet. The light show was put on by Westsun Media of Winnipeg, supported by Wardrop Engineers.

I think all the athletes and volunteers from all of Canada and the world were indeed superb.

I think special credit should go to Calgary and its supporting communities and community groups, and to the Province of Alberta. Calgary was visionary, Calgary did take risks, and Calgary succeeded. They, in fact, did this before.

Calgary set the stage for our Grey Cup classic in 1948 when they made a football game into a truly national event by making the game an occasion or a happening. I've been told this by people of the age group of the Member for Lakeside, but what they did for the Winter Olympics is in that category. They did themselves, and through them, Madam Speaker, the rest of Canada very proud.

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Madam Speaker.

I'm sure all members on this side of the House would join in the words of congratulations from the Minister

to the participants, the volunteers, the City of Calgary, just everybody. It was simply a splendid event.

Madam Speaker, no doubt this government will want to adopt the attitude of Eddie "the-Eagle" Walker, at the top of the 90-meter ski jump, who said, "I just want to survive."

ORDERS OF THE DAY

BUDGET DEBATE

MADAM SPEAKER: On the adjourned debate on the proposed motion of the Honourable Minister of Finance, standing in the name of the Honourable Leader of the Opposition.

MR. G. FILMON: Thank you very much, Madam Speaker.

Two weeks ago, the government presented its Throne Speech with its goals and its plans for this Session. I said then that it was a hollow document, a shallow piece of political double talk designed to suggest action not to be active, a document that lacked focus, direction and foresight. Now, Madam Speaker, we have been presented with a Budget that is equally lacking, equally shallow and equally hypocritical. We've been presented with two pictures. One is the image that the Minister of Finance and his army of NDP public relations people and apple-polishers have manufactured. The other picture - the real picture - is the one that ordinary Manitobans, the workers and the taxpayers, will experience as a result of this Budget.

What was the picture that the Minister of Finance and the NDP apple-polishers wanted to portray? Well, the headlines that they wanted were "NDP reduces deficit with no increase in taxes, and NDP gives largest increase to health care despite cutbacks from feds."

Given the results of last Friday morning's headline from a pre-Budget leaked by the Finance Minister, the image manipulators must have been ecstatic. "No major tax boost," it said. And the story talked of shifting attention from increasing revenues to decreasing expenditures. They were beginning to gloat, the strategy was working.

The Finance Minister was effusive last Friday morning, if that's possible. He talked of an election, and he said, "I wouldn't be afraid to go to the people on this Budget." That's what he said. And then, as the Budget address unfolded, the rest of us got the full treatment. Throughout the Budget Speech we heard phrases like, and I quote, "we have managed well" - that was on page 1 - and "our record is good" - that was on page 2.

How in the name of reason can this Finance Minister stand before this Legislature and the people of Manitoba and utter such obviously inaccurate statements? It's pure and utter crap.

Where has he been for the last six months, Madam Speaker? Where has he been for the last six years? What have they managed well? What have they managed well? Tell me - nothing.

Was it MPIC? MTX? Workers Compensation? Flyer Industries? Manfor? What? What have you managed well?

What records was he talking about? What records was he talking about when he said, "Our record is

good."? Was he talking about record taxation? Was he talking about record losses in every aspect of government?

I'm surprised that the Honourable Member for Seven Oaks was able to utter these hypocrisies without a blush of embarrassment. There was plenty of rhetoric on spending cuts. Three pages out of the 30-page document demonstrated how they have found ways to manage better, a page-and-a-half on specific spending cuts, and you know they amounted to \$3 million out of a \$4.557 billion expenditure. That's .06 percent; that's what they found. And his colleagues, as they're doing now, are congratulating him. They were applauding wildly at the time as they were enthralled with the rhetoric that suggested that the NDP economics really work, or as the Finance Minister said in his speech, and I quote, "The government's fiscal strategy is working."

I watched members opposite, you know, how they applauded on cue as each key pronouncement was made, as each self-serving comparison was used, illustrating how they compared with other provinces, with previous administrations, with other decades and other eras. We heard about it - Tommy Douglas, Duff Roblin, Alberta, Saskatchewan. Surprise, surprise, Madam Speaker - in each and every distorted, contrived comparison the Pawley NDP came out best every single time - every time they came out best - and the delusion continued as they became even more convinced of the wonderfulness of this Budget. They were literally frothing at the mouth, puffing themselves larger and larger, as their champion, the Minister of Finance, was wielding that big sword - that plastic sword of his.

The former Finance Minister from Rossmere, he was saying, "Take that." "Now there's a good Budget for you," he shouted across the way. Later, of course, many of our colleagues saw some of the NDP supporters who had been brought in for this great event. There was Wilf Hudson, there was John Pullen, all smiles, congratulating each other. Cy Gonick, the ghost of Christmas past, was brought in here from another era, from another sphere of economic influence, to extol the virtues of this NDP Budget - the triumph of NDP economic policies.

And some members of the staff of the Department of Finance were telling a couple of my colleagues, when they went over to the Minister's office for a reception, they said, "You're sure going to have a tough time criticizing this Budget, I'll tell you." Another one said, "You know, this was the most fun of any Budget that I've ever worked on." Can you imagine that? The NDP acted like the cat that swallowed the canary. They really thought that they had achieved a monumental victory. They thought this Budget would turn around their fortunes overnight. Where have they been for the last 12 months?

I recall how proud the government was of its Throne Speech a year ago. I remember how members of the government boasted that the speech was so cleverly put together that it didn't provide any targets for us to shoot at. That approach didn't work last year - you can remember what happened last Session - and I tell you, Madam Speaker, it won't work now. If you can pretend that there is nothing wrong economically in Manitoba, if you pretend that last year's obscene tax grab never happened, if you pretend that the Crown

corporations are doing great, then this Budget is a success.

If you believe the Minister from Concordia when he claims that Crown corporations made a \$90 million profit last year, then you'll probably, Madam Speaker, believe this Budget. He says they made a \$90 million profit. That's firstly if you exclude \$185 million of write-off of Crown corporation losses, and if you add to it \$142 million of profit from the Liquor Commission, then you can say that they made \$90 million in profit. That's what he tried to tell John Harvard. Well, Madam Speaker, if pigs had wings, they'd be birds, you know, and that's the way it is with this Budget.

But I'll tell you what this Minister thinks that the public will believe right out of his Budget. Here's what he says on Crown corporations on page 11, and I quote, "Our efforts to ensure full value for money do not end with departmental operations and direct program delivery. We are aware of some problems in some Crown corporations and are taking action. Last year, we initiated the first comprehensive reform of Crown corporations in Manitoba's history. The Crown Corporations Accountability Act provides ways to make corporations more accountable to Manitobans. The Public Investments Corporation of Manitoba has now been established with a strong mandate for financial monitoring to ensure the corporations meet their prime objective of serving Manitobans."

You know, Madam Speaker, it reminds me of the old days. Wasn't it to reform school that you sent bad kids to? Well, now we are reforming Crown corporations. But I have to tell you that we didn't have any need to reform Crown corporations before this bunch took over government. We didn't have any need to do that. We didn't have MTX, we didn't have MPIC and its foreign reinsurance fiascos. We didn't have the CEDF fiascos. We didn't have the Workers Compensation disaster. We didn't have any of those things, Madam Speaker.

I figured I would give you another bit of news. Crown corporations were accountable. They were accountable to government; they were accountable to the people before this bunch took over.

Well, Madam Speaker, fear not, this government will always respond as it has responded in the past. They will hire more bureaucrats. That's what the Public Investment Corporation of Manitoba means. That's what the super Minister said that that corporation was going to do. He issued a news release on June 4 of this year saying, "The Public Investment Corporation would hire 25 professionals." - 25 financial professionals. And he talked about it in question period earlier this Session. He said, "I believe we have . . ." - he's talking about hiring these professionals who are going to give us accountability now - "I believe we have some out of the Auditor General's Department who had been in Winnipeg and are now hired in the holding company. We have four expert accountants," he says.

That's what they have believed, that you hire more bureaucrats and that'll solve the problem just like Robert Silver solved the problem in MPIC, just like the new Department of Crown Investments did when they formed it. They formed it way back in the early Eighties, Madam Speaker.

And I'll tell you, did it help us to avoid MTX? It was there, the Crown Investments Department. In fact, Mr. Silver was sitting on the board of MTS throughout the

whole MTX fiasco. Did it help us to avoid that \$28 million boondoggle? Not a bit, not a bit. Did it help us to avoid MPIC getting into those foreign reinsurance losses when the Minister from Gimli hid them from public view for four years? Did it help us there, that Crown Investments? No, not a bit.

Did it help us to avoid those huge losses of \$80 million in Manfor in the early Eighties, or of \$50 million in Flyer in the early Eighties? Not a bit, even though their Crown Investments Department have people sit on the board. It didn't help us one single bit, but it's the same answer over again: we're going to bring in more bureaucracy; that's going to give us accountability.

Madam Speaker, unfortunately, most Manitobans do not have scores of public relations magicians to camouflage the truth. They live in the real world. They don't have the luxury of pretending that their taxes aren't going up or their Crown corporation utility rates aren't going up. Every day Manitobans pay the price of this government's waste and mismanagement. They will never believe that this NDP Government manages well.

But if those statements weren't enough, Madam Speaker, he had the gall to state, on page 9, that last year they improved government's overall financial management. When I heard the Minister of Finance make this incredible observation, I assumed I must have heard wrong. He must have meant mismanagement, not management. But I did hear him correctly. I got the printed version and he did say that government has improved its financial management. I guess he meant that the NDP had done so badly in previous years that 1986, by comparison, looked good.

Maybe he was making a distinction between being absolutely terrible and just plain terrible, but either way the government has so lost touch with the real world that its definition of what constitutes sound management is beyond belief, it borders on malicious. But the Finance Minister continued with his self-praise by claiming that his government had made, and I quote, "effective use of each tax dollar spent."

HON. R. PENNER: Right.

MR. G. FILMON: The Member for Fort Rouge says "Right."

What does he mean by effective use of every tax dollar? One hundred sixteen public relations hacks on staff - is that what you mean by effective use of the tax dollar? How about \$3.2 million in Community Places grants to NDP constituencies - is that effective use of each tax dollar? How about a 60 percent increase in senior management staff since this government has been in office since 1981? How about a doubling of the political support staff in the Ministers' offices under the Pawley regime? How about that? Is that effective use of every tax dollar spent?

Does he really believe that the \$28 million that was lost by MTX in Saudi Arabia - that money that the Member for St. Vital said was spilled on the sand somehow - that that was money well-spent effective use of each tax dollar, or the \$36 million in foreign reinsurance losses that the Minister from Gimli covered up for a couple of years from public attention?

Let's just examine, Madam Speaker, how far they're prepared to go to pretend that everything is okay. Firstly,

they pretend that the deficit has been reduced. Madam Speaker, on paper it has been, and I'm grateful for that, but this government has had the largest increase in total revenues in this Budget that any Manitoba government has ever enjoyed. You have to wonder why only \$61 million of the \$450 million went to deficit reduction, and of course, even aside from that, there was a \$185 million write-off in Crown corporation losses that doesn't show up in any Budget, that doesn't show up anywhere in any deficit that this government is prepared to acknowledge; and that's because of all of the embarrassment that goes with those write-offs, the sham and the scandals, the mismanagement at Crown corporations such as Manfor, Flyer, McKenzie Seeds, and now they've conveniently written off their misadventures of the past seven years in one stroke of the pen - just one small step for Manitobans, but one giant step for NDP economics out of the shark-infested waters and into the sunlight of NDP management glory by just shoving that \$185 million under the carpet.

The Auditor has insisted, Madam Speaker, that they come clean in the future and show Crown corporation losses and write-offs in the financial statements of the government, and the new ones are in this year's Budget. There are a couple of items in there on CEDF, on Venture Manitoba, but there's always a catch to that; and that is, before they were willing to come clean and be honest, they had to get rid of \$185 million under the carpet that would never show up in any deficit or budget.

Members opposite will shout, as the Member for Concordia did, "Well, what about the Conservative losses that were in those Crown corporations?" Well, the reality is that not even 10 percent of that write-off could be ever attributed to a Conservative Government's actions. The big three that were included in those write-offs - Manfor, Flyer, McKenzie Seeds - operated virtually at break-even during the Lyon years. In the next six years of NDP administration, they collectively lost over \$130 million, and as disturbing as these sleights of hand are, Madam Speaker, we should be grateful that the Minister - who is becoming agitated right now - has reduced the operating deficit to some extent, because in the words of the Finance Minister, this is what he said, "Deficits are deferred taxes," and, oh, how much tax he has deferred for yet unborn generations of Manitobans to pay!

It's like beating your head against the wall, you know. It feels good when you stop. And they think that Manitobans should feel good that they have made a slight reduction in the deficit, that they have taken a very small portion of this \$450 million bonanza windfall they got and put it towards the deficit reduction. Hallelujah!

After listening to the business community, after listening to the Opposition, the financial experts, after listening to ordinary Manitobans, for seven years, saying you can't continue to live beyond your means, you can't borrow from tomorrow to pay for today, you can't make long-term prosperity on debt, after listening to all of that, the Finance Minister finally agrees, and now we are supposed to say he's a financial genius. Hogwash, Madam Speaker.

Next, of course -(interjection)- no, as a matter of fact, I have used that word because it's the Premier's word and I know that at least he understands it. At least I assume he understands it, because he uses it regularly.

Madam Speaker, next of course, the NDP and this Budget want to pretend that they haven't increased taxes. That's what Friday's headline said, wasn't it - no major tax boost? Well, if that's the case, how have our revenues gone up by \$450 million? Is it just because of the growth in the economy? You mean, those 4,000 new jobs have each paid us \$110,000 in additional taxes this past year? I don't think so, Madam Speaker. I don't think so.

Is it because of those minor tax increases that bring in so much revenue on cigarettes, on leaded gasoline, on mining? No. Those don't even amount to \$15 million. The reality is that ordinary Manitobans will pay \$185 million more on income tax this year - \$185 million more. That's about \$450 per taxpayer in Manitoba. You add that to last year, they got hit for over \$300 more in increased income taxes. That's the delayed effect, Madam Speaker, of last year's tax increases.

So they pretend that there are no tax increases. They have just been built in from that obscene tax grab last year. Last year, it was a tax grab; this year, it's a tax fall. You see, they have already made the grab. Now they just pull in the net and, Glory be, there is \$185 million more. Oh, aren't we good managers? Every Manitoba taxpayer will be poorer as a result. The Bandits of Broadway have struck again, Madam Speaker; only this time they didn't tell anyone.

They told them we weren't increasing taxes. The incredible part of it all is that since 1986, in just three Budgets, personal income tax revenues in Manitoba have grown from \$649 million to \$1.066 billion, an astounding 64 percent increase in personal income taxes paid in just three years under this administration. Madam Speaker, Manitobans will certainly look back on this period of time as the cost era. That's what they will look back on - the cost era.

Next, this government pretends that it's problems are due to Federal Government cutbacks. This is what the Budget Speech says, and I quote: "Manitobans recognize that equality of opportunity for all Canadians, rich and poor, in all regions requires a committed central government. Recent federal actions are threatening this progress." And then the Budget goes on to say, and I quote: "Federal funding for health and higher education was cut back twice by the previous Liberal Government . . ." - they want go get at the Member for River Heights - ". . . and further limited to a declining share of Canada's gross national product by the Conservatives.

So the problem is federal cutbacks - right? Wrong. The Federal Government has given them an increase in revenue of \$119 million in this Budget - \$119 million! Does this Finance Minister honestly believe that he can dazzle the citizens of Manitoba with statistics and rhetoric and avoid responsibility for his fiscal incompetence? Well, maybe he does, Madam Speaker, but I don't.

Another area of great hypocrisy is the fact that the government is telling municipalities that they'll have to control their expenditures. In fact, they'll have to limit the growth of their expenditures to 3 percent below the rate of inflation because that's what the province's tax transfers will be limited to. Isn't that a great bit of hypocrisy?

This NDP Government increases its spending by 8.8 percent in this Budget and says to municipal

governments, "You're going to have to hold the line at 3 percent." But you know what? I think that the municipal governments will probably manage that because they're good managers, unlike these people, and they'll find ways. They'll find ways to live within their means and they'll find ways to make do.

A MEMBER: They're good managers.

MR. G. FILMON: They're good managers. But what hypocrisy, Madam Speaker. Next of course, the NDP Government attempts to pretend that they have been good managers. They list the elimination of those positions in the Budget Speech, fewer than 50 positions and a couple of programs. They say that they're saving money because they've disbanded the Law Reform Commission and they've eliminated the Manitoba Design Institute. Then they proudly proclaim, and I quote: "These measures are examples of initiatives designed to improve and streamline the internal operations of government without affecting public service."

Well, what measures are they referring to? Firstly, they say that they will eliminate 21 senior staff positions in 13 departments, next 14 positions in communications, next 7 positions in personnel, next 5 positions in smaller departments. By these measures, this government is trying to demonstrate its good business sense. However, upon closer examination, its actions can be seen in a different light. It was the Pawley administration which expanded government bureaucracy by creating hundreds of new positions after taking government in 1981. The Member for Concordia, at one time when he was the President of the MGEA, called them "apple-polishers." He said that they were hiring communications people and senior bureaucrats and political support staff and cutting back on those delivering the services.

