



Third Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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The Honourable Louise M. Dacquay
Speaker*



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, March 24, 1997

The House met at 8 p.m.

ORDERS OF THE DAY (continued)

BUDGET DEBATE (Seventh Day of Debate)

Madam Speaker: Order, please. The honourable member for Interlake, who has 29 minutes remaining.

Mr. Clif Evans (Interlake): Madam Speaker, I would just like to continue with some more comments with respect to how the budget affects not only the Interlake but Manitobans as a whole. I would like to talk a little bit about the education segment and how over the past four or five years or more we have seen a tremendous amount of cuts in our education. In the budget, the government said that they were committed to a strong and modern education system to prepare the children of Manitoba for the challenges of a rapidly changing world.

Well, I do not know how the government can make such a commitment and such a statement when just this past January we have seen another basic cut in funding even though the government and the Minister of Education (Mrs. McIntosh) announced that there was a freeze in this year's school funding. I am sure that we will see again a tremendous loss in our education system and in rural areas as well.

Since 1992, we have seen about a \$43-million cut in education. What does that mean? What does that mean to some of our education delivery and what does that mean for teachers? What does that mean for our kids? What does that mean and how we are going to prepare our children into the future? They have frozen the funding. They have cut back. We have lost teachers. We have cuts in different programs in our education field, cuts that affect our children, and also with these cuts has put the onus on municipalities and the people in the areas to pay for these education cuts that the government has imposed.

(Mr. Marcel Laurendeau, Deputy Speaker, in the Chair)

Mr. Deputy Speaker, I want to put on the record one program cut—home ec, lunch programs, textbooks. I want to put on the record—if the Minister of Education and Training would care to perhaps go back to her seat and heckle, I would appreciate that more than from the loge with the heckling.

Lakeshore School Division in my constituency—this government says that they are providing necessary resources for public education, but headlines in this past week's local paper: School taxes on the rise in Lakeshore Division. The special levy for 1997 is up \$131,004, an increase to constituents of Lakeshore of 8.8 percent from last year. This will increase. The mill rate is up 8.06 percent over 1996, a raise in the mill rate of about 14.88 mills. The overall 1.1 mill increase in the 1997-98 budget means \$25 more on the tax bill of a person owning a house worth \$50,000. This is an indication of what we have been saying that eventually someone has to pay for this, and it is going on the burden of the local taxpayers along with all the unnecessary cuts that we are seeing in the school system.

Some of the reductions. A comment from one of the trustees: There is a \$90-reduction in provincial funding for 1997-1998, some of the cuts, programs cuts, that are going to be implemented at Lakeshore because of the shortfall that Lakeshore School Division has had not only this year but in the previous year.

Mr. Deputy Speaker, Lakeshore is a division that has one of the largest transportation expenses in this province for their busing, one of the largest, but where are they going to take money out of? One of the issues they are going to address and they are addressing is that busing of high school students between Eriksdale and Lundar, which represents about \$10,000 annually, has been cut out entirely. A thousand dollars has been cut from an insurance program the division holds on instruments for the Ashern Central School's band program, the only such program in Lakeshore; money

for extracurricular school field trips cut entirely; supplies budget reduced by \$5,000.

This government talks about what they have done and how they are committed to strong and modern education providing to our children. That is not the case.

Evergreen has also completed their budget and we hear the same thing from Evergreen. We have had to do this and we have had to do that. We have had to cut teachers, maybe half a teacher here and half a teacher there, but it means something to the kids. The children are the ones who are suffering. We are seeing increased class sizes for the teachers to deal with, especially when they are dealing in their classrooms with special needs kids, high-energy kids, kids who want to have the opportunity and are there to have the opportunity to get an education. That is not occurring.

I have indicated the type of thing that Lakeshore has been put under to have to maintain what they have and have to play with their budget, increase the taxes onto the people for the Interlake area and the Lakeshore School Division to maintain certain levels of education that really I feel and I know members opposite feel the same, that that type of funding should be maintained at least to a level that will provide the availability for the divisions to have access to resources so that teachers can be hired, so that programs can be instituted and curriculum can be widened so that we have that availability to commit a strong education system for our young people.