A MEMBER: Is that right, Gary? Did you say that?

MR. G. FILMON: That's what he said when he was President of MGEA. Here's a headline from the Winnipeg Tribune of January 21, 1983. The headline is: "MGEA roasts Evans over P.R. job opening." it says, "Community Services Minister Len Evans has come under fire for his plan to hire a communications director at a maximum salary of \$43,000 when the Provincial Government is reducing its Civil Service."

A MEMBER: Who said that?

MR. G. FILMON: "Gary Doer, President of the MGEA said yesterday, the hiring 'makes a charade of the government's restraint program.'"

He continues. "He said: 'I find it absurd that the Minister is hiring an apple-polisher at the same time as he's laying off front-line civil servants.' Doer says the MGEA has heard from a reliable source that the Department of Community Services and Corrections will soon lay off three workers at the Portage School for Retardates. 'I'm not against hiring people. I just have a problem with their priorities.'"

Well, I'll tell you, Madam Speaker, every Manitoban still has a problem with their priorities. The only one

who doesn't have a problem with their priorities any longer is the Member for Concordia because he's now on the gravy train.

Madam Speaker, at the time these jobs were created, the ones that the Member for Concordia was referring to, we argued that of these hundreds of political-support positions, the apple-polishers and so on, many of them were unnecessary, totally redundant. In some cases, they were created to pay off political debts. With their usual arrogance, they proceeded and they moved their friends in to feed at the public trough. We saw them come in one by one. Terry Sargeant got a job, of course, and relatives of former MLA's got jobs. Aleda Turnbull got a job, and Harvey Bostrom got a job, and on and on. Now, Madam Speaker, the government says we don't need some of these jobs. Now they've concluded after bloating the Civil Service that some of these jobs they don't need.

The Minister responsible for Finance says we're streamlining our operations. The NDP are simply taking credit for being efficient when they earlier created the inefficiencies. They started by putting the positions in that never were there, now they're removing a few of them. Now that's efficiency NDP style. They parade these cuts, Madam Speaker, as examples of their dedication to reducing government expenditures. Well have they really reduced government spending? Are you kidding? Overall government spending went up 8.8 percent in this year's Budget. Again that's double the rate of inflation for the seventh straight year. The positions they cut, as I said earlier, were generally in the areas in which they'd made massive increases in their earlier six years of government.

For instance, the reduction of 14 communications positions, now isn't that ironic? They reduced the communications function by 14 positions, a small, small fraction of the massive increase of positions they put in, in communications. They bloated the communications function at last count to 116 positions. Now they're taking back 14 of them. Isn't that dandy? More than half of those 21 senior management positions that they are eliminating didn't exist under the Lyon administration, weren't even there. They're all part of that overall increase of 60 percent in senior management positions that they created in their first four years of government. This is just one example of the political hypocrisy. They honestly believe that Manitobans won't remember. Again, Madam Speaker, they're wrong.

Every now and then, you know, I do find myself agreeing with the NDP. It's so rare that the experience usually sort of catches me by surprise. It takes my breath away. Such is the case in the area of health care. I agree with the stated goals of this government. We all must work to enhance health care now and in the future. The initiatives stated in the Budget Speech are indeed steps in the right direction.

Madam Speaker, why should we believe that the NDP are going to use the new monies in health care wisely? Why should anyone trust this government when it comes to effective management? Does their past record suggest that we accept their declaration of efficiency at face value? Of course not. I'm afraid, Madam Speaker, that once again the NDP have opted to throw money at a problem without analyzing if the money is going to be wisely spent.

(Mr. Acting Speaker, C. Baker, in the Chair.)

For instance, in the health care trust fund that they've just set up, is that going to be the Health Department's version of the Community Places fund where the main objective is to maximize the political direction and the political credit for the expenditures? Is that what we're really going to see out of this health care trust fund? I'd like to believe that our health care system is the best it can be. Like every Manitoban, I'd like to know that my family will be protected and will receive the best possible care when it's needed. However - and of course, Mr. Acting Speaker, there's always an "however" when examining this government's procedures - we have to ask the question: Are we going to get good value for the dollar being spent?

Quite clearly, the Manitoba Medical Association doesn't agree. Its advertisements in recent newspapers reflect its dissatisfaction with existing conditions. Of course, Mr. Acting Speaker, if our doctors are unhappy, they can always accept the Health Minister's invitation and go elsewhere. That's the alternative that they've been given. That's the ultimatum they've been given by this Minister of Health. But you have to ask the question, Mr. Acting Speaker: Is the MMA wrong when it talks about waits of more than six months for urgent surgery? Is it wrong when it refers to serious shortages of psychiatric and medical specialists? Is it wrong when it notes the closure of over 100 hospital beds throughout the province?

Let's take a look at some of the things that they said in their ads, and I haven't heard the Premier or the Minister of Health challenge them and say that they were wrong, say that this is absolutely false, maybe sue them. He might be inclined to do that if this was wrong. Here's what one of the ads said - and it's entitled "About Manitoba's Ailing Health Care System" - "The Pawley Government claims: 'In Manitoba, the torch of universal health care has been held high, in sharp contrast to many other provinces where a crisis mentality in health care has been fueled by harsh budgetary measures, program cutbacks.'" That was in the 1988 Throne Speech.

"In reality," so says the MMA, "the Pawley Government has dropped the torch:

- . waits of more than six months for urgent surgery;
- . serious shortages of psychiatrists and other medical specialists;
- . 100-plus hospital beds to be closed;
- . confrontation with doctors instead of impartial fee arbitration.

"If this isn't crisis mentality, Mr. Pawley, what is it? Manitoba doctors working for Medicare, not just talking about it." That's what that ad says.

Here's another ad that they put in, and it said ". . . about waiting for urgent surgery, the Pawley Government promised: 'My government is determined to meet the challenge of protecting and maintaining needed vital public services like health.'" That was in the 1987 Throne Speech.

"The reality," according to the MMA, "is that Manitobans are waiting six months and more for brain and spinal surgery which could correct:

- (1) progressive mental deterioration and loss of bladder control caused by pressure on the brain;

- (2) twisted and distorted facial features caused by spasms;
- (3) skull deformity caused by brain tumour;
- (4) intense pain caused by neck and back problems.

"Surgical treatment for these serious medical conditions is available in Manitoba if you can stand the wait. Don't Manitobans deserve better, Mr. Pawley? Manitoba doctors working for Medicare, not just talking about it."

What else do they say in these ads, Acting Speaker? Well, they put out the ad here, Acting Speaker, in which they give just a series of headlines, and it says: "Wait your turn, government backlogs run gamut from the irritating to the perilous," talking about the waits in the health care system as a result of this government's priorities; another headline, "City hospitals to close 111 beds"; another, "Waiting for surgery"; another, "Heart patient dies awaiting surgery"; another, "Universal Medicare termed the big lie." That's what the MMA says about the way in which they manage our health care system, Acting Speaker. There are serious problems.

Will they be addressed, will the measures in this Budget solve the difficulties noted by the MMA? I wish I could believe that they would. I wish I had the faith in this government's ability to manage, but like most other Manitobans, Mr. Acting Speaker, I don't believe they can manage anything. Their record of bumbling and waste has become legendary. Their solution to every problem is to throw money at it - Flyer, Manfor. Always more tax dollars, but sell them a different outcome. It's difficult to assume that one area of government will be run well when we have evidence that every other area is a model of inefficiency and mismanagement.

The health and welfare of our citizens demands good, effective, competent management. The money is there, the personnel are available. What is lacking is the skill to manage, and this situation must not be allowed to continue, Mr. Acting Speaker.

Even the Member for River Heights recognized that this was an opportunistic Budget, a Budget designed to appease Manitobans. She recognized that the outrage over Autopac had made the government nervous. She refuted the NDP claim that the Budget reflects increased contributions to health and education, and she claimed that the monies directed to education and health were not increased.

In terms of percentages, she said their funding was down. Well, if the honourable member wants even more money to go to education and health, I have to say we can't agree. The funding is sufficient if it's managed wisely. The honourable member praises the government for efforts to reduce the deficit, we do not.

We've heard the arguments put forward in the past by this Minister of Finance and his predecessor, the Member for Rossmere, who was termed a financial ignoramus by some. He pretended that deficits weren't a problem. How many times did he tell us that the deficits really didn't matter? He said we owed the money to ourselves. Do you remember him putting forward that argument? We owed the money to ourselves! And he said we were buying all of these assets out of the deficits so, therefore, it was okay to have these huge deficits.

We even have a statement, Mr. Acting Speaker, in this year's Budget that's designed to make people think

that the debt really isn't of serious proportion. Here's how they phrased it in order to make their case, and I quote: "Today it would take less than one year to retire the outstanding net debt from current revenue compared to 1 1/4 years under the Roblin administration." That's what he said.

Mr. Acting Speaker, to begin with, let's address the argument that they put forward about owing the money to ourselves. Let's look at page 7 of the tables in the deficit, the financial statistics, and find out where we owe the money to. Where do we owe the money to? There's a wonderful table in here that tells us where we owe the money to.

Of the \$10.85 billion of outstanding long-term debt, 58 percent of it is in foreign currency, 58 percent. So every Manitoban owes \$10,000 today, and about \$6,000 of that is to some foreign bondholder or banker. Every family of four owes \$40,000, \$25,000 of it to some foreign interest. Welcome to Manitoba. You owe \$10,000, most of it to some foreign unknown interest. Is it any wonder that national companies have difficulty transferring people here with both the tax rates and the debt load that they face in coming to this province? So that's one-half of the argument, the argument that we owe it to ourselves. It isn't proven by the facts in their own Budget.

The second argument, of course, that the previous Finance Minister made is that interest costs were manageable and that we should pretend that they're not a serious concern. This Budget says, and I quote: "Debt service costs paid by taxpayers remain in the mid-range among provinces. In 1987-88, five provinces had higher debt costs per person than Manitoba." Well, that may be true, Mr. Acting Speaker, if you ignore the cost of Manitoba Properties Inc., because Manitoba Properties Inc. in this year's Budget accounts for another \$61 million, and that is interest in another form. It's being paid in preferred dividends to the preferred shareholders of this corporation, in lieu of paying interest payments. So that's another \$61 million.

Then you have the Hydro rates stabilization payments that are interest or particularly foreign exchange debt-service costs which are another \$30 million. But even ignoring these debt-service costs that have been excluded from the figure that they like to talk about, this year, direct interest costs in this Budget increased by \$85 million. That's almost a 20 percent increase in one year, Mr. Acting Speaker. It's a runaway train, it's an absolute runaway train, and has been since 1981 when these people took government. That's what the \$0.5 billion deficits year upon year upon year have left us with - a legacy of interest costs that are rising at a rate of almost 20 percent per year.

The Department of Finance has gone from being the fourth-largest department in spending, in 1981, to being the second largest department in spending today, second only to health care and rising more quickly than any other department. The fastest growing area of spending for the NDP in their entire term of office has been the Department of Finance.

A MEMBER: That's when revenues were rising.

MR. G. FILMON: So, it's not going to health, it's not going to education, it's not going to agriculture. It's

going to the bondholders in Zurich, in Paris, in Tokyo, in London and in New York. That's where it's going, Mr. Acting Speaker. These are the real benefactors of NDP economic policy.

The government's revenue has increased by \$450 million, because of the policies of the last Budget and some windfall increases that they got thanks to the feds and some others, but only \$61 million is directed towards deficit reduction. On the other hand, this government continues to increase spending at twice the rate of inflation. This may be acceptable to the Member for River Heights, but it's not acceptable to us, Mr. Acting Speaker.

In the Throne Speech, we warned Manitobans that this government would try to use statistics, charts, graphs, to convince us that our lot is improving. Mr. Acting Speaker, that's exactly what they're doing by this Budget. We've another example of it's "let's pretend" in this Budget, and that is the selective use of tables and statistics in the Budget. Page 15 of the financial statistics presents the total debt per capita, interprovincial comparisons, according to 1987 provincial budgets, figures taken from Midland Doherty. It shows Manitoba to have the fourth highest per capita debt.

Obviously, it leaves out some major portions of debt though because, when you examine the government's own listing of its total debt on page 7, this table shows a net total debt, direct and guaranteed, after subtracting all sinking funds, of \$8,691 per capita. After taking into account the foreign exchange losses, it's \$10,056 per capita. So on the one hand, they clearly demonstrate with their own figures that net per capita debt is over \$10,000, but for the purposes of the Finance Minister's speech, they pretend it's only \$7,720.00. That's the table, I might add, that was in the Sunday newspaper. They took it right out of the Finance Department's figures because I guess they felt that they were legitimate.

Then, of course, we have the comparisons of growth forecast in the Budget. You can imagine my surprise when I heard the Finance Minister say that Manitoba was expecting an annual GDP growth of 2.5 percent, and I quote: "Overall growth in Manitoba in 1988 is predicted to be close to, or, according to some forecasts, slightly above the Canadian average." Wait a minute, I said. I was talking to some colleagues. I says, wait a minute, we just had a federal Budget three weeks ago, and I distinctly heard the Minister of Finance say that growth would be 2.8 percent in Canada, so how is 2.5 greater than 2.8? How is 2.5 greater than 2.8?

What that would show, if they accepted the growth rate of the federal Minister of Finance, it would have meant that they would have to admit that Manitoba's growth rate was below the national average. They couldn't do that, so what did they do? Here's how they reconstructed that in the Budget. They pretend that the national growth rate won't be 2.8 percent. The Budget says, as the Finance Minister delivered it: "The February 1988 federal Budget predicted growth of 2.8 percent in real gross domestic product." However, the Budget papers also pointed out that, on average, forecasters expected slightly lower real growth. According to independent assessments, real GDP is expected to increase by 2.5 percent. So we ignore what

the Minister of Finance federally says, and we say we've got some other independent assessments that say it's less.

Well, who would their other independent assessments be? Would they be Midland Doherty, because they published five tables in this Budget with Midland Doherty statistics? Should we take their word for it, Mr. Acting Speaker, because they obviously have the best independent statistics? Right? Wrong, wrong, wrong.

Midland Doherty says in its economic forecast summary for Canada which they published January 17, 1988, just five weeks ago, so its got to be fairly recent, they say, and I quote: "We maintain the view that the North American economy will continue to grow at a fast pace with Canada GDP rising by 2.9 percent." Midland Doherty says 2.9 percent, but they wouldn't use Midland Doherty unless it was in their favour. So they find somebody else, some other unnamed, unknown independent forecaster who says that it's going to be lower. It's going to be 2.5 percent.

You'll recall Mr. Acting Speaker, that they tried the same tactic last year when the former Minister of Energy had said that he vowed to keep our increases in our hydro rates at or below the rate of inflation. Manitoba Hydro came forward with an increase of 4.5 percent. We pointed out at committee that inflation was expected to be by all of the forecasters between 4 percent and 4.2 percent. So, therefore, they were bringing in an increase above the rate of inflation.

They scrambled around, Mr. Acting Speaker, and they found some forecaster who said it would be 4.5 percent and they said, that's why we chose that level. Really, all these other people don't know what they're talking about. That's the forecast Manitoba Hydro was using. That's what you do is you shop for the right opinion.

Another area that we have concern about is that the sales tax generally is an indicator of how they're expecting the province to grow. Sales tax revenues increase more or less with inflation, and that's where you can look to see how you're finding the growth - (Interjection)-

I know the answer. The Premier says that I'm ignoring the answer of the Minister of Finance who said that they were predicting a low increase in the sales tax income because, last year, they made a mistake of \$25 million. They overestimated by \$25 million. So that's why it's only expected to go up by \$8 million according to this year's statistics.

Mr. Acting Speaker, even if you correct for that, we have now got 12 full months of the 7 percent sales tax, whereas previously of course it was at 6 percent and we only had 10 months of it last year, in our last fiscal year. As of May 23 last year, which was about two months into the fiscal year, we broadened the sales tax to increase take-out foods, energy consumption, energy conservation materials and cigarettes.

So there still should be more money in that sales tax than just that increase, Acting Speaker, but I believe that this Minister is acknowledging that our economy isn't growing as fast as he would like us to believe, that in fact, we will be below the national average. But he wants us to pretend that our economy is growing at or above the national average.

Another area in which they want to pretend, Mr. Acting Speaker, is what we as Conservatives would do. I've

got a good little reference for the Minister here, for the Premier here as a matter of fact, if I can find it. It's a reference that goes back a few years. As a matter of fact, I'll just start to quote and perhaps the Premier will remember.

It's pretending what the other side is going to do, in this case what the Conservatives will do, and I quote from the newspaper: " 'A vote for the Conservatives is a vote for a higher sales tax, reintroduced Medicare premiums and fewer hospitals,' two Cabinet Ministers said Thursday during Budget Debate in the Legislature."

Now, Mr. Acting Speaker, would you say that this was from this Budget Speech? Would you say that it was? Well, the date on it is April 23, 1976, Winnipeg Tribune.