In health care again, cuts. We are seeing in another week or so, less than a week, we are seeing the start of the health authorities in the province of Manitoba. In my constituency there is great concern about the health authorities, a tremendous amount of concern, how it is going to affect the different people in the different areas. Are we going to get the proper service that we are used to? Are we going to get better service? Are we going to get things like personal care homes in needed areas?

Now, personal care homes, Mr. Deputy Speaker, has a bit of a sour taste for the community of Fisher Branch and area. Promises were made, the ground was broken, the community itself did everything they could to assist,

to help out to be a part of the system to get a personal care home in Fisher Branch. The community came together with donations, with fundraisers to do some of the little things that they could take the onus of asking the government for a much needed 30-bed personal care home to be put in Fisher Branch. They have gone so far as putting a well system in just prior to the '95 election.

The community was very, very happy and very pleased that finally with their efforts and with the promise of the government prior to the April '95 election they would get their personal care home. Now we see the government, after the election, say capital is cut. We are cutting so much capital expenditure from the province of Manitoba, and all areas are affected.

We can, I guess, live with that if everybody is, according to the government, having to bite the bullet, but this community was promised it. Breaking the ground to me is a promise. That personal care home is not there. Besides the breaking of the ground, there is no other activity as far as providing Fisher Branch with a personal care home.

* (2010)

Mr. Deputy Speaker, some of the cuts that we have seen over the past few years in health care, some of the user fee taxes that have been imposed on the people of Manitoba over the last few years, and now for the government to talk about a surplus budget, pay back some of the debt service, slush fund available. I think it is an injustice, an injustice for our health care system, to have this slush fund available, to have it available, have it built up over the years on the backs of the services and the communities. to cut health care and to cut the health care budget by so much.

Let us go back to some of the taxes that and—well, cutbacks but taxes for health care, and we go back five years—the \$50 Northern Patient Transportation user fee; Children's Dental Health Program, cut \$11 million. Are we seeing in our health care budget and our health care system—or in this budget, are we seeing something like, well, we cut this in '93; there is a need for it; and let us put some of it back? They have not done that, and it is costing us. By deleting this program, it is costing us much more than what the program was cut. So they are

saying: we have given to the health care budget, but we have taken away from the health care budget, and you still have health care at the best quality that Manitobans require.

Personal care home fees. Now we are talking—I just mentioned about Fisher Branch and its need for a personal care home, increased personal care home fees. Mr. Deputy Speaker, I get calls and discussions at meetings, at office hours, in and around the Fisher Branch area, that people tell me that they are a year, maybe two years away from leaving their homes and the need for a personal care home, so they may go in and enjoy the last few years of good service. A personal care home is essential for that area.

Now I brought to this House a resolution a few years back when Riverton was in the same boat—their need for a personal care home. They went the nine yards to provide the government with a study, to keep going back to the government saying look, here is the need for it, here is a need for it. We do not want to lose our senior citizens who would have to leave the Riverton area, the Fisher Branch area, the Hodgson area, to go completely away from their communities and their families.

In fact, we are finding out that those beds that were available are not going to be available for the people in those communities. Instead of being able to have the opportunity of staying within their own community, they are even going to have to go further for personal care services.

Pharmacare cuts. This government has cut Pharmacare by raising the deductible by over 52 percent. The cost to Manitobans has gone up with thousands of dollars. For those on fixed income, even for those that have a moderate income, even a combined moderate income, the Pharmacare costs have gotten way out of line. The deductibles do not exist, basically. They have even, in 1996, and this is one of the sore spots for me, Mr. Deputy Speaker, because I have to avail myself to a chiropractor quite often from injuries as a young man—[interjection] The minister says golfing. I am afraid not—now we are seeing you can only have coverage for 12 visits. I remember when I did hurt myself that I did 12 visits in eight days, and

I have depended on chiropractic services for many years, since 1977 and as Pharmacare—and with two young children still, they are susceptible to being sick, to needing prescriptions. We do not fall into the category to have Pharmacare take care of the medication that is needed by my children and other children as far as Pharmacare and providing the necessary medication that they may need, and I say shame to that because those are the people, not myself, but the elderly and the young are the ones that are suffering through the health care and the Pharmacare cuts that have been imposed by this government over the past many years.