And I'll go on: "Attorney-General Howard Pawley and Autopac Minister Bill Uruski based their predictions on events in provinces with Conservative Governments. They also defended the NDP spending record and Public Insurance Program in Manitoba." Does that sound familiar? Could we be using the same article today here in Manitoba?

Do you recall what they were saying last week about us getting rid of the Public Insurance Corporation? Do you remember what they were saying about it?

Mr. Acting Speaker, that's what they said, that's what they said in 1976. They said that Conservatives would increase the sales tax. Do you know what? In four years of the Lyon administration, the sales tax didn't go up. In fact, taxes went down. Hydro rates were frozen, all of those imagined dire consequences that they put forward to the public didn't happen. But what happened when they got re-elected to government? The sales tax went up 2 percent, from 5 percent to 7 percent. That's what happened. That's what has happened from "Back-Door Billie" and the Premier who was then Attorney-General.

Mr. Acting Speaker, here's what the Member for Selkirk, now the Premier, said at that time, and I quote, "All Tory Provincial Governments are spending money like drunken sailors." That's what he said.

And then this is what else he said, Mr. Acting Speaker, and I quote - this is still the Member for Selkirk speaking in 1976 - "It is Conservative policy to dismantle the Manitoba Medicare Plan and introduce competition for Autopac and maybe even Manitoba Hydro and the Manitoba Telephone System."

So when they are backed into a corner, they immediately place the big lie on the table and say, ah yeah, but the Conservatives would do all of those things, all of these things that would be harmful to Manitoba.

I just bring that forward because it's almost identical to what tactics they're using today, when they are so unpopular, when they are so desperate to hang on to government, when they are insecure and put into the worse situation in terms of public support, they then place the big lie on the table, but these are all of the things that the Conservatives would do to you if they were elected.

Mr. Acting Speaker, nobody believes them about their good management. Nobody believes them about their wise use of taxpayers' dollars, and nobody believes them about the big lie either.

Another area in which they want to pretend is their priorities, and it's unfortunate that the Member for Lac du Bonnet is not in a position to respond to me at the

moment, because this government wants to continue to pretend that agriculture will be getting more money. The Throne Speech said that farmers will continue to experience difficulty, and we're in need of support, and it's promised, and I quote, "to establish a stabilization plan for the feedlot sector of Manitoba's beef industry."

Here's what the Budget Speech says about it, and I quote, "Farm income support programs will be strengthened. A new stabilization program for cattle feeders will be established to encourage feedlot finishing of cattle and to increase a number of finished cattle marketed in Manitoba." And further, the Budget says: "Economic and resource development, including agriculture, receive \$19 million, or 7 percent of the new funding."

Well, to begin with, since agriculture is singled out in that way, I rushed to the Budget details, to the Main Estimates of Expenditure, to find out how much agriculture was really getting. Was it getting the major share of that \$19 million? No. It's getting \$4.7 million.

Well, in that case, the \$4.7 million must go to the Beef Stabilization Plan. Right? Wrong, wrong, wrong. The expenditure for the Beef Stabilization Plan actually goes down. It goes down from \$6.16 million to \$5.95 million. Farmers might well echo the commercial and ask: "Where's the beef?" It's not here. Where's the beef? Where's the beef?

SOME HONOURABLE MEMBERS: Oh, oh!

A MEMBER: You got caught, Gene; you got caught.

MR. G. FILMON: So where, Mr. Acting Speaker, where does it go? It goes to MACC. It doesn't go to farm programs; it goes to MACC. Where in MACC does it go to?

During the lockup, Mr. Acting Speaker, during the lockup the question was asked of the resource staff there: "Why does MACC get an increase in administrative costs of \$4.2 million?" The answer was: \$6.5 million of bad debts is being written off by MACC.

So it's bad debt write-off. The total increase in expenditure by this government in agriculture is in bad debt write-off. The entire increase in Agriculture is bad debt write-off.

Is that the misinformation you want to perpetrate on the people of Manitoba? Is that how you want the farmers to think of you? Is that your idea of honesty?

The Premier is agitated here. The Premier is agitated here because he's been caught in a lie in the dishonesty of his Budget Speech. Instead of supporting farmers, instead of programs for agriculture, he has an increase in MACC spending to write off bad debt. No new programs, no new increases for agriculture. All it is, Mr. Acting Speaker, is let's pretend; let's pretend that we're doing something for agriculture. Shame! Shame on the Finance Minister and shame on the Premier!

SOME HONOURABLE MEMBERS: Oh, oh!

MR. G. FILMON: Mr. Acting Speaker, another area of pretence is that the Finance Minister has implied to the public and the media that he has shifted his government's priorities. In fact, the Friday morning article in the Winnipeg Sun says, quote: "The attention

has shifted, however, from raising revenues to decreasing expenditures."

Well, the Finance Minister may wish to pretend that, but let's look at the reality. Revenues have increased \$450 million. That's 11.9 percent. Expenditures have increased 8.8 percent, double the rate of inflation again. Is this really shifting from increasing revenues to decreasing expenditures? Expenditures are up twice the rate of inflation. How is that a decrease in expenditures, I ask?

They used to, in the past, pretend not to be concerned about foreign borrowing. The former Finance Minister from Rossmere used to say foreign borrowing was a good idea, that we were getting a big benefit for Manitobans. The Member for Concordia last year, in committee, defended the foreign borrowing for the Manitoba Telephone System. He said that it was okay, that as long as they did it in a balanced fashion, it was okay. Well, now of course, as of January 29, 1988, our foreign exchange losses, due to their borrowing, stand at \$1.47 billion - \$1.47 billion.

Now, in this Budget what is the Minister talking about? He's talking about U.S. currency swaps - getting out of some of these very volatile foreign currencies and getting into U.S. currency swaps. Now he's saying we have a better idea, we're not going to borrow on the foreign markets very much any more. That's his better idea, Mr. Acting Speaker. But you know what, that's the same idea that financial experts have been giving him for seven years. Those in the investment community have been telling him of the dangers of foreign borrowing. They've been telling him that it can cost you big bucks in the future. They've been telling him that although the nominal interest rate may appear attractive, you lose huge amounts if there's a fluctuation, a negative fluctuation, in the currency. That's exactly what has happened for seven years. So now the Minister of Finance wants everybody to give him credit because he's finally adopting the policies that everybody is telling him he should have adopted in the first place.

Well, that's one idea that we've shared with him in the past and it took seven years for him to understand it and adopt it. We'll give him another idea, Mr. Acting Speaker. My colleague for Morris, our Finance critic, colleagues on this side, have suggested that we have to have longer-term budgetary forecasts. Whether it be five years, whether it be three years, whether it be two years, we've got to start looking ahead at the effects of each Budget in a longer-term sequence because the huge increases in interest costs, those problems with revenues that required the massive tax grab last year and the massive tax haul this year, could have and should have been forecast and predicted. If they had looked at longer budgetary procedures, longer-term budgeting, they could have been looking at what their revenue needs were in the future.

This year's \$334 million deficit, for instance, at 10 percent interest will add \$34 million to next year's Budget and \$37 million to the Budget beyond that, and that has to be raised in taxes. It can't be spent on health care and it can't be spent on education. Three-year Budget forecasts will warn the taxpayer and, more particularly, it'll make the government more responsible when it realizes and has to put forth publicly the downstream effects of its actions.

For instance, by absorbing the huge increase in revenue this year and putting very little to deficit

reduction, and instead giving an 8.8 percent increase in expenditures, next year's deficit must go up or else taxes have to go up. There was a chartered accountant on the radio this morning and he said that that's the downstream effect - the continuing downstream effect of using this great windfall to just add to the expenditures of government. They just plow it into further expenditures and you don't set anything aside for the deficit, or very much aside for the deficit. He said next year you're going to have to have another tax increase or a larger deficit, because you can't expect the same windfall next year as you got this year. You can't expect every year that your income is going to go up by 12 percent.

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

Well, Mr. Deputy Speaker, I want to assure this Minister and his colleagues that my colleagues and I are committed to responsible budgeting and we're going to use longer-term forecasts and three-year budgeting as an absolute minimum, as a management tool.

Mr. Deputy Speaker, finally I guess the pretence of this Budget is that this Minister is pretending to be a Conservative. He's pretending to be a very conservative guardian of the public treasury. He's talking about program cutbacks, he's talking about wiser spending. He's even trying to echo Michael Wilson when he used the words "deficits are deferred taxes."

It's a little reminiscent of Allan Blakeney. You remember Allan Blakeney was quoted in Diane Francis' book talking about deficits, Allan Blakeney being the former NDP Premier of Saskatchewan. He said that he believed that you have to control deficits, not because he wanted to be a better Conservative than the Conservatives but he believed that, if you didn't control your deficits, you couldn't manage ultimately. You couldn't manage the affairs of your province. You wouldn't have money for health care, for your social safety net, and you wouldn't have the money for the things you wanted to do if you didn't control your deficits. That's what Allan Blakeney said in so many words.

Well, Mr. Deputy Speaker, when people listen to the things that this Minister has pretended to do, they'll know that recently he's been doing a lot of public-opinion polling and that his media relations people, the Balaguses and the Kramers, have been telling him what words to use now. He probably doesn't really understand it, but he knows that's what he's supposed to say. He's supposed to say that deficits are deferred taxes. He's supposed to say that we have to spend more wisely, that we have to cut back on our expenditures.

In his heart of hearts, we know and the public knows he's not really committed to that. He's not really committed to being a Conservative fiscal guardian of the Treasury, because his first priority is to get re-elected. But he is even willing to act like a Conservative if it'll help him get re-elected today. But no, Mr. Deputy Speaker, the public will not be fooled.

When New Democrats ask, what would you do differently, well, I'll give them another suggestion. Mr. Deputy Speaker, we would do a complete program audit of every department, area by area, function by function,

job by job, program by program. If this Finance Minister can find 50 jobs that are wasteful or duplicated and \$3 million that can be cut out of the Budget without affecting services, just imagine what a real Conservative Finance Minister could do and a real Conservative Government could do. How much more money could be saved for the taxpayer if you really had somebody who believed and understood Conservative economics. Mr. Deputy Speaker, I'll tell you what a real Conservative government could do, a hell of a lot more than this bunch ever could.

Mr. Deputy Speaker, I've got the attention of the Finance Minister, and he's pretty agitated. But I'll tell you, the public won't listen to the "let's pretend" suggestions of this Finance Minister. They'll remember Cooper's and Lybrand's comments during the MTX review, that the NDP Ministers, in trying to figure out what was going on, didn't even know what questions to ask. That's what they'll remember about the management abilities of these people, about the financial understanding. They'll know that they couldn't even read a financial statement when they were looking at the Crown corporations, and they couldn't find out where the Member for Gimli had buried the losses in re-insurance.

Mr. Deputy Speaker, the public won't pretend to believe this government any longer, because they know that there isn't a single Manitoban who is better off as a result of this Budget. Not a single Manitoban is better off, and the public won't pretend to vote and won't pretend to support this government any longer.

No, Mr. Deputy Speaker, the day of reckoning that the Member for St. Vital talked about, when he talked about the effects of the waste, the mismanagement and all of the long-term debt financing of this government, that day of reckoning he talked about is fast approaching for Manitoba. But the day of reckoning for this government is approaching even more quickly.

This Budget, far from turning things around, as this Minister of Finance suggested, has brought that day of reckoning closer at hand right here today. That's what this Budget has done.

So, Mr. Deputy Speaker, I move, seconded by the Member for Sturgeon Creek,

THAT the motion be amended by deleting all the words after "House" and substituting the following therefor:

Regrets that in presenting its Budget the government:

1. Has ignored the long-term effects of uncontrolled spending by once more increasing its expenditures at twice the rate of inflation,
2. Has dipped into the pockets of ordinary Manitobans for an enormous tax haul of \$185 million more in personal income taxes,
3. Has absorbed the largest increase in revenue in the province's history while applying less than 15 percent of it to deficit reduction,
4. Because of its continued policies of foreign borrowing and deficit spending has brought about an increase in interest costs of almost 20 percent in this year's Budget, and
5. Has thereby lost the confidence of this House and the people of Manitoba.

MOTION presented.

MR. DEPUTY SPEAKER: The Honourable Minister of Urban Affairs.

HON. G. DOER: Mr. Deputy Speaker, it's indeed an honour to speak on the very, very positive accomplishments listed in this Budget and to talk about the priorities in this Budget. I also have a few minutes, Mr. Deputy Speaker, to talk about what I consider to be a very, very weak response from the Leader of the Opposition, in terms of the Budget of the Province of Manitoba.

Mr. Deputy Speaker, I've received a number of calls over the weekend from the people. I guess it's very easy for all of us to get a little bit out of touch. These were calls from constituents and other groups of people in the area, not all of which were New Democrats, Mr. Deputy Speaker, and they were asking me one fundamental question. How can the Leader of the Opposition be so phony? When Michael Wilson drops the deficit a little bit he falls all over himself to praise Michael Wilson. These same constituents, Mr. Deputy Speaker, asked me, and when you people drop the deficit, massive amounts of money, year over year, all he does is criticize and come out with weak slogans like let's pretend, let's pretend.

Mr. Deputy Speaker, these same people are mad at Autopac, there's no question about it. We've admitted that, and we've got a lot of work to do on our side to correct a problem that they perceive in their pocketbooks. We consider that legitimate; we've heard them.

Mr. Deputy Speaker, but they also say to us, in answer to the Leader of the Opposition, give us a good Conservative Government. He said give us a good Conservative Government to get this province in order. Mr. Deputy Speaker, we have a good Conservative Government in Ottawa, and it won't last another 12 months. We have a good Conservative Government in Saskatchewan, and it's got a deficit year over year of \$1.2 billion. We have a good Conservative Government in Alberta, Mr. Deputy Speaker. There are more public employees per capita in Alberta than any other province in Canada. Is that good management? Is that conservative management, Mr. Deputy Speaker, when people are losing millions of dollars in terms of their investments? The closest place they can find the Premier is on the golf course. That's a good Conservative Government that we have in others provinces in Canada.

Mr. Deputy Speaker, the Leader of the Opposition talks about having audits in all departments.

A MEMBER: What have you got against golfing?

HON. G. DOER: Nothing, I'm a very poor golfer. There's a time to golf and there's a time to act on behalf of the citizens, Mr. Deputy Speaker. When people are losing their livelihoods, the Premier should not be on the golf course.

Mr. Deputy Speaker, the recommendation of the members opposite was to have audits in all departments. This is where they're going to find the millions and millions of dollars that they say that they can save in government. It reminds me of 1977 when we had audits in all kinds of departments. They had

groups of citizen representatives; they had groups of business representatives, Mr. Deputy Speaker. They flew into various communities that meet with the Chamber of Commerce. They'd meet with some business community, they would have a luncheon, they get in the chartered plane and move out again to another community. What were the kind of recommendations these so-called audits came up with? Close Brandon University was one of the recommendations. The government couldn't act on it obviously. It was a stupid recommendation. Decrease spending in the Department of Community Services by 33 percent. Sounds great, Mr. Deputy Speaker, but yet we hear time and time again to spend more money on legitimate needs of child welfare and community services in this House for children in need.

Some of these ideas look great on paper, Mr. Deputy Speaker. We had the audit, as I say, in 1977. Very few of the recommendations were acted upon by the former government because they were just not viable for the people of Manitoba and for the citizens of Manitoba. So I found it very curious that we get from the Leader of the Opposition a similar recommendation to what we had in 1977.

Mr. Deputy Speaker, there is a credibility problem when the Leader of the Opposition is able to praise a 1 percent decrease in a deficit at the Federal Government. When a massive decrease of deficit takes place in relative terms - it's still got a long way to go - we still have \$60 million to go in terms of balancing the operating deficit which I think is a concern to all members of this House. The operating Budget, as much as possible, should be balanced. But when this deficit comes down close to 35 percent in the last two years, Mr. Deputy Speaker, we think that the deficit reduction track is on the right course. We believe that Manitobans believe that you can . . .

MR. DEPUTY SPEAKER: The Opposition House Leader, on a point of order.

MR. G. MERCIER: I was wondering if the member would permit a question.

HON. G. DOER: When I'm finished, Mr. Deputy Speaker. Besides he has a knowing smile on his face.

Mr. Deputy Speaker, so these constituents were asking the very fundamental question: How can you praise Michael Wilson and not praise Eugene Kostyra, when he comes down in a much more dramatic way? It was a very obvious question, Mr. Deputy Speaker. I believe that's a question Manitobans are going to be asking because they expect accountability on behalf of their government. They hold us accountable when they perceive that we're wrong and we should be held accountable. Mr. Deputy Speaker, they are also cynical to comments that are made by Opposition members dealing with the same subject from two different governments and it's such an obviously different way.

Mr. Deputy Speaker, we also have, in my opinion, a number of other excellent issues that have been addressed in this Budget. Not only, Mr. Deputy Speaker, has the deficit gone down at a much higher degree than the Federal Government and the Provinces of Saskatchewan and Alberta, but the Budget has a

number of other major spending areas which I want to talk about in a minute.