I would like to talk a little bit about infrastructure, and in the budget they talk about infrastructure and this \$66 million that is going to be made available, not quite near what was made available when the first phase of the announcement was made. My feeling and the feeling I get from my communities is that infrastructure now, the necessity with the rail lines going, with some of the economic pluses that are occurring in my area alone, the need for infrastructure and the need to improve roads is a priority. Hopefully this government, and in the budget the minister, the Highways minister says we are increasing so much money to our road system.

Well, I do not believe, Mr. Deputy Speaker, that we are doing enough for the infrastructure. I do not believe we are doing enough, and I will name off some of the highways that do need work and for specific reasons, not just because we want them. Highway 8 to Hecla. Hopefully very soon in that area, and I have said this before, hopefully we are going to see an economic boost north of Riverton and that is peat moss manufacturing. We are going to need Highway 8 to be built up because we are going to have in four to five years, hopefully even sooner, we are going to see truck traffic on Highway 8 beyond what we are seeing now at the highest level, the highest level that we have ever seen. Right now alone, with the farmers using Highway 8 and the municipal roads and the PR roads in between from their farm to where the elevators are, an increase there of truck traffic.

Highway 6—a new fencepost manufacturing company has come to the R.M. of Grahamdale and has set up in

Pineimuta Place. What is that going to say to the increase of truck traffic? Up.

Steep Rock, Continental Lime—Mr. Deputy Speaker, I talk to Continental Lime every 10 days to two weeks just to see what situation is going on with them. They tell me that again CN is playing games. They are playing games, saying, we do not have any cars to send out to you, so we can send out the coal or raw products so that you can send the finished product back. We do not have them. The plant is in full production. The plant can be in full production 24 hours a day, seven days a week. The truck traffic is going to double. It is going to more than double once that Steep Rock line is finished with.

* (2020)

About 50 percent, so we are saying double. In other words, 50 percent doubled is 100 percent. Everything that is going in and out of Continental Lime is going to be on our highways, and that highway in that corner is now also the corner going to the Steep Rock recreation site.

An Honourable Member: I do not even have to steer my car on Highway 16. I can just put it in the ruts and let it go.

Mr. Clif Evans: Well, the Minister of Rural Development (Mr. Derkach) is talking about Highway 16. If he is not satisfied with the money put into Highway 16, he can give it to me over in Highway 6. I would be glad to take it and so would the communities.

But I want to put on record about that corner. I have spoken, and brought it up in Estimates, to the previous minister about the corner of Highway 6 and 329 going to Steep Rock. The people in the area are worried. We are talking 50 percent truck traffic right now, and you are going to be talking 100 percent. Something has to be done to that corner to allow for the truck traffic and for the regular traffic to be able to basically travel that couple of miles, and there are some dangerous curves there, too. That is one area that I know because I have been there so often. I know that, when I am going to Steep Rock or to Gypsumville or coming back, I slow

down at the Steep Rock junction only because the truck traffic is so heavy there that you never know and the weather that we are having.

So I urge this minister, and I will again during Estimates bring it up, that the government, the minister, the Department of Highways should be looking at improving that corner to make it a safe corner for traffic north and south and for the traffic that has to turn west towards Steep Rock and towards Continental Lime; extremely important.

I want to just make mention of two important projects that are ongoing or are beginning in my communities of Ashern and Fisher Branch, and that being the water services that they have been long looking for to improve because of contamination over the many years. I know that the community of Ashern has gotten some good news lately that there are some more funds available to that project. I know that they are pleased, and I am pleased to see that. Fisher Branch is going ahead with theirs. Right now they are in a tendering process. So those are two important projects that the communities need to make available their communities for a stronger economic development source, and that being good water.