When we're looking at Budgets, Mr. Deputy Speaker, I think it's very important to never lose sight of the fact that all of us, I believe, in this House have strongly articulated a need for tax reform in this country, because I believe that the average wage earner, under the New Democratic Party of Manitoba and under any political party in this country, has been getting hit by the nature of the tax system that we have in this country.

I believe that some \$45-billion worth of write-offs that the federal Auditor-General has identified should be tackled in a meaningful way, that we should get rid of these loopholes and write-offs, Mr. Deputy Speaker. If we were to get \$45 billion into this country that has been lost to all of us through lost revenue, if we were to get just a portion of that in Manitoba, it would be close to \$1 billion. If we were to get our per capita portion of \$1 billion, not only could we decrease and eliminate the deficit, we could return health care funding to 50-50 and, I believe, we could give a legitimate break to the average wage-earners in this country who, we all admit, are paying the freight across this country, both in their federal and provincial tax, because of the lack of the ability to get on page 1 of the income tax form where the majority of these write-offs take place.

I believe, Mr. Deputy Speaker, that we can't talk about revenue without talking about tax reform. I believe that the recent announcement of Michael Wilson has been positive in a relative sense. It's better than what we have now, but when we look at the potential to get some \$45 billion, I think it's the crumbs off the table in terms of what potential we could have, if we had legitimate tax reform in this country.

I also hear from constituents, who are also mad at taxes that we've imposed - there's no question about that - stating, "Why aren't the Leader of the Opposition and the members of the Opposition critical to the same degree as they are of you of the federal taxes that have taken place, and tax increases that have taken place in this country over the last number of years, and," Mr. Deputy Speaker, "in the recent Wilson announcement in the November statement of 1987"?

Sure, no one likes to pay the 2 percent additional tax that has been imposed, Mr. Deputy Speaker, but they also ask about the 13 percent, on average, in personal income tax increases that have been initiated on behalf of the Federal Government. Again the question really, - I have no problem with governments raising revenues to ensure that deficits don't go too high, Mr. Deputy Speaker. The real concern I have and this party has is that where we get the money is always from the average wage-earner, because we can't get the money from the various groups that have loopholes in the existing tax system.

Mr. Deputy Speaker, in reviewing this Budget, the priorities that are in the Budget in terms of the increased spending, I think are very positive and are consistent with the desires of Manitobans. The major task that they expect from any provincial government, whether it's our provincial government or any other provincial government, the major role that any provincial government has as its first priority is the management, in an intelligent way, of almost one-third of their Budget, and that is the management and allocation of resources to the health care system. That is the No. 1 priority

for any provincial government. That's the largest area of spending, that is the largest program that the Provincial Government is responsible for running, and it is the major priority for any provincial government for their operation and their administration. Mr. Deputy Speaker, it is indeed the major priority that is in the Budget that was tabled by the Member for Seven Oaks, the Minister of Finance.

The largest increase in the provincial spending in terms of the percentage increases for 1988 and 1989 was in the health care sector, Mr. Deputy Speaker; \$111 million or more for health care; including another \$10 million for a new \$50 million Health Services Development Trust Fund, which I believe is essential for this province and for our health care system.

We all admit that we have too many dollars in the institutional area of health care. I believe it's 93 percent or 94 percent of the money in health care goes to what is classified as the traditional institutional health care services. Mr. Deputy Speaker, I'm hoping we can use that money to get the public of Manitoba more involved in their health care system, to get more prevention going on in our society. People are already taking part in their own lifestyles and health care to utilize the tremendous community resources which are available in health and in our environment, to utilize ideas, to utilize professionals, to utilize community groups, church groups, athletic groups, etc., in the development of our health care system.

Wouldn't it be great, Mr. Deputy Speaker, that if every year we could move a massive amount of that Budget - 1 percent a year - over from the institutional side of the health care spending into the community and preventative side. Every year that we can move from 94.6 percent to 93.7 percent and 92.8 percent because we all recognize that the existing system is large with many, many very capable groups working within it, with many capable groups that have strong vested interests within that system. And it will move slowly to move it to where we all know is (a) more cost effective, and (b) more qualitative in terms of our Manitoba health care and our Manitoba environment.

So, I think the idea of a fund is a great idea. I'm sure it'll have lots of ideas. It'll be insatiable in terms of requests that'll come to it and I think the largest challenge we are going to have is administering that fund to ensure that the priorities of moving the system more into the community is taken care of.

Mr. Deputy Speaker, I'm proud, too, that the community services program has seen an increase of some \$11 million for child protection and foster care. I don't believe this is a political issue. I believe that all members of this House and all Manitobans believe that children requiring protection should get a standard that is second to none in this country.

I have always believed we've had excellent programs and excellent workers across this province working in our child care systems, the types of systems of various degrees, whether they're the old traditional aid societies or whether they're the new community development systems or whether they're part of the health and social services single-unit delivery system. We've had a number of excellent people who are working in a system under tremendous demands and I'm pleased to see that money go into the child protection area.

I do not believe that that will solve all the problems because we can't solve all the economic and social

problems just by reallocating more money, Mr. Deputy Speaker, but it will give some of our workers some more resources. It will give some of our foster people some additional resources. I believe that it will never be a 100 percent perfect system, Mr. Deputy Speaker, but I dare say it is one of the finest systems in this country, indeed, if not in North America. In times of tough fiscal situations, Mr. Deputy Speaker, I quite frankly am glad the 11 million additional dollars went into Community Services instead of going \$11 million more to reducing the deficit from what it was at 3.36 to 3.25. I think it's better to have that money there because I believe it's an investment in our youth, and an investment in our youth is an investment in the province. It may show up at a different place on the deficit versus spending side of government, but I think it's worthwhile.

Mr. Deputy Speaker, I'm pleased to see again the Minister of Finance has placed a number of dollars to enhance our education system. I have talked to members of our school divisions in the communities I represent. You don't often hear them in the media because they've got some positive things to say, but they've said that, quite frankly, things have gone quite well in terms of the funding and the funding decisions this year. I guess their comments to me have been: We've got nothing to complain about in terms of the education finances this year.

I talked to a senior administrator at one of the universities at a joint function we were at the other day, and he too was saying that the support they're getting here - they'd love to have more - there's lots of things they could do, Mr. Deputy Speaker. But in their estimation it was one of the finest levels of support in Canada for our education system.

I would like to clarify something, Mr. Deputy Speaker. I was listening to comments on the Budget the other day and heard the comment that the inflation rate was 4.5 percent and therefore anybody funding the system at over - I think 3.8 percent or 3.9 percent was the figure that was being used - was under the inflation rate.

Mr. Deputy Speaker, I believe it's very important when people are going to make comments on Budgets that they at least know the inflation rate in Winnipeg. I would refer the Member for River Heights to the latest inflation statistics of the City of Winnipeg, which of course are the CPI statistics for Manitoba, and point out that the latest statistics show a 3.6 percent inflation rate in this province. Indeed, the announcements made by our Minister of Education and articulated in the Budget are indeed an enhancement beyond the existing inflation rate and should be treated that way. We shouldn't use inflation rates that are a year out of date for present-day expenditure purposes, Mr. Deputy Speaker.-(Interjection)- Well, I think it's a very important point.

So I'm pleased to see the priority areas of this government - health care, community services, education and, in addition, the other programs that have been articulated by the Minister of Finance in the Budget.

The Member for Tuxedo talks about the management system in government - he makes some quotes of previous years, Mr. Deputy Speaker.

I find it quite curious, by the way, that some of the major financial issues facing us were never even

addressed by the Leader of the Opposition. Is the economy after the next U.S. election going to slump because of the massive deficit by the Reaganomic types in Washington? Are we going to have a massive increase in taxation, and a massive stagnation in the United States because of the benign neglect of the Reagan government?

Those are some of the very important issues, Mr. Deputy Speaker, because I think they are important for Manitoba. We have a steady-as-you-go Budget, and if I could suggest the one area that would cause me concern, it wouldn't be the area inside of our Budget this year, but a potential North American down-turn that I think all of us have to be concerned about, given the absolute fiscal disasters going on in the United States under the existing administration.

But, Mr. Deputy Speaker, instead of talking about those kinds of scenarios, which I think are legitimate to talk about in this House vis-a-vis this Budget, we're not getting that kind of questioning on the Budget. We're getting quotes back from 1983 and 1976 and 1981. We're not getting any look at the economy in the province with the future challenges of our economy in mind. We're getting sort of out-of-context quotes from the past, Mr. Deputy Speaker.

I think it's very important that we get value for our money in terms of the management of this provincial economy. If I recall, Mr. Deputy Speaker, and I criticized the government in my former job when they were looking at hiring a Communication position vis-a-vis other positions in government, but if I recall, the government has, I believe, the second lowest civil servant-per-capita ratios in Canada. I know, Mr. Deputy Speaker, the decisions that have been made by the Minister of Finance in his role as head of Treasury Board have been to maintain those basic services, whether they are in the Manitoba Developmental School, whether it's in the Department of Corrections, whether it's in Child Welfare, whether it's in the community colleges, whether it's in Government Services, and get value for dollars in some critical areas for the government. I believe that any review of the services and the number of persons per capita will show a very lean and effective government but still, as the Minister of Finance has indicated, with areas of improvement that can be made. I think we all acknowledge that.

Mr. Deputy Speaker, the item of Crown corporations, of course, has been mentioned by the Leader of the Opposition and, of course, was mentioned in our Budget. I believe it was the Spivak task force that said that we had to reconcile the issue of hands-off responsibility for Crown corporations and, on the other hand, a very hands-on accountability in this House. We acknowledge that we have a lot of work to do in that area with the Crown corporations.

Mr. Deputy Speaker, any objective review of Crown corporations in this province will show that there have been two major Crowns that have caused a very major financial loss situation in this province. One of them obviously is Flyer Industries, which the Minister of Finance sold to a company that is now maintaining employment and selling buses and manufacturing buses. I am pleased that the corporation has been sold. I don't think it makes sense to be in the public sector. Secondly, Mr. Deputy Speaker, the other major Crown corporation that has been a drain on the economy and

through successive governments, both our government and the government that was in government before '69 and during '77 to '81, quite frankly, has been CFI-Manfor.

Mr. Deputy Speaker, those Crown corporations have lost a lot of money, whether they've been year-over-year losses, whether it has been value that has been decreased on the books, whether it has been value depreciated in a different way than an accounting way. I believe it's been very important to turn around the Manfor corporation in terms of the year-over-year surplus-loss situation, Mr. Deputy Speaker, recognizing that if we can get a person or a corporation to purchase Manfor that will protect the employment base, the environment base, the economic base of the North, if we can get all those criteria to be acknowledged in the purchase of the Manfor corporation, then the exercise in terms of Crown corporation management will go beyond rhetoric.

Quite frankly, the Minister of Finance with the Flyer Industries and the present Ministry of Energy, working in conjunction with the people, will have sold those Crown corporations which indeed have been not to the advantage unfortunately of Manitobans if one wants to look in the broadest sense of the word. The best way to sell those Crown corporations, Mr. Deputy Speaker, is in a way that the employment is continued, the investment is continued, people are working and the Crown corporations are not a long-term drain on the provincial economy.

So those are the real challenges, Mr. Deputy Speaker. Telephone systems and hydro and those Crown corporations need work obviously. Obviously, the Manitoba Public Insurance Corporation, we have a lot of work ahead of us. We've heard from the public and they have spoken. There are a number of recommendations, I'm sure, that will come in from the Kopstein Commission, and a number of ideas that will come from our own group in just listening to Manitobans to make those Crown corporations more sensitive and receptive to the public of this province, which it is ultimately the job of those Crowns to serve.

We should point out though, Mr. Deputy Speaker, that they still provide extremely low rates in comparison to other Crowns or other similar corporations across Canada. They provide quality jobs that are in the province, not somewhere else, and they provide a tremendous economic infrastructure in our province.

Mr. Deputy Speaker, the Budget, of course, the question will be asked, what does it mean for ordinary Manitobans? And, Mr. Deputy Speaker, getting the operating deficit to close to in the 60-range of balancing in this province I think is very important to this province.

At the same time, the No. 1 priority for the people who we all represent in terms of how our Budget allocates funds is in health care, is in education, and it's in the fairness in our community that we can see with the community services. Mr. Deputy Speaker, I believe that this Budget certainly builds on those priorities.

It's also very important, Mr. Deputy Speaker, that when we talk about our Budget to talk about the strong economic foundation. Again, you know, we can talk about all the statistics and the gross national product increase, and what McCracken says versus what the Midland Doherty say, and what does the Bank of Montreal say versus the Royal Bank, etc., etc.

Mr. Deputy Speaker, people judge the economy in very simple terms. One is do they see building going on around them? Do they see housing going on, do they see construction going on, do they see new restaurants coming on stream, do they see new shopping areas coming on, do they see new entertainment areas coming on, do they see vitality, Mr. Deputy Speaker? That's one of the ways people judge the economy. They don't judge it necessarily by all the statistics that we as politicians are sometimes prone to quote. They judge it from what's going on around them.

Mr. Deputy Speaker, they know the economy has been doing well and continues to do well, and continues to do well for the future in terms of Manitoba. They can see it, they can feel it, they can taste it, in terms of the economy of this province and relative to other economies in this country.

The other area they go by, Mr. Deputy Speaker, is can they get a job? Can their sons and daughters get jobs? They hear unemployment rates banded around, I guess we all do it. But can they get a job? Can their kids get jobs? And yes, it's not perfect in this province, Mr. Deputy Speaker, but they know that the province has got one of the best job situations in the country. They know except for a heated area outside of Toronto, Manitoba's the best place for their kids to get jobs; it is the best place for themselves to maintain a job or get a job in this provincial economy. They know that, Mr. Deputy Speaker. They also know that the growth and the building going on around them is taking place because there is a strong, cooperative economy.

So, Mr. Deputy Speaker, people know what's going on. They know that there are areas that we must improve in, and we've heard them. But they also know that we have the finest health care system that is again going to be improved by this Budget. They know that we have one of the finest education systems which is again going to be improved by this Budget. They know that they have one of the best employment situations in this country, which continues to be maintained in a very strong way and they can feel that, Mr. Deputy Speaker. They know that this Budget decreases the deficit to a much higher degree than even Michael Wilson did in Ottawa. And, Mr. Deputy Speaker, this Budget is sound; it puts money in the right places. We believe it's better sense to put money into health care, into our education system, than spending money on nuclear submarines, Mr. Deputy Speaker. That's the difference between us and the other side. I applaud the Minister of Finance and the deficit he brought down on Friday.

Thank you.

MR. DEPUTY SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Mr. Deputy Speaker.

Well, we certainly had a Budget on Thursday; unfortunately, it didn't seem to set any new directions for this government. We saw a government with additional increases of revenue of some \$451 million, Mr. Deputy Speaker, and I will give them some credit for reducing the deficit. Yes, they brought it down by 19.5 percent by what it was last year. It's interesting

to note that the Federal Government, in its most recent Budget, was only able to bring the deficit down by 1.7 percent, so if one is doing it in comparisons, as we often hear, in terms of this House, then I think that deficit reduction, while it would not reach the levels that I would like to think any of us find acceptable, certainly they have done not a bad job in terms of trying to reduce that deficit. I would just urge them to continue at that kind of rate, so that we can, indeed in the future, get more and more of these dollars spent on programs and not in spending in debt.

We had indeed a 12 percent increase in revenue overall and a 10.5 percent increase coming from the Federal Government. That makes one wonder why we spend so many question periods, day after day, listening to the whining on the other side of the House about federal contributions. They haven't been fair in terms of federal expenditures in this province, but we have to have -(Interjection)- I was praising your side, the Member for Brandon, not criticizing it. We have to look at how this government chose to spend its additional revenues; that's really the critical issue.

What did they do with the \$451 million more? Well, they will tell you that \$111 million of that went to health, but what they don't say, what they don't like to talk about, is even when you take off all the other expenditures, \$85 million of it went to pay debt charges. They were incurred, quite frankly, by uncontrolled spending of the past. The overall expenditures of this government went up by 8.7 percent, but health went up less than the overall expenditures and it got 8.5 percent. Was it the largest percentage increase? No, it certainly was not, Mr. Deputy Speaker. After a whopping 19 percent increase to Finance, Northern Affairs got more than Health; Community Services got more than health; Urban Affairs got more than Health. They were all beaten out, in terms of their overall percent.

In the Speech from the Throne, we heard a magnificent forecast of how preventive health and mental health programs will be beefed up by this government in 1988-89, but let's look at what really happened to these beefed-up health care services. Well, Mental Health Services was reduced; they will have 4.7 percent less money to work with this year than they had last year. So much for Mental Health Services.

But we know that some interesting dynamics are happening. For example, the Brandon health service centre is down; but the Selkirk Mental Health Centre, by some strange peculiarity, is up. Child and Adolescent Mental Health Services, perhaps the most critical position to deal with those who suffer from mental illness, is down in terms of the funding of this particular department. Community delivery - you know, we have to move to community delivery of Mental Health Services, we've heard that line now since about 1972 - well, they're going to get about 3.2 percent less money this year than they received last year.