An Honourable Member: And who is doing it?

Mr. Clif Evans: Well, everyone is doing that, provincial government, federal government, local government. They are all chipping in. I do not have a problem with that one little bit because it is needed.

Some of the things that people have also said to me that are not very happy with, and basically it has come from seniors in my area, seniors that like to go out and take their grandchildren fishing once in a while, maybe once a year, maybe twice a year, fishing fees for seniors, park fees increased. Mr. Deputy Speaker, these are tax grabs off the people that I feel are unnecessary. It is a million dollars, but it is a burden on those that perhaps do not have it.

So, Mr. Deputy Speaker, I close by saying that I am disappointed with this government in the way that they have worked to achieve the balanced budget, the way they have worked to achieve the slush fund, what they have done to achieve these hallelujah announcements

with their budget. I must say though, Rural Development has gotten a little bit of an increase. It is going to be a little tough criticizing them. Well, maybe it will not be that tough to criticize the Minister of Rural Development (Mr. Derkach) on how the money is spent in Rural Development, but the real needs are not being addressed in this budget. The real needs are not being addressed. Those needs are the health care and education and social services. No matter what the government spends, it does not add up. So they can spin all they want, but it does not add up.

Mr. Deputy Speaker, I just want to say with aboriginal communities in my constituency, I am appalled at the way this government in the past years has cut aboriginal programs to none, and then this budget gave a little bit back. When you cut millions and give a little bit back, that still does not provide the resources that are to be made available for aboriginal communities, Access programs, BUNTEP, New Careers, Metis Friendship Centres. I have a Metis Friendship Centre in my own town of Riverton, and they put out tremendous service. It is a shame that this government will not support the Indian and Metis Friendship Centres across this province.

Mr. Deputy Speaker, I cannot support a budget that talks about paying debt service back, a surplus, a balanced budget and spins and smokes and mirrors, all the nice things that are happening and have happened. I cannot support it, and we cannot support it on this side, because of the way they have achieved this budget basically on those that cannot afford, those that need the services that are taken away in all the services that are needed for the people of this province regardless of political stripe or race or anything. I say to you that we will vote against this budget. I will vote against this budget, and I will tell my constituents and show my constituents why I will not vote yes for this budget. I will continue to do so as long as this government continues to take away from the necessities of the people of Manitoba.

Hon. Glen Cummings (Minister of Natural Resources): Mr. Deputy Speaker, I only want to take a brief moment to address a couple of issues that my colleague across the way just raised when he said that the budget does not reflect the needs of those who need to be supported the most.

He is wrong. He only needs to look at the analysis that was done by the Saskatchewan government in its own budget a year ago that shows that this government has made it possible for those on the most modest income to have the lowest cost of living from which to support themselves, and those who are on a less modest and in the middle range are very close to being the lowest in the country. Those who are more wealthy are more towards the middle and the upper part of the ratio in the country, but still their actual net cost is very low and restricted by the protection that this government is providing through the policies that have been put forward.

So I would urge him to reconsider his view of not supporting the budget and remember that in supporting this budget he will be supporting those on all ends of the income spectrum who want to have something better for themselves and for their children. Thank you.

Mr. Steve Ashton (Thompson): Mr. Deputy Speaker, I was advised that the member for Ste. Rose (Mr. Cummings) was going to give a brief speech, but, boy, I am in a state of shock here. I have seen him give opening remarks, I have seen him answer questions for longer than that, actually on a regular basis.

Listen, I am very pleased to be able to participate in the Budget Debate, and what I appreciate, this reminds me of some of the things we are moving to in those ill-fated Rules changes where in a way we consider what we have in here as being a debate—

An Honourable Member: You destroyed that.