While staff salaries have increased in Health Promotion, what's happened to the expenditure side? Those are the pamphlets, the teaching materials, the things that get into people's homes that might indeed encourage them to stop smoking, to watch their weight, those kinds of expenditures have gone down in this particular Budget. They're going to make do with 6.1 percent less in real dollars than they had last year.

Maternal child and health which promotes health and the well-being of children and expectant mothers - well, they're going to do with 2.7 percent less. So much for this government's commitment to mental health and preventive health in the Province of Manitoba.

We would look with interest at the 24 percent increase in home care services. Is this a new initiative? Well, let's look at what happened last year. It was announced, and I congratulated the government because they said they were increasing home care services by some 40 percent. Now, when you increase a Budget by 40 percent you must say, my goodness, they're moving in a new direction.

Well, what actually happened? We got into the Estimate process and we discovered that they had overspent by 38 percent the previous year so the net increase was 2 percent. So when we look at a 24 percent increase I'm afraid that I must say, did you overspend by 23 percent last year and is this a net gain of 1 percent only?

Hospitals managed to get a 6 percent increase in this Budget, 6 percent, 1.5 percent above inflation, but let's look at what other costs they have incurred in the past year. Workers Compensation increases at 50 percent, 2.25 in payroll tax, 75 percent of the costs of running hospitals is in terms of salaries, so you know that in real terms our health care system, as far as the hospitals are concerned, have had absolutely no increase in this Budget.

Education is truly on a slippery slope. In 1982, 20.3 percent of the provincial Budget went to education. As a result of this Budget, a bare 17.1 percent of our Budget will go to education; overall well below the rate of inflation.

The Opposition Leader said, and I regretted that he said it and I hope he will change his statement tomorrow that, no, there shouldn't be any more money to go to education. But I want to know how education can survive in this province if they don't even keep pace with inflation. The public schools will have to work with 0.7 percent less in real dollars than they got from this government last year. Universities will function at 1.2 percent less in real dollars for operating costs. But, Mr. Deputy Speaker, it has been the community colleges, which are supposed to be so important to this group on the government side, that really have to make do with the greatest cutbacks.

Red River Community College will function with 4.4 percent less in real dollars this year. Assiniboine Community College did a little better, so it must have a Minister out there. They only have to make do with 1.5 percent less. But for all those wonderful northern people that we talk about having to look after on the government side, Keewatin Community College will work with 5.3 percent less in real dollars for the 1988-89 fiscal year.

But another remarkable change in the Budget Estimates for Education - student loans are essentially a federal responsibility, but student assistance is a provincial responsibility. We are talking about a year in which our Minister of Education has told universities, well, we will expect you to increase tuition fees, and they are talking about tuition fees increases of 10 and 12 percentage points. And what happened to student assistance? Well, they will find themselves with 8.8 percent less in this Budget as a result of this caring government in Manitoba.

So where did the money go? Where did it all get spent? If it wasn't spent on health and it wasn't spent on education, where did it go? Well, Northern Affairs got 12 percent in increase this year, \$5 million. And what's it to be used for? Well, is it to be used for programs for northerners, programs for Natives? Well, we couldn't find that, but I could find a whopping 96 percent in agreements to manage and coordinate; agreements to manage and coordinate. Well, if it's not consultants, it's certainly bureaucrats of one type or another.

And so we have, in essence, a Native Secretariat who goes down 12 percent in the funds that they are going to get and bureaucrats who go up 96 percent, but this is a caring government that we have across the way.

Community Services, it did well from this Budget. Community Services got 13.8 percent in its increase. But where has been one of the real feelings of Community Services? Well, it's been pointed out over and over again that it is not doing a very good job at residential care licensing. Whether that's for group homes for the mentally handicapped, whether it's for homes for guest homes for those who cannot make it on their own, we have not been inspecting those residences properly and they are getting an increase. In fact, they are going to make do with 2.1 percent less this year.

So there'll be no more inspections than there were last year, but we will probably still have the scenario of the avenging angel swooping down on window homes, closing it down, only to open it a few weeks later because they didn't have their facts, because they didn't have knowledge, because they didn't have proof. And why didn't they have any proof? Well, maybe it didn't exist, but if it did exist how would they know about it because they don't bother to inspect, and if they do inspect they warn them. They say we'll come in a week, we'll come in two weeks. Well, what kind of inspection is done by appointment? But that is what this government does in its residential care licensing.

(Madam Speaker in the Chair.)

Corrections got 11.4 percent increase. But community programs run by John Howard, Elizabeth Fry, all the external agencies, well, you guessed it, they're going to get 2.8 percent less to function with this year rather than last year, while salaries in correction centres will rise by 11.8 percent which is double the rate of inflation.

What's happening out there? There seems to be a commitment to the bureaucrats. There seems to be a commitment to those who work for the Manitoba Government, but there is no commitment to those who work in the agencies of Manitoba.

Child and Family Support will be increased by 19.3 percent or 14.8 above the rate of inflation. But the agencies that deliver the service, the ones on the front line, they're going to get 7.2 percent above inflation. Why does this Minister's central staff need 8 percent more than those who are out in the community delivering the service?

I agree with more money for day care spaces, but I would like to have it explained to me why the central staff directing day care needs a 13 percent increase. I'm prepared to pay money for day care spaces, but

I'm not prepared to see massive increases in bureaucratic staff.

The vulnerable children, those with physical and mental handicaps, they will make do with 6.3 percent. To this government, this caring government, administrators are obviously more important than the kids they serve.

In Urban Affairs, well, we have some interesting data in Urban Affairs. We have almost \$1 million for a bridge the city doesn't want, didn't want to build it this year but a little politicking involved here - we have to make sure that everybody's happy up there. But why a 9.7 percent increase? Where's it going? Well, it's not going directly to the City of Winnipeg, who are only getting 4.1 percent, which is 0.4 below inflation.

But there is one cute number, very cute number, departmental expenditures - departmental expenditures for the Core Area Agreement - are going from \$188,000 to \$776,000, a mere 312 percent increase.

This is the story unfortunately of this government. They don't trust the external agencies, whether that external agency is the City of Winnipeg, or whether it's the John Howard Society, whether it's a school board, or whether it's community health agencies, but they certainly spend it internally.

Since the Minister of Community Services is here, I would like to congratulate one aspect of her department Estimates and that is, at least from outward appearances, it would look as if women's shelters are finally going to get the kind of adequate funding that they need.

Who are the real losers in this Budget? Well, Tourism; Tourism is a real loser in this Budget. They're going to have \$270,000 less to work with this year than last year. They have a 6.3 percent cut which translates into a 10.8 percent cut in real dollars.

Travel Information Services are down by 5.7 percent; marketing down by 14.6 percent; tourism development down by 5.9 percent; absolutely no recognition of the significance of this industry to the province and yet that Minister had the gall to stand in this House a few days ago and brag about the vibrancy of tourism in Manitoba. Well, it certainly doesn't have anything to do with this government.

Highways had a major cut. Highways down by 1.3 percent, or 5.8 percent after inflation, but again let's look at the Budget. It's not good enough to just take a look at the overall general figure. None of the administrative costs were cut. They all go up by 4 and 4.5 percent, but \$2.5 million was cut from construction. Now, surely if you don't build as much you don't need as many people supervising it, do you? I mean, do you need as much auditing if you're building fewer roads? But that's not the way this government seems to work.

Housing was perhaps a good example of the dilemma that Manitobans should realize they're in as a result of this government. Let's look at what happens in Housing.

The admin. portion goes up by 4.8; property management goes up by 4.5; program delivery goes up by 4.3; but transfers to the Manitoba Housing and Rehabilitation Corporation goes down by 2.4 percent. So just like Highways, we're going to build less housing, but we still have to have all the same administrators still all getting the big, fancy salaries to put it all together.

Small Business and Regional Development - well, obviously they have finally totally forsaken small

business in the Province of Manitoba; 11.3 percent was cut from this particular Budget; it was slashed. There is no commitment to small business in Manitoba, which is the lifeblood of this province in terms of job creation. But then that shouldn't surprise any of us because they don't consider small business when they increase Autopac, or when they increase Workers Compensation, or when they increase the payroll tax, or when they increase telephone rates, or when they increase business fees, so why should they bother with them in terms of a Cabinet portfolio either?

Did it have any good news in the Budget? Well, they'd like us to think they did. One of their "Good News Bears," if you will, was the Manitoba Equity Fund, and I suppose all of us in this Chamber - at least on this side of the House - have to wonder about a government creating a fund with the abysmal record that they have had in running Crown corporations. Quite frankly, I don't trust them to run that fund in any more a fiscally responsible manner than I did in terms of Crown corporations.

Are there going to be new taxes? Well, not officially, except that there certainly is going to be new revenues from the taxes imposed last year. The gasoline tax - and I was pleased that was raised in question period today by the Member for Lakeside - the gasoline tax is indeed a tax on the poor because it is only the poor who are driving older vehicles. They don't drive them by choice; they drive them by necessity. And if you are concerned about the health issue, don't tag it into the lead-free gasoline issue.

In terms of the mining taxes that have been imposed, when the Minister of Finance introduced all of the tax changes for mining, he talked about the financial help that had been given . . .

MADAM SPEAKER: Order please, order please.

The Honourable Member for River Heights has the floor. If other people want to participate in the debate, they can wait their turn.

MRS. S. CARSTAIRS: Thank you, Madam Speaker.

The Minister of Finance, in referring to the mining tax increase, talked about the support this government had given to the mining companies, but he only talked about the big mining companies. In reality, there was no support for the small mining companies in this province. Yet just as they are beginning to pull themselves up, and they are the last ones effected by mining crisis, they find themselves being thumped on the head again with another serious tax. I do give the Minister credit for the cigarette tax. As far as I am concerned, I'd ban them forever from the face of the earth, but in terms of revenue, it's a reasonable incentive for people to give up smoking and I congratulate him on that.

I did, in terms of the comments following the Budget on Thursday, make reference to the fact that the Provincial Auditor's Budget had been cut and I am assured by the Minister of Finance - and I thank him for that assurance - that the Provincial Auditor did this on his own initiative and I congratulate the Auditor. Perhaps he can give lessons to the rest of the departments on how they could do exactly the same thing.

Well, I too, did my bit, Madam Speaker, my huge independent member's budget of \$3,800 a year did not increase this year at my request. Indeed, I projected no increase for five years because I believed that I couldn't demand fiscal responsibility in this House and not practice it myself, but the Auditor and I appear to be alone; even the expenses in the Leader of the Opposition's Office went up by 13 percent.

So my biggest complaint about this Budget, Madam Speaker, is not that they haven't attempted to deal with the deficit. I think they have made some attempts in that direction. My concerns about this government are where they spend their money, and as I go through line, by line, by line, I find they have a most peculiar set of priorities.

We see no movement into a new health care system in the Province of Manitoba and yet we find, at the same time, that hospitals are going to be expected to make do with less money. How can you rationalize that? How can you live with yourself if you cut beds, but you don't offer alternative programming? If you were offering alternative programming, then I can understand and accept cut beds, but we haven't experienced that in Manitoba. We have cut beds, but we have not done alternative planning.

In terms of education, no, I will not accept a Budget below inflation for education; that is unacceptable. It's unacceptable for the children of this province upon whom we are dependent in the future, but who are presently dependent upon us. By cutting education, you are denying them the opportunities that they need in a highly technical and complex world. That has not been enhanced by this government and they can make glowing remarks as long as they want about what they've done in those two areas.

The bottom line is that the care and the education has deteriorated in Manitoba, so I will vote against this Budget because this government has not done what they were elected in 1986 to do, which was to provide better service to Manitobans.

MADAM SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: Thank you, Madam Speaker.

It's with great pleasure that I participate once again in the Budget Debate. I have participated in each and every Budget Debate since I've been a member of the Legislature these past six years and I've found it's a particularly good forum for the discussion of overall fiscal and economic policies - policies of this government, yes; policies of other governments and policies of other parties, Madam Speaker - the two parties in Opposition in this province.

In thinking of what I was going to speak on today, I was struck by the various different kinds of speeches that we often hear in this Legislature. A lot of times, as I've said in previous speeches, we tend to concentrate on the immediate political issues of the day and certainly I intend to do that in my speech today.

A lot of times we hear talk of comparisons - comparisons between this province and the Federal Government, or other provinces - and I intend to do that as well, Madam Speaker. A lot of times we hear

discussion of the contrast between the different political parties, both in what they've said and what they've done, and I'm going to do that as well, Madam Speaker.

But finally, and perhaps most importantly, I intend to reference what I have said in previous speeches is something that often seems to be missing in debates and this Legislature, and that is putting this particular Budget and some of the initiatives in this Budget in context, not just looking at it in terms of here today in 1988, but looking at it in terms of 5, 10 and 15 years from now and what items will be seen as significant out of this Budget and the initiatives introduced by this government.

Let's begin just very briefly by what is in this Budget, because from listening to the initial speeches from the Leader of the Opposition and the Member for River Heights, I think that they have neglected to look at what is the foundation of this Budget. Let's begin by one obvious remark, one obvious indicator, Madam Speaker, of this Budget and previous Budgets, the past Budgets of this NDP Government and that is the situation we face in Manitoba with the economy.

I remember in the Throne Speech Debate, the Leader of the Opposition talked about economic desolation. I remarked in the Throne Speech Debate that I'd wondered which planet he'd been on for the last number of years, because I haven't found any indication, not any indication in any of his remarks, or any remarks by members opposite, any proof whatsoever for such a statement.

A MEMBER: He's just talking about Tuxedo.

MR. S. ASHTON: Well, overstatement from the Member for Tuxedo. But you know, I haven't even heard any other sort of suggestions by members opposite. Even the Member for Sturgeon Creek who, for years, specialized in the art of selective statistics has yet in debate in this Session, as a matter of fact for the last number of Sessions, to be able to put forward any plausible arguments to their problems with the Manitoba economy; but why, Madam Speaker?

Well, the answer is obvious. Our economic performance on every single indicator puts us either the best or second or third best in Canada, Madam Speaker. We have a good economic record. As I said before, and as I'm going to say in this debate and other debates, I have yet to have one constituent come to me and say that this NDP Government is not doing a good job in the economy, not one.

I am talking not just about New Democrats, I'm talking about the Conservatives. There are still some Conservatives in Northern Manitoba, fewer than there used to be and the Liberals. One thing that they've said and one thing that has been said to me by individuals on the street, by small businessmen in my area, is that there is one thing you can say since 1981, and that is that the economy has gotten better.

That's in Thompson and I would argue that it's typical of this province and for the Member for Morris it's not the last few months that we've seen that take place. Certainly, nickel prices have gone out of sight, there's been a tremendous boom in the metals market, but the improvement in the economy took place right from the beginnings of our term in government, in 1981.

In fact, if you look at the situation we have today in Thompson, despite the boom in the metals industry, fewer jobs than we had in 1981, but the city of Thompson has expanded in population. Why? Because it's diversified, because of initiatives such as Limestone, a provincial initiative, because of initiatives in terms of services, human services in Thompson through improved education and social programs. That has had a positive impact both socially and economically. As I said, this is something that is being said by people in my constituency. I dare say that you could take the province as a whole and you would find the same situation.

Let's start with that one clear and evident fact, that Manitoba has had a good economic performance and is continuing to have a good economic performance. That's part of this Budget.

Well let's talk about some of the other basic themes. One thing I'm proud of with this government is its commitment to health care. Once again, I can take this from my constituency. I would ask members opposite to look at the funding for the Thompson General Hospital for the period they were in government and the funding since 1981.

For the Member for Brandon West, he will find not only were there measly increases to the Thompson Hospital, but in one year, they actually cut funding. I'm not talking about lower than inflation, they cut funding to the Thompson Hospital as part of their overall cutbacks in health care.

I would ask the Member for Brandon West, and I will provide him with the figures because I have them available and I will take him through. I realize he wasn't part of that government. I'm sure he considers himself fortunate that he wasn't. I will show him exactly what the difference is in health care spending for Thompson both under the Tories and under the New Democrats. Under the New Democrats, funding has increased far more, far more than it ever did under the Tories. That's the same thing federally. (Interjection)-

The Member for Morris keeps talking about borrowing, borrowing, borrowing, borrowing. Is he suggesting that we should not have increased health care? Is he suggesting we should have done what Sterling Lyon did and cut back on health care at a time when the demands on the health care system were increasing because of demographics? Is that what he's suggesting?

MR. C. MANNES: Tax for it, don't borrow it.

MR. S. ASHTON: Tax for it, he suggests. Well, now he's suggesting we raise taxes. I'm not sure if I'm getting consistent signals from members opposite, so perhaps I'll just continue with my remarks. I do believe it indicates just how little alternatives they offer to us in this province when the Finance critic talks about increased taxes on one day and the Leader of the Opposition talks about decrease taxes on another. Obviously, they have some difficulties in this area.

Health care has increased dramatically in terms of commitment to health care. In this Budget, I think there's once again a further indication of that commitment. Now we've established a Health Care Trust Fund that will not only look at providing funding for traditional

services but for preventative care. That is important, Madam Speaker, because if we are going to deal with the challenge of health care, we're going to have to get right to some of the roots of the health problems that we face. We're going to have to deal with preventative health care. We're going to have to look at alternatives for two reasons; one for financial reasons because we simply cannot afford to provide funding for a system that is based on treatment of disease, but also I think it's a matter of improving the quality of life for Manitobans. We can deal with our financial problems in the health care area and we can also improve the quality of life for Manitobans, so that's clear too.

Let's look at the other areas, social services. This government, year after year, during the recession, during periods of far greater economic development, in and out, year after year, has made a commitment to social services. That's something once again I'm proud of, because I remember the state of social services when the Conservatives were in government.

I remember when the Crisis Centre in Thompson had to go begging for funding, Madam Speaker, begging for funding. Even then, when they did receive funding, they received inadequate funding. When this government was elected in 1981, it provided the kind of commitment to funding that the Crisis Centre in Thompson needed. It has continued to provide that commitment and will continue, I'm sure, in the upcoming years. Social services has remained a commitment.

So, too, has education. For the Member for River Heights, perhaps I would suggest that she look at some of the contrasts once again between when the Tories were in government. She talked about university funding. I remember when the Conservatives were increasing tuition fees by 20 percent and providing a cut in real terms of 8 percent, because funding was 3 percent when inflation was 11 percent. That was their commitment to education. I would challenge her and anyone else to look at the comparison since 1981. We have provided a significant amount of support to education both at the post-secondary level and the secondary level, and that is, once again, underscored in this particular Budget.

Also, and I've mentioned this theme before, I think this Budget is one that indicates that this government is listening to Manitobans. In terms of taxes, I think people were saying, quite clearly, that they did not want to see major tax increases in this Budget and that's exactly what's taken place and that is important as well, listening to the people of Manitoba and the Finance Minister has, in my opinion, done a very good job in doing that. Once again, that's another underpinning of this Budget.

Now I could continue at length with many of the positive features, but I think that the best way of putting this into context, this whole Budget, is by looking at some contrast. Well let's talk about the federal Conservative Government. Let's talk about contrasting their fairness in taxation with this government's approach to taxation. Well let's talk about fairness. I want to talk about a local example of how I view Conservative fairness.

I've mentioned in this House and I'm going to keep mentioning it time and time again until the situation is rectified and that's the situation with the northern tax

allowance in Thompson. You know, Thompson and Wabowden were originally two communities excluded out of 46. Well, the Federal Government, in their typical tradition of fairness, expanded that to include communities such as Swan River and Winnipegosis, which was just barely north of the 51st Parallel, and I say congratulations to them, that's all the better for them, but did they include Thompson and Wabowden? No, not at all, or Benito. Twenty miles from Swan River, which is eligible for the allowance, is a community called Benito - 600 people, I believe. Can you imagine the impact if that community had been excluded from a tax allowance which can provide tax benefits to individuals of up to \$2,000.00? It could have a devastating impact. That's their idea of fairness.

Can you imagine how the people in my constituency feel? They live in Thompson, it's north of the 55th Parallel. We've got a higher cost of living than Winnipeg. We've got a higher cost of living than half the communities that are eligible for northern tax allowance, yet we're not included. How about Wabowden? Because it's close to Thompson, which is over 10,000, it's excluded as well. Now that is hardly fair. Let's talk about that when we're talking of contrast.

You know, we could look at the overall perspective in terms of the Federal Conservatives. What has their record been in terms of their budgets over the last number of years? Well probably the best way of summing it up, I think, was some of the reports that I was able to find after their most recent tax reform. There's one from the Brandon Sun, for the Member for Brandon West, and I quote, "The wealthy fare nicely under the Tories," based on analysis from the Canadian Tax Foundation. Here's another article: "Rich are biggest winners under Tory tax reform." I could show, from analysis after analysis, report after report, of exactly what has taken place federally. Contrast that to Manitoba, where even given the restrictions we face as one province, working under a federal system where we've tried to bring in greater equity in the tax system. You know, I will debate with anyone the Tory tax system in the federal level against our record here in Manitoba.

I could continue once again with the kind of comparisons that I could draw between us and the federal Tories. I think the indication is obvious, the fact that we've done far better on any score, if one looks at the areas of fairness and equity, compared to the federal Tories. But some will say well, let's look at the provincial level, let's compare it to other provinces. It's not fair to compare with the Federal Government.

Well, what is the situation when one compares the situation in Manitoba with other provinces? I talked about education. Well, let's look what they are doing in neighbouring Saskatchewan - Tory Saskatchewan. What happened in 1987 as a result of the Conservative Budget there? One hundred forty-two technical institute instructors were fired. This is the Tories in Saskatchewan. School divisions' funding was cut 1 percent, the Gabriel Dumont Institute was cut 20 percent, the University of Regina operating grants were frozen, the student bursary program was eliminated, replaced by a much watered-down student loan program, and over 1,000 technical institute places were abolished. That's Saskatchewan; that's what they are doing on education.

What about health? What did they do in Saskatchewan with regard to health? What did they

do with hospital funding? Well, much the same as the Conservatives did when they were in power here in 1977. They closed funding. They didn't increase it less than the rate of inflation. They froze it, zero, no increase. What did they do in terms of community clinics? The same, funding was frozen. That's the contrast. That's what's happening in our neighbouring Province of Saskatchewan.

Now I can go through Alberta with their Conservative Government and the rather strange party called Social Credit in B.C. - which in reality is a Conservative Government anyway, or probably on the loony fringes of Conservative thinking - what they are doing is much the same sort of situation. There is no commitment to health or education. There is nothing of the sort. Once again, we see the same sort of policies that have characterized Conservative Governments in so many provinces and right here in Manitoba. On that contrast, once again, this government stands out well. But let's move even more locally because some people object - well, we're talking about other provinces, other levels of government. Let's talk about Manitoba.

You know, today I heard a speech in which the Leader of the Opposition must have mentioned the word "deficit" about a hundred times. You know, it's interesting, an interesting contrast, because during the election I remember his hastily called press conferences. And what did he talk about during those press conferences? The deficit? No, Madam Speaker, it was increasing social spending, increasing health spending, increasing education. But where does the member stand today, the Member for Tuxedo? He stands in favour of reducing the deficit. And there are even remarks in there about cutting spending in different areas, education, various different areas, reviewing expenditure, shades of 1977, the Spivak task force, I'm sure.

But how quickly the tune has changed. You know, some people will say, well, perhaps that's because of the pressure of the situation we have in the Conservative Party - the leadership situation. Perhaps that's because he's being faced with competition from other contenders for the leadership and it's a movement to the right on his part - a tactical move. Well, I would suggest differently because I remember when the Leader of the Opposition was elected leader, and I remember his slogan, "a new kind of leader." Well, what did we see from this new kind of leader? I remember people waited on issue after issue for the Leader of the Opposition to do something different from the predictable Tory approach. I remember last year I waited for the Leader of the Opposition to take a principal stand on human rights, on The Human Rights Act. He didn't. I remember, last year, when we were debating the principle of taking over public utility, ICG, it was the Member for Lakeside who showed a new kind of approach, the most senior member on that side, the only one to recognize that ICG is a public utility - the only one. The Leader of the Opposition? No, he was against it.

On issue after issue, it's become increasingly apparent that the Leader of the Opposition is no different from the other contenders for the leadership over there. He's right wing just like they are. He follows the same approach that Sterling Lyon followed a number of years ago, and then all they're debating over there is where they come from, whether they have Tories

from Tuxedo or Tories from some of the other constituencies leading the party, and the questions have style. I will get to that a bit later, Madam Speaker, because I think Manitobans deserve better than that type of approach.

I contrast this approach of the Conservatives, this inconsistent approach of talking about increasing spending during elections, and in moving back to their right-wing positions, right after the elections, with a consistent position of this government. We've stood for health and education, we've stood for it ever since we were elected in 1981; in elections and after elections and in-between elections. We've done the same thing with our economic policies. We've been consistent and they haven't - another contrast.

On those questions of contrast, as I said, Madam Speaker, I think there's very little evidence of some of the criticisms that we've seen opposite. I think it's said we've seen that this government does have an agenda for this province and one that is building for the future.

In fact, I would like to put ourselves in the position of being, say, 10 or 20 years from now. Probably most of the people in this Legislature today will not be active in politics at that time. I'm sure they'll be looking back on 1988, perhaps some historians will be. What will be remembered? Will they remember the Leader of the Opposition's speech today? Well we've got some division on that, I tend to agree with those who say no. Will they remember the positions of the Tories in 1986, in 1987, in 1988 on all different sides of the issue? No, I don't think they'll remember that either. Will they remember any positive suggestions coming from that party across the way? Will they remember any positive suggestions? Well, I don't think so.

In fact, if they look back on it, they'll probably be puzzled because even as Conservatives go, this Conservative Party in Manitoba is not very imaginative. I've seen Conservatives elsewhere give alternatives, saying we can do it differently. Here, in Manitoba, they seem to be relying on, I guess, their tried and true political approach of saying, well, we disagree with what you're doing, and during the election, we'll outline what we're going to do. This is 10, 20 years from now, as I've said, Madam Speaker, looking back on the Tories.

Let's look back from 10 and 20 years of hindsight of what they will see from this NDP Government. Just out of this Budget in the last couple of months, I'll tell you some things that I think will be remembered.

The move to the single-tier welfare system - some people may laugh at that, but as someone who's talked to people that have had to deal with the inequitable system we have in Manitoba, the two-tiered system and some of the problems they faced in doing that, I will say this will be remembered in 10 and 20 years as a significantly positive step taken by the government.

It will be remembered for two things. It will be remembered because it was right in as of itself, and maybe the historians will also note that the Tories basically took no position on it, did not support it, did not stand up for the rights of the poor that were affected by the present system. But it will be remembered for something else as well, and that is because here is a government faced with all the current political pressures of the day that took the time to help the poor. In fact, in some cases, those were extremely poor. That will be remembered.

What else will be remembered? I think one thing that will be remembered is some of the economic development initiatives outlined in this Budget. The labour-sponsored investment fund, or the employee investment fund, as I would like to call it, will be remembered. So, too, will be the Manitoba Equity Fund because here I think, is a good example of the combination of NDP philosophy with the very practical need to develop our province.

I will say right now in 10 and 20 years when these funds have grown, when they are investing in Manitoba businesses, creating jobs, when they're helping promote industrial democracy in the workplace, the people will look back and credit the government of 1988 for having had the foresight and the initiative of organizing these funds.

If people want to look, Madam Speaker, at other examples of this, they can look at the Quebec fund which is similar in some respects, and the record on that side in that province. That's 10 years now it's been in operation, and they will find that it's worked.

They can look at other examples in other countries. Sweden, for example, has a whole series of employee investment funds, that once again have played a major role in the economy. That will be remembered.

I look forward to seeing once again whether any Conservatives across the way have any vision of how much potential that can have for this province, because all I've heard from them thus far are the same sort of negative comments that we hear so many times over and over again.

As I look 10 and 20 years down the line, I look at what I will see in Thompson in the North and I see initiatives being taken this last year, these last few months, that will be remembered. I look at some of the improvements that will be taking place in my community as a result of working together, the community and the different levels of government.

I'm reminded of just how little happened with the Conservatives in those four years in Northern Manitoba, and I've outlined all the negative things in the past, but how little positive happened.

I just outline something I heard this past weekend, I think sort of highlighted it. I was at the Ski Club in Thompson. You know, they went and they virtually begged for some assistance from the Provincial Government, the Tory Provincial Government, to help in their expansion project which received the full support of the community. How much support, how much support did they receive? Nothing.

But since this NDP Government has been in place, thanks to its support for funding from Destination Manitoba and thanks to its support through the Community Places Program, the ski hill has been able to bring forward that community expansion plan.

Let's talk about another area - seniors. You know, in 20 years people will look back at this period and they will remember that it was this government that provided support for the drop-in centre for seniors, the first drop-in centre that we've had in our community. I also believe it will be this government that will provide the funding for the first seniors' home. Perhaps in the provincial perspective that won't be that significant to some, but to the people of Thompson that will be very significant.

For those members opposite who talk about the Community Places Program, as did the Leader of the

Opposition today, I want him to say which one of my community groups should not receive funding from the Community Places Program. Which one is he against? The seniors? Is he against the Ski Club? Is he against the other recreational groups? Is that what he's against? If that's the case, I want him to come to Thompson and outline what his vision is for my constituency, because I can tell you, Madam Speaker, that the people of Thompson, in 10 or 20 years, will remember which party had vision for our community, and it will be the NDP.

I want to bring my remarks to a close . . .

MADAM SPEAKER: Does the Honourable Member for Springfield have a point of order?

MR. G. ROCH: I was wondering if the Member for Thompson would entertain a question.

MADAM SPEAKER: Would the Honourable Member entertain a question?

MR. S. ASHTON: I'll be more than happy to entertain a question after I finish my remarks.

MADAM SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: Thank you, Madam Speaker.

In concluding, I want to get back again to looking at that future perspective. I've mentioned it in terms of what people will remember from this period of time. You know, if there is one thing I would like to be remembered for - and perhaps this is doing something that isn't often done - if I were to look at my political epitaph and the epitaph of this government, I guess what I would want people to say in 10 and 20 years is that they were able, yes, to deal with the immediate concerns that face people, but beyond that were able to move Manitoba ahead in terms of a number of key areas - in terms of economic development, in terms of economic justice, and that is something different than strictly economic development alone.

I would hope the people would look at that and look at what has happened these last few years in that regard. I hope they would look at things like giving working people more opportunity to participate in the workplace - industrial democracy, if you want to use the term, and see greater participation. That's something that I hope they would see the efforts of those of us who are here at this particular time.

I hope they will look back and they will ask the questions about what was done in terms of developing our communities, look and analyze very carefully what happened in communities such as Thompson, or in the North as a whole. I hope those will be the things that they will look at, what we in 1988 saw of the future, and what we did to try and build that future.

I can stand here today, Madam Speaker, and quite honestly say that, as far as this government is concerned and my own role in this government, I have no fear of what history will say because, no matter what members opposite may say today, in terms of their negative criticisms - and that's their right as an Opposition - I'm the first to admit it - I think in 10 and 20 years,

people of my constituency in Thompson, the people of this province, will look back and they will say that, yes, this government did try to move on those important issues.

No matter whether they agree with this government on every issue - and certainly nobody does agree on every issue with any party or any government - no matter what they will say, I think they will look back positively in this period, and I ask members opposite if they can really, truthfully say the same from the four years they were in government.

Madam Speaker, I don't envy them in having to try and think of positive things that happened between 1977 and 1981; there weren't that many. They have to be very creative. One advantage we have on the NDP side is that we know no matter what happens in the next period of time that we can hold our heads high in the future about some of the differences that have been made in this province. It's in that spirit that I'm supporting this Budget today; it's in the spirit that, yes, there's good, immediate benefits for this province, and one other most important thing, too. That is, in 10 and 20 and 30 years, I'll be able to hold my head high and say, "That was a good Budget," and it's indicative of a good government.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Springfield, with a question?

MR. G. ROCH: Yes, Madam Speaker.

I was wondering, the Member for Thompson, is he saying that projects in Tory ridings - senior citizens' clubs, ski clubs, any kind of projects - are any less deserving than the ones in NDP ridings? For example, it's a fact that four grants were refused in East St. Paul and one approved in Elmwood.

Is that fairness? Are you saying that just because some were approved - the Member from Elmwood says, yes - are you saying that a Community Places Program, which is subject to the approval by Cabinet, has been awarded 75 percent to NDP ridings, 25 percent to Tory ridings, are you saying that the senior citizens and the people living elsewhere, other than NDP ridings, are less deserving? Is that what you're saying? No one here has said that the people in your riding were not deserving, but you implied that residents of PC ridings were second-class citizens. There's no doubt about that.

MR. S. ASHTON: I'm pleased that the member has raised this question because I've been extremely frustrated at some of the creative statistics that members opposite have used.

When they include the symphony, the ballet, groups that serve this entire province, as being part of NDP constituencies because their office is located on Main Street, I really have no respect for this phony sort of statistics. What I said to this Chamber, and what I will say to the member, is that my groups that have received funding deserve that funding, and I will defend their right to get that funding. I hope that members opposite would acknowledge that my Rotary Club, with its seniors' home and the many other groups, not only deserve that money, but deserve to be congratulated

on their work for the community. And I hope the member will have the courtesy, not just to me, but to those groups to say that.

MADAM SPEAKER: The Honourable Member for Brandon West.

MR. J. McCRAE: Madam Speaker, the answer just given by the Honourable Member for Thompson to the question about fairness in the Community Places Program, that answer is pretty cold comfort to the Canadian National Institute for the Blind in Brandon who were turned down in their application for funding under that Community Places Program.

Madam Speaker, the debate we're having today and will be for the next little while seems to me is nothing more than an extension of the debate that we had last year on the Budget of 1987. The government is relying so heavily for its Budget proposals this year on the revenue raising initiative, to use the Minister's words, called a 2 percent net income tax imposed on Manitobans in the last Budget, the change in the payroll tax imposed in the last Budget and the increase in the sales tax in the last Budget and other tax changes.