* (2030)

Mr. Ashton: Well, we will get into that sometime. I mean I still think, to the member for Roblin-Russell (Mr. Derkach), there is a lot to be said for a lot of the things we were looking at. One of the things I think is important, Mr. Deputy Speaker, is to recognize that sometimes giving a 40-minute speech may be called a debate in the overall context, but it is not necessarily what most of us would consider a debate. Some of the best real debate that we had in this House has been where we have had the Opposition Days, for example, where we were able to get them, but, you know, when you have the give and take. Mind you, usually there is

a little bit more give than the member for Ste. Rose gave there. Even with 10-minute speaking limits, it would have been tough to respond, but I appreciate the sentiment in which it was raised.

But let us talk about the budget and the comments of my colleague the member for Interlake (Mr. Clif Evans) because it is very interesting, I have had the opportunity of speaking on many Budget Debates. [interjection] I have not counted how many Budget Debates, but let us put it this way. It is not as many as the member for Lakeside (Mr. Enns), but I certainly know he will share the same feeling I have that after awhile there is a certain sense of *déjà vu* about Budget Debates. I have often thought this. By the way, this is a source of self-criticism too. I have often noticed that when we go to our caucus retreats that individual MLAs do not realize it, but they say the same thing year after year. I include myself in that. I usually go to caucus retreats and say, well, we have got to talk about vision here, future directions. I will not mention what some of the my other caucus colleagues talk about.

You know, it is the same thing in the House, if you listen to it, and this is not a criticism. I think to a certain extent I would hope that we would all be somewhat consistent, but what is particularly interesting about this—I would like to thank the member for Elmwood (Mr. Maloway) for bringing my speaking notes in. Mind you, I do not think I will go as far as one member of this House who was telling me that he read a speech recently into the record prepared by a staffperson. He did not realize until afterwards that it was word for word the same speech given by one of the critics. I guess the staffperson, rather than take it down in note form, had put it down in verbatim. So I want to make sure that this is not the member for Elmwood's speech here, not that it would not be a worthy speech to bring forward.

I want to deal with some of the very familiar sort of themes that you run into. What I found, Mr. Deputy Speaker, is you know it is amazing, when governments are in government, what do they do? They criticize the opposition for being negative. I look at members opposite who have been on both sides because I remember, and I mentioned this before, one time 136 paragraphs in the Leader of the Opposition's speech of the day. Okay, this is the now Premier (Mr. Filmon),

and I counted how many of them were positive. Six out of 136; two of those were about the Speaker and the pages and the rest. The other four, I cannot even remember, but they were not anything to do with politics. I remember the then Leader of the Opposition, the current Premier, was not too happy when I did that.

In fact I remember the Free Press, I think, covered this. These were the days when they actually came to evening sittings. We had three of them, and there was this headline and basically the story was, government member—which is me—criticizes opposition members for being negative. Well, that is why I get some amusement when I am attacked constantly by members opposite for being negative. I can tell you that if you wish to compare—you know, the sum total of most of the positive comments from members of the opposition, if you would consider it positive, you know, the only thing they would do other than criticize was usually if someone said, well, what would you do? The answer was, well, call an election. I mean that was sort of the mantra. They could say that and that would sort of ward off all the evil spirits. Unfortunately, an election was called, so it did work out to their advantage.

I would encourage members to consider the same solution here because the fact is that is part of what government's and opposition's roles are in this Chamber. I do respect those on the opposite side who I think instinctively understand that. Even though you may criticize us for criticizing, there are members opposite, I think, and they have been there and they have done it, but even members who have only served in government understand that that is part of the debate that really defines what parliamentary democracy is all about. I mean, just think about it for a moment. Under the presidential system, you do not have the opportunity to question the head of the government, the president. The president's cabinet is not elected. Every day in this House when we sit, we question the members of the government, and I believe that makes for better government. [interjection] Well, we are still working on the answers, the member for St. Boniface (Mr. Gaudry) points out. I say to the member for St. Boniface, though, you notice it is not called answer period. I think there has to be some respect for that.