What we have is a huge grab again, this year, which comes about as a result of taxes imposed in the last Budget. What we have is really an extension from the last Budget because there's little to crow about in this Budget. Obviously, the Minister was able to take a Budget to the people that had few tax increases, but you'll note also, Madam Speaker, that there were few tax decreases or few taxes removed from the backs of working Manitobans in this Budget.

Madam Speaker, Budget Day is a day of rest for honourable members opposite, and the debate on the Budget may be a bit of a breather for them because to some extent it would take some attention away from the massive losses of Crown corporations in this province, massive losses and massive mismanagement on the part of honourable members opposite which brought about the losses. If they think that the rest that they're going to get because we've got a little break by virtue of the Budget Debate, they can look ahead to a couple of weeks from now when they'll be hearing more from us than they perhaps are right now about losses in Crown corporations.

Not the least of those losses and not the least of that mismanagement is that which we see at Autopac, Madam Speaker. Honourable members opposite may think that the people will forget about Autopac. Well, that is quite impossible, even if it was something they could manipulate as they have proved to be so good at doing. This is one they can't manipulate themselves out of, and this Budget is not going to help.

The Budget, by my comments, I would hate for anyone to confuse the facts that go with this Budget and that it is indeed, as my Leader has said, one of those "let's pretend" Budgets because it relies so heavily on tax increases brought in previous Budgets.

With the revenue brought in of \$450 million, the government has a golden opportunity or the government has blown it, again. There are higher taxes and fees in this Budget, Madam Speaker, to the tune of \$330 million. There's a growth in the economy projected at 2.5 percent. Those nasty federal people from Ottawa

have upped federal transfers 10 percent to an increase of \$122 million, which brings us to \$450 million more in revenue this year than last.

So I have to ask, why then do we have a deficit, Madam Speaker, of \$334 million? Instead of doing the right thing with these massive revenue increases, the Minister of Finance has opted for appeasement; he's opted to try to play "let's pretend," a little bit of Mr. Dressup in the works, maybe a little Peewee Herman just to keep the people entertained. The way the Budget is handled has proved positive that the Minister of Finance and this government are irresponsible in the handling of people's money. It will not, as I said, decrease the anger that people feel over the changes in Autopac this year. So I hope honourable members will not be so smug and so arrogant as we have just seen from the Honourable Member for Thompson.

We are reminded about the fact that the deficit is decreasing by some \$61 million, and the Minister opposite pats himself on the back and says well, it's so much better than the federal people are doing. I remind the Minister that for four years running the Federal Government has been decreasing the deficit in Ottawa, and it's a rather much larger undertaking than the situation we have to deal with in Manitoba where all the numbers are so much bigger on a national level.

I might also remind the Minister opposite that the debt that Ottawa is chipping away at is not the debt brought upon the people of this country by the Progressive Conservative Government of Ottawa. It's a debt that was brought on through many years of Liberal rule, notably under one Pierre Trudeau . . .

A MEMBER: Supported by who?

MR. J. McCRAE: Supported by honourable members opposite and their friends.

I remind the Minister also that the debt that he is chipping away at this year is his government's debt, and that should be well remembered by the Minister and by the people of this country.

If the Minister had made a real attempt at bringing about sound management in this province, we would have had a much greater reduction in the deficit and the people of Manitoba would have benefited in the future. I'm talking about younger Manitobans, all Manitobans. It would have been a beginning for the protection, for a real meaningful type of protection put in place for our social programs for the future.

I'm concerned if this government continues to act, as the Premier has said he would act, a day at a time, as the Member for St. Vital has urged the Premier, or has forced the Premier of this province to act, and that is a day at a time.

So when you're operating, Madam Speaker, a government on a day-at-a-time basis, it's pretty hard to have any long-term plans. I suppose I should sympathize with honourable members opposite for that, but I really don't. They've got themselves into this mess and the people of Manitoba will get them out of the mess and out of office. The deficit is proof positive that this government is indeed operating at a day at a time.

I've said, Madam Speaker, that the Budget is a "just in case there's an election Budget," and with the

situation on the opposite side, we don't know when there will be an election. It appears less and less that the Premier is going to have a whole lot to do with the timing of that election which is the usual way we do things.

Since the power of deciding when the election will be called does not rest in the Premier's hands, or in the hands of the Minister of Finance, we get a Budget like this, which really does a disservice to the long-term future of our province, but does put across that "let's pretend" image and does put across that "Mr. Dressup" image, the image that things are really better than they really are; that things look better than they really are.

But when we talk about \$334 million deficit, that is bad enough. It's shocking in my estimation. But when we talk about the Crown corporation losses, in addition, the ones that the Minister of Energy scoffs at, the ones that amount to \$185 million, we are talking about \$519 million in a deficit situation under this government's tenure. Madam Speaker, that is not acceptable to Manitobans and the government members will be finding that out.

It's interesting to note that the Department of Finance is indeed now the second biggest spending department in this government after the Department of Health. Interest charges this year, and we are talking about the deficit that we talked about a while ago, interest charges are \$523 million this year. Interest charges increased by \$85 million over last year.

I remember a Budget or two ago listening to the Honourable Member for Brandon East talking about deficits and what they're for and when they should be resorted to, and I remember it was interesting because the Minister stopped himself dead in his tracks. He did not finish the thought. He started out by saying that when times are bad, we should feel that it's all right to borrow and go into a deficit situation because then when the good times come around - and, Madam Speaker, that's when he stopped, because he realized we are in the good times right now. They are so good we are bringing in \$450 million more than we did last year. Times are so good, yet we still have a deficit of \$334 million.

I know why the Member for Brandon East stopped himself in the middle of his statement, because he knew what he was talking about was balderdash. It made no sense, and from an economist he knew that nobody would believe what he was saying because these are not the times for running up massive deficits and mortgaging our future. So I mean if we're bringing in \$450 million more revenue than last year, and if times are so good in this province, then why do we have to run out and borrow \$334 million?

The interest charges we're paying on our deficit this year of \$523 million, Madam Speaker, that amount we spend on interest charges amounts to more than the combined total of spending in the Department of Legislation, the Executive Council, the Department of Consumer and Corporate Affairs, the Department of Labour, the Department of Municipal Affairs, the Department of Urban Affairs, the Department of Agriculture, the Department of Business Development and Tourism, the Department of Co-op Development, the Department of Energy and Mines, the Department of the Environment, Workplace Safety and Health, the

Department of Housing, the Department of Industry, Trade and Technology, the Department of Attorney-General, the Department of Culture, Heritage and Recreation and the Jobs Fund.

A MEMBER: All those?

MR. J. McCRAE: All those.

Madam Speaker, we're spending more on debt than we spend in all of those departments, and I say that at any time -(Interjection)- yes, combined, and good times or bad times, that is totally unacceptable. There's just no way Manitobans can put up with this kind of mismanagement.

In fact, we've still got another \$27 million to go, Madam Speaker, before we've spent as much as we would in all those departments. We spend that kind of money on debt in this province, and that is unacceptable.

Now some of my colleagues are incredulous to hear this. The fact is that I added them up. We spend more on debt than we spend in 16 departments.-(Interjection)- I'm used to a little gentle heckling, Madam Speaker, from honourable members opposite, but once in a while my Whip gets involved and he's speaking later.

Well, Madam Speaker, I don't go in for higher math, but my arithmetic tells me that the combined spending of those 16 departments is \$494.6 million and we spend on interest charges, \$523 million. The Honourable Member for Emerson can look that up and work it out with his calculator if he likes, but I think that's pretty close.

One thing that seems fairly clear is that this Budget seems different from the last one, and it is. But the last Budget had the effect of thrusting the hands of the Minister of Finance deeper and deeper into the pockets of the average Manitoban. Now the former Attorney-General, the present Minister of Education, has made the point that he thinks that's quite acceptable for governments to have their hands deeper and deeper into people's pockets. But this is a matter of fundamental difference between myself and the Minister of Education.

I happen to feel that governments ought not to be in places where they ought not to be. And one of those places is into people's pockets more than good management principles would allow. And this becomes the nub of the whole discussion. What are these people doing with our money? Manitobans are far from satisfied that their money is being properly managed by honourable members opposite.

The Budget of 1988 simply continues the tradition laid down in the last number of years and the point was made very dramatically in 1987. But the condition, the tradition of having the hands of the Minister of Finance deep into the pockets of Manitobans is well maintained this year by virtue of the huge tax grab of last year. Were there any taxes decreased in this Budget? I don't think so. Were there any taxes reduced? I don't think so, Madam Speaker. That's not in the best traditions of the New Democrats.

I can't help but think of Tommy Douglas when we talk about this Budget. Tommy Douglas' name was mentioned a couple of times in the Budget Speech,

and I thought how very hypocritical of the Minister of Finance to do that, how much a betrayal his reference to Mr. Douglas was in the Budget Speech, and how much of a betrayal it was to the tradition and the legacy left to people in this country by the Honourable T.C. Douglas. The man is dead and it does a disservice to his memory in a Budget like the one we heard last Friday to even mention his name.

It bothers me very much, Madam Speaker, as a member from Western Manitoba, to see how farmers are treated by this government as second-class citizens, or to use the Premier's favorite expression, "Class B citizens" in this province.

Then the Minister proudly hailed, on pages 10 and 11 of his Budget Speech, he proudly hailed and talked about how this government was improving its financial management of this province and then went on to name - I added them all up and came to about 5 million-something in terms of savings - and that becomes a miniscule fraction, Madam Speaker, of the spending of the department.

The Attorney-General was critical of me and ridiculed me the other day when I made reference to the Manitoba Labour Education Centre and the fact that \$200 thousand of taxpayers' dollars were being misused and improperly allocated to the Labour Education Centre on an annual basis. He said something to the effect that it was a couple of thousand dollars, and there was no way the Honourable Member for Brandon West was ever going to find out anything about how that money was spent.

Well, this was his way of belittling what I think is a rather large expenditure, money that could be used to keep hospital beds open, money that could be used to build highways, could be used to reduce the deficit or to reduce some of the taxes that we think are hurting Manitobans so badly. But there's no commitment to any kind of efficiency or spending cuts in terms of the kinds of cuts the Minister is talking about in his Budget.

He refers, for instance, to the Manitoba Design Institute. He's going to save \$65,000. And that is worth mentioning in a Budget Speech where you're spending \$4.2 billion, Madam Speaker? What an insult to the intelligence of Manitobans. There's no mention of Crown losses, as I referred earlier to MTX and to the Workers Compensation Board, Flyer Industry, Manfor, McKenzie Seeds, and of course, Manitoba Public Insurance Corporation.

Because of those massive losses and because of documents being shredded and because of deception on the part of honourable members opposite, people are now paying huge percentages more for their insurance coverage, for their automobiles, for their motorcycles, for their commercial trucks.

Madam Speaker, in my community we have a meat packing plant operated by Burns. The Budget again makes reference to extending a beef stabilization program of some kind to feedlot operators in Manitoba. My leader made mention of that in his speech, and I'd like to refer you to the Estimates for Agriculture in the Main Estimates of Expenditure and, under Income Insurance funds, the beef stabilization plan shows a decrease in funding made available for beef stabilization. Maybe the Minister of Agriculture, when he speaks in the debate, will explain how that happens, but it seems strange to me.

In the Brandon Sun last week the headline was, "Cattle shortage puts Burns plans on hold." Well, as the representative for Brandon West where the plant is and where many of the workers come from, I am concerned they have got on hold a \$2.7 million investment intention. It's on hold because of a shortage of local slaughter cattle.

The plant manager says that Manitoba cattle supplies are horrendous. I remember asking the previous Minister of Agriculture about this early in the last Session. What's been done since? Now we get some kind of commitment to it, but you don't see anything in the Estimates for that.

The marketing manager of the Manitoba Beef Commission says that the Saskatchewan stabilization program is causing higher prices for unfinished cattle there than the market would normally warrant. Burns is quite justified in complaining about the supplies. Well, there are 60 jobs that would be involved in this extension to the plant there. I'm pleading with this Minister. If this is more rhetoric about stabilization, please say so now, so that people can throw this government out quickly, so that the Member for St. Vital might notice and help us and get rid of this government, so the people of Manitoba can be offered something else that's better. The Burns company tells us that a decision like this one should - there's an 18-month lead time involved here.

Get cracking, I say to the Minister of Agriculture, and get this thing going because what we understand about this feedlot industry is that it's dying, as this Minister and this Premier sit here cackling about what a wonderful Budget they have and what wonderful government they are providing to the people of Manitoba. Farm people are hurting, cattle are leaving our province. There's a fellow who should have the attention of the Minister of Agriculture and that is one Bruno Zimmer. I understand there's some kind of organic fusion or something between Mr. Zimmer and honourable members opposite, only at the elite level, mind you. I would like very much for that fusion to go on in this case and get these plans going so that Burns can get on with their expansion plans, put 60 Brandonites to work and improve our economy.

Maybe that'll make up for the mistakes and the foot dragging that's been going on at the Department of Industry, Trade and Technology with regard to the Brandon Manufacturing. The Minister of Industry told me last week he was going to get back to me on what efforts his department was making to either keep Brandon Manufacturing open or to locate another business in Brandon should Brandon Manufacturing go ahead with its plans to shut down on May 2 - another 57 jobs there.

I remind the Minister of Agriculture now that he's now kind of rubbing shoulders with some of these union bosses and elite people over there in the Cabinet. I remind him that 60 jobs in the City of Brandon is like 900 jobs in the City of Winnipeg. If something like this was happening in the City of Winnipeg, that Minister and maybe even some of his colleagues would sit up and take notice. I urge him to get on with this and stop talking about it - get on with it because people need this.

Madam Speaker, I have to join in the criticism when it comes to the lack of consultation with regard to the

3 percent cap on tax sharing with the municipalities. I, from my experience in Brandon, know that this kind of issue is important enough to consult with people beforehand, to find out what possible downsides there might be, what possible upsides there might be. The Minister doesn't have to cling to the concept of Budget secrecy when we're talking concepts as opposed to specifics. Not even the concepts were discussed with the municipalities about this, as I understand it, and the Minister of Finance should have done better. I remember saying a couple of years ago that he was one of the bright lights and that maybe things would get better under his stewardship of this department, but I'm afraid I have to take those words back today because the Minister has let us all down.

Madam Speaker, last spring, the Progressive Conservatives had a number of meetings around the province dealing with the last Budget and one of the main issues I think at those meetings was the 2 percent net income tax and the impact that would have on Manitobans.

At that time, the Brandon Sun didn't really give us the kind of credit we thought was due at that time. The meeting in Brandon took place on May 25. This was about two months after the Budget. The Brandon Sun ran an editorial saying something to the effect that, well, why are they having their meetings now? The sales tax was imposed a couple of months ago. People have forgotten about that and they're on to something else now. I remember thinking, well, that's really not very fair of the Brandon Sun to say that because they must be forgetting about something because we felt those meetings were very important. The people who attended them did too. This is the editorial in Saturday's paper just recently after this last Budget and I'll read a fair amount of this editorial into the records, Madam Speaker. It's headlined "Kostyra's Budget."

"If you haven't figured out your income tax this year, you may be in for a shock. In doing so, you will be rudely reminded the Provincial Government last year introduced a 1 percent tax on net income which it began deducting off pay cheques last July 1. This tax will reduce the average middle-income earners tax refund by anywhere from \$200 to \$400.00. This tax rose to 2 percent January 1, so the perception that Manitobans escaped lightly from Finance Minister Eugene Kostyra's Budget yesterday is wrong. Kostyra hit so hard last year that his two-stage grab at the pay cheques of Manitobans is only now being fully understood."

The Brandon Sun is now telling the people of Brandon what we in the Opposition were telling them last spring. But now the people are going to be feeling it and the Brandon Sun will be reminding them.

The editorial goes on a little later. I'd been saying this all along but the Brandon Sun seems to have joined in on this one. "Manitobans have to be worried about the acumen of this government which now has debt servicing ahead of education spending as its second biggest Budget item after health."

I recognize, Madam Speaker, the question raised earlier by the Member for Kildonan, when he suggests that in spending totally in the Department of Finance is where we're getting this number, and that's a correct observation. So I'll have to let the Brandon Sun know that they may get their butt kicked by the Honourable Member for Kildonan if they don't smarten up, too.

"The province's Finance Department" - I'm back to the editorial now, Madam Speaker - "has gambled by borrowing funds in Japan and in Europe, only to see these currencies rise substantially against North American money." Gambled - I don't think governments should be in the business of gambling but that's clearly what's been happening. This government has gambled too many times and lost too many times, Madam Speaker. It says the main problem with this Budget is that there is no contingency plan.

"The Pawley Government has not shown it can pare down drastically on the expenditure side. With no more to squeeze out of taxpayers, the Pawley regime may soon have to learn how to take the painful measures necessary to shrink the size of government."

We hear from the Minister that, oh, we've laid off 14 of our 116 communicators. We hear that 21 senior jobs are being cancelled when we've had a 60-percent increase in the size of the senior bureaucracy. Madam Speaker, I know what I'm talking about when I complain about the senior bureaucracy versus the man and woman out there who actually is getting the work done and providing services to Manitobans.

The Honourable Member for Arthur and the people in Reston and Deloraine and the people in Winnipeg Beach, those people know very well what we're talking about when we're talking about growth at the higher levels and cuts where the work is being done. The people who need the services provided by the Brandon General Hospital, they know what it means to lose services. The people who work there know what it's like to have a government playing around with their lives and playing around with the services that are vital to Manitobans.

The Honourable Member for Concordia knows very well what I'm talking about too. Somehow he's changed his tune. He's had a conversion on the road to Damascus, I guess it's called. He's the great one who had quite a change of heart just a couple of years ago. And I'm telling you, it says something about a person's credibility when they can change in such fundamental ways so quickly.

The Minister of Health has brought in with much fanfare the \$10 million health trust fund. I take that is to help Manitobans and to help us get into alternative forms of delivery of health care. We've been hearing about so-called health care reform for two years, and for over a year-and-a-half now, we've been getting cutbacks at hospitals, but for the first time we see something in a Budget and yet we also see mention of stabilization in the Budget, but no numbers to back it up. So I really wonder about the Health Care Trust Fund.

I wonder also, with all these new revenues, can the Minister of Health be assuring me that Brandon General Hospital beds won't be closed again this summer? Can he make that assurance? I'm sure when he's up on his feet to speak in this debate, I hope he will address that issue, or do we have a continuing charade of no planning, or worse, bad planning?

I repeat what others have said about the gasoline tax. This gasoline is going to be phased out I understand, Madam Speaker, by 1990. So what we have is a last gas effort to grab away at something else. You know, I remember that we've had a lot of fads over the years. It was the hula hoop back in the

Fifties. I just wonder if this government had been in office in those days if they would have been watching the market trends on the hula hoop and just as they were going out, took a good grab in terms of taxation on the hula hoop.

This tax, and honourable members opposite know it, the Premier knows it now, he's been told enough times - he knows that this is a tax against the poor - this type of taxation is not going help this government's reputation very much in terms of the ordinary Manitoban.

So I agree wholeheartedly with my leader when he talks about this being a "let's pretend" Budget. I referred earlier, it's a Mr. Dressup type of Budget, but it's also a Peewee Herman type of Budget because it doesn't make a whole lot of sense in a lot of ways. It's a "let's pretend" taxes aren't going up Budget; it's a "let's pretend" we're working on the deficit; it's a "let's pretend" we're not failures at operating Crown Corporations.

Let's pretend that we care and we share even with the poor people who need to use regular gas. Let's pretend that we're looking after ordinary Manitobans. Let's pretend we're not hurting our union friends, our elderly Manitobans, our people on fixed incomes. Let's pretend we're planning for the future for the young people of this province.

There's a 3.8 percent increase for public schools in a Budget that proposes spending increases of 8.7 percent. We know where the priorities of this government are. There's been a commitment in the past, depending on who you talk to, Madam Speaker, either the Premier or the former Minister of Education, this commitment to 90 percent of funding from the province for schools. We don't know if it's a hope or if it's a wish or if it's a commitment, but sometimes it's a commitment anyway. There's not much commitment demonstrated in a 3.8 percent increase for public schools. There's not much commitment toward that.

Well, we've heard that this is a "let's pretend" Budget in a lot of ways, but after the next election, Madam Speaker, I hope honourable members opposite will have fun pretending they're still in government.

MADAM SPEAKER: The Honourable Minister of Labour.

HON. M. SMITH: Madam Speaker, again, it's always a privilege to stand up and support a government Budget and to deal head on with some of the arguments that I've heard coming from the speakers today from the Opposition.

Madam Speaker, I guess the feeling I have about the Budget is very much rooted in how I see the affairs of the province moving along, and the one quality I find in the Budget that I really admire is its steadiness. It is based on a recognition of the real changes going on in the world; it is recognizing the real needs of the people out there; it is recognizing the very legitimate concern that we can't run ourselves too far into deficit; but it is also recognizing, Madam Speaker, the very real role that a government plays in the economy when we are in an up cycle and a down in the economy when we are going through very significant national and international changes.

Given all the swirling changes that are going on around us, Madam Speaker, I feel very proud of a Budget that has protected the most vulnerable Manitobans; that has seen investment not just in terms of a bottom line and the way dollars add up, but in the real quality of lives of the people that we represent, the quality of the environment and the building of infrastructure, the building of programs for the future so that we are not just looking at that one indicator, the bottom line. Important as it is, Madam Speaker, it is not the only way to look at the success of a government Budget.

I believe that we have adopted the appropriate policy with regard to deficit reduction; that is, a gradual closing of the gap, not a sudden cutback just to make everyone feel that somehow we are at the magic balance level, but a gradual reduction, realizing that there are emerging needs which have to be dealt with. There are needs in a system like the health system. Important as we say reform is, there's a built-in dynamic in the way the system currently operates that eats up increasing shares of the revenue available, and it's not just a matter of taking a system and chopping, changing and saying, well, we'll protect beds, we'll pay the doctors and ignore all the other workers, ignore all the questions about how to give equal access throughout the province.

Madam Speaker, it is a question of understanding the system, working with people so that all the workers, both in the health care system and the public who access the health care system, understand why there is a need for change, that they can support it and that we can achieve a redirection of many of our health care resources over time. It is not a process that you can just snap your fingers and dictate and expect to happen overnight.

Again, Madam Speaker, the Budget is based on a view of taxation that is more than just looking at grabbing something out of someone's pocket. It asks vital questions: Who has money in their pockets? Who doesn't have enough? Madam Speaker, I hear some very wild noises from across the way, I don't know whether they're wishing they had more, or they don't like me raising the issue. But, Madam Speaker, one of the reasons that some of us are here in this Chamber is because we have known ourselves, and we have known people who lack enough money for the basic necessities, the basic dignities of life. There are still people in this province, Madam Speaker, who suffer from that; and, sure, there are economic problems we have to deal with.

Madam Speaker, there is a tendency on the part of the Opposition to look at each issue as though it's a simple black-white. If you balance the books, don't close a bed, pay the upper people more, and don't take more out of their pockets, all is well.

A MEMBER: Upper income.

HON. M. SMITH: Upper income. Leave more with the upper income people.

Madam Speaker, I submit that this Budget is based on a different vision of the kind of community we want to live in, a community where no one lacks the basic necessities.

The tax system is based on a recognition that there are some people who have more than they require, in

terms of the total well-being of the community. There are also many people who still, today, lack the necessities. Therefore, a taxation system must be progressive. We must not only evaluate it, in terms of the percent or the increase year over year, but what is the actual impact in the lives of people. And I have yet to hear that type of analysis or approach from the Opposition.

There seems to be an unwritten assumption that, if one can only make the books balance precisely, all is well with the world. That's not my view of the role of government, Madam Speaker. When there are ups and downs in the economy, when there are weaknesses in the economy, when there are needs that people have for their own well-being so that they can play a part in the future life of the province, for a government to ignore those and only go with the bottom line is irresponsible.

Now that doesn't mean that you can pay no attention to deficit level or to cumulative deficit, but we believe that as we go through all the economic ups and downs, Madam Speaker, we are here to balance out, to phase change, to manage longer term investments like education, like health, like community services, that give the basic supports to people in their daily family life, so that they are in a position to share in the well-being of the community, years to come. Investment is not only in business; investment is not only in hardware, Madam Speaker; investment is in people, in their well-being, in their sense of participation.

Madam Speaker, listening to the Member for River Heights give her analysis of the Estimates, I must say I was overcome with pity that she didn't have access to more research facilities because what I saw was a very simplistic approach to every issue. There was a pocket calculator that looked at percent increase and percent down, and an attachment to one problem in a program area, and somehow a damning of the whole program, and also a commitment not to increase the support monies that she had for her services, and I find that kind of approach really worrisome.

What would she do if she were in government and she had that simplistic view of things? Would she not research it further? Would she just make a snap judgement, based on a quick calculation and a simplistic view of the world? Frankly, it worries me very deeply that that is being called a substitute for a real policy approach and a real critique of this Budget.

The Member for St. Vital asked whether we had been looking at our Budget and our fiscal management as a whole, or as a series of separate parts. I thought it was an interesting question, Madam Speaker, because dealing with the complex and varied Budget items and expenditures of government, I can see how it must often look disjointed, as though things are only being looked at in part.

But I submit, Madam Speaker, that the development of this Budget and the entire government program has been based on a view of the whole. It's been based on some recognition of the problems that agriculture is facing with world prices, some recognition of the great variations in mining prices, some recognition that mining taxes can be down when the world price is down, but it's also appropriate for them to move up as the prices go up.

Madam Speaker, we have looked not only at the national and the international changes we've had in

some places to compensate for inaction by a Federal Government, but we've also tried to look at the context within our own province. We've tried to understand the underdevelopment in many of our northern communities, the current structural problems being faced by many of our farmers, a lot of them which are not going admit to quick solution; the special problems faced by different groups of people, our Native people who are moving from one stage of economy in society gradually into a different one and making their own choices as to how they're going to move into that different world and to what extent they're going to bring their own imprint.

Women, Madam Speaker, I often wonder, when I hear the members opposite discussing the pocketbook and the bottom line, to what extent they realize how many women in the past have been omitted completely in the debates on public affairs, not just omitted in the fact that their presence was not in the forms of the Legislatures of the country, although that too has been true but omitted in the very awareness of the members in terms of what vitally affects their lives, the conditions of housing, the conditions of child care, the conditions of economic security should their family situation break down.

The conditions of abuse that women and children, by and large, have suffered from as it's been a taboo situation, Madam Speaker, well, I suppose throughout all our lifetimes, and the fact that those situations are now coming up into the open, that we as a society and a community - and I think it's a desire shared by all sides of the House want to address - but you cannot address those types of problems by cutting, by slashing, by only looking at the tax system.- (Interjection)-

Now, I hear a call from opposite that you can't solve a problem by borrowing. You can't solve a problem in the long run by borrowing, Madam Speaker, but there may be a time where you do borrow in order to build in some of the preventive and immediate crisis services so that those people can move in and share in building the kind of community we want. There is an appropriate scale and time of borrowing. Now, when is that time?

I've been listening to what I consider - I guess one's age gives one away, but I seem to remember as a young child I lived in the States for a few years and I remember hearing a lot about Hoover and, of course, some people were talking about Roosevelt and his new ideas, and some people would damn him and some, of course, were holding on to what he offered as some kind of promise.

But it seems to me that the Hooverites were the ones that were in control when the fiscal managers were to the fore and they said, no matter what happens to anybody, if we can just balance our books and make the money accounts come out right, everything else is going to work out - and they tried. Governments cut their spending; the financial markets collapsed; the whole employment picture dissolved.

I can remember as a child actually going to school with people who had migrated from Oklahoma and Arkansas - we called them Oakies and Arkies - and the children we went to school with had rickets, Madam Speaker, and it wasn't for years that I knew enough to ask questions about why that had happened and was there any role that government could play, if not to prevent the full impact of that, at least to soften it

and perhaps over time to remedy it and, indeed, to prevent it.

It's following those kind of questions that led me to the belief in the type of economic program that our government espouses, that issue. Deal with the ups and downs of the market by balancing and then you also deal with the weaknesses of your economy and build. So you go forward on both feet. At the same time, you try to remedy some of the injustices that affect the different groups of people, and that's three different trends that you have to work with at the same time. It's not a simple matter of saying, we'll do this and not that. You must deal with all of those.

Now, what are the main problems that I think the Manitoba economy has to deal with? I believe with members opposite when they say to a large extent, if we don't have a thriving and prosperous economy or ability to maintain social programs, we'll be weakened. And I don't think that means that you have to wait till somehow the economic miracle occurs before you build your social programs, but I do agree with them that there is some logic to the point that you have to have a strong economy to support the social programs.

I think that we suffer from too much foreign ownership in Manitoba - and I don't think there's anything wrong per se with foreign ownership of the economy - but, Madam Speaker, if you have too much, then you lose control. Now, the same applies if governments borrow too much, but they retain some control in terms of how to allocate their resources.

I mean, no one is defending large deficits over an extended period of time. We built the deficit up when the economy was very low. Now that we're doing better, we're not at the top of the best that we would ever achieve, but we are closing that gap. Our operating deficit is down under the \$100 million mark, Madam Speaker. It really blows my sense of proportion when I hear a Federal Government that went in with great promises of flashing and bashing the deficit that they inherited, and their record pales beside what we have accomplished here. It pales, Madam Speaker.

When members opposite keep calling for more deficit reduction, they're never very specific about where they would cut. As a matter of fact, I more often hear them, particularly during election time, calling for more services, lower taxes, and somehow the end, deficit reduction. Quite frankly, Madam Speaker, that argument doesn't hang together for me.

So I was very pleased, on the ownership of business and the economy, that our Finance Minister has proposed three initiatives that will help, inch by inch, to reverse some of that - some bottom-up development through the labour sponsored investment fund, the equity fund and the Manitoba bonds. Again, not a major or a dramatic move but a slow mechanism whereby over time, Madam Speaker, more Manitobans can expand and develop their own economic activities and we can keep more of the benefits here in Manitoba.

I also heard the Minister of Finance refer to converting as much as possible over time of our borrowing to Canadians or, at second best, North American currencies, and that trend or that intention seems to have been lost in the members opposite because to date I haven't heard any comment on it.

There's another major weakness in our economy, Madam Speaker, and I think this is a weakness that

is parallel in many ways to what many of the developing countries in the world are facing and, that is, their imports are much in excess of their exports.

Now, when I was attending the United Nations End of Decade Conference for women in Nairobi, I heard three-quarters of the nations of the world describing the process of being a dependent economy, after it had gone to a much more critical point, and speaker after speaker, Madam Speaker, referred to their increase in debt, to their lower agricultural commodity prices, to their increasingly negative balance of payments, to the impact it was having on their social programs in health and education. I couldn't help but think, Madam Speaker, that if we don't do what we can to strengthen the economy of Manitoba and give it a basic ability to grow from within that we might face that very situation.

I wish that we were getting the same leadership from the Federal Government to assist us, but there we get somehow the belief that if we only have this trade deal with the U.S. that we're somehow going to have the solution, and nothing - nothing - about regional development, nothing about eliminating some of the wasteful trade barriers and investment barriers between the provinces. A very inconsistent message and something, frankly, that perhaps if I were in Southern Ontario, I might be lured into believing, but coming from out West and feeling some contact with the lesser-developed regions of our province and our country, I quite frankly think it offers nothing of substance for the future.

Now, in Manitoba we haven't taken the position that the people who need child care, the people who need new forms of preventive health, the people who need new kinds of training, young people who need job training and jobs, social assistance recipients who need a reasonable standard of living and some opportunity to become self-sufficient, we haven't told them that they have to wait, go to the back of the bus, until somehow we achieve top of the world level economic prosperity.

No, Madam Speaker, we've said that the very essence of economic development and good fiscal management is to take their concerns to heart. We haven't been able to build all the programs they need as quickly or to the same extent as we would hope. But we've moved in the direction, Madam Speaker, of strengthening and improving those programs so that those people can take part in the development process. Because, quite frankly, how many more of them are able to share more completely in building the economy, is my measure of what success we're having, as well as the overall profit bottom line issues, not denying the importance of the bottom line but saying that both sides of the equation must be taken into account.

A final word, Madam Speaker, about women and their relationship to this Budget. As Status of Women Minister, we've been involved at the Federal level with

the other Provincial Governments in looking at how to bring about employment equity for women. Now you say, why employment equity? It's not that we deny the needs of women in the home, or women as child carers. It's that we want women to have the opportunity to support themselves, not to be drains on the economy of this society but to be active participants.

We believe that it requires activist government, programs like Affirmative Action and Pay Equity which have been proceeding well in this province, training programs, improved opportunities for apprenticeship, child care support, programs to deal with their very vulnerability against violence. It's this combined approach, Madam Speaker, that needs an activist government, a government that's willing to play its role and not look at the bottom line without considering the impact on the different members of the society. It's the vulnerable people who need this kind of policy. In the same way when you look at the global scale, it's the marginalized peoples of the world that really need some shift in the way the international financial and economic system operates.

A final word about the health reform, Madam Speaker. I hear members opposite always raise hospital beds whenever we talk about health reform, and I wonder if they're not hearing what we're talking about. We're trying to keep people out of the beds. We're trying to see whether the ones who do get into the hospital beds are being kept there too long, or being given too heavy a treatment. Madam Speaker, we're trying to involve the deliverance of health care from the specialists and the doctors on through the nurses, the LPN's and the technicians, all the people that work in the health system.

We're trying to include the contribution that can be made by dietitians, by exercise specialists, by people who deal with social and emotional health - in other words, a balanced responsible approach, Madam Speaker. And I urge all this Assembly to vote in favour of the government Budget.

Thank you.

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Madam Speaker, I move, seconded by the Member for Assiniboia, that debate be adjourned, and call it six o'clock.

MADAM SPEAKER: Do you want to adjourn the debate? Okay.

The Honourable Member for Emerson will speak in the debate when we reconvene at eight o'clock.

I am interrupting proceedings then and the debate will stand in the name of the Honourable Member for Emerson when we reconvene at 8:00 p.m.