But you know what I find interesting about Budget Debates again too is how quickly, if you look at some

of the so-called debate, people will fall into this group-think of their own caucus and will not even challenge themselves with some facts. By the way, I am not going to—and I thank the member for Elmwood (Mr. Maloway) for the notes he supplied me, but I am not even going to read from that right now. I want to just refer people to what my main source for this speech will be, and that is the budget document itself. What is interesting about the budget document itself and particularly when you look at the Estimates of Expenditure and the Estimates of Revenue and if you look at what has happened in this province over the past 10 years, if you look at what has happened the past 15 years, you will see some of the fallacies that we are seeing on an almost daily basis being brought in by members of the government.

The most interesting fallacy is—I really love it when the Conservatives talk about debt and deficit when it comes to budgets, because you can go back historically and indeed I do not think there has been a government elected in Manitoba history that has not added to the net debt of this province. I think that has been a significant part of the investment in this province. What is interesting about—[interjection] That is the one I am looking for. One of the advantages of having been here for a number of years is that I have it all up here. I just need this to jog my memory here. What is interesting is if you were to listen to members opposite, you would think that they got elected in 1988, and they said no more deficits, no more debt. All right. Born again deficit fighters. Well, I want to refer people to what has happened in this, and the Deputy Premier (Mr. Downey) was the one who got up and talked about that.

Well, in 1988 you want to look, and by the way, another lesson, and the member for Lakeside (Mr. Enns) knows this as well, when you are talking about historic expenditures, you have to look at the actual expenditures, not the budgets. Anyone can budget for anything. We found that out from the Conservative ministers of Finance who missed their targets by \$200 million to \$300 million just a few years ago. But look at the actual expenditures, and I refer people to page 24 and page 25 of the budget document because it shows what has happened under this government since 1988. First of all, let us deal with the question of deficits, because what this document shows, beyond any shadow of a doubt, is that if in 1988 there had been no

election, there would have been a surplus in 1988. You know, you can debate the reasons. There were the tax changes that had been put in place. There was also seen an increase in mining revenue. Indeed, it is interesting how people shift back and forth, because then I have heard Conservatives say, well, you did not budget for that.

The reality is, consider it for a moment if you were in a household, what matters more? What you budget at the beginning of the year or what your actual expenditures and your income are at the end of the year? I can come up with some great budgets for my household. It is the reality that counts, the actual that counts.

In 1988, there would have been a surplus. Now you do not have to take my word for it. The auditors confirm that. Any examination of the accounting shows it. But what did the government choose to do in 1988? Well, it is a very, some would call it sneaky, but it is a standard, political accounting move. What did they do? They netted out enough money from that to set up the so-called Fiscal Stabilization Fund. It appears in the budget documents. All you have to do is go to the financial statistics 10-year summary, the financial statements, the 10-year summary, and you will see it, deficit reduction transfers, \$200 million, taken out in '88-89.

* (2040)

Now, let us kind of roll the tape, fast forward it a bit here. Let us look at their record and what actually happened in the following years. What you find is that they ran, according to their worst year, '92-93, as high—and this is their official on-the-books document—\$480-million deficit. You go one line down, and you have got the deficit reduction transfer.

Now, what happened? Remember that \$200 million they took out in 1988? Guess where it reappears? It reappears in their worst year for deficit. Their worst year. So what they do is they say aha, '88-89, look at that lousy year, it was when the NDP was in. Right? It was not really a surplus. Then they say '92-93, hey, we had a pretty bad year, but you know, it does not look as bad as all that.

There is a word for that, a term for it. It is called the shell game. It is the same \$200 million. It was there is '88-89. If the NDP had not been defeated in '88-89, there would have been a surplus. If they had not taken that \$200 million and transferred it through that shell, through to '92-93, there would have been \$680 million. In fact, the former member for Rossmere I think indicated it should have been as high as \$730 million because there are different levels of accounting for that.

I realize, I excuse members on the government side who were elected in 1995 from this because some of them may have believed their own propaganda. They may have been told this. It must have been difficult. I remember the member for Portage (Mr. Pallister), and he soon will have had a short career in politics, provincial here. I remember him coming and talking about balanced budgets. At the time of the by-election that took place in Portage, we had the worst year in Manitoba history. The worst year in terms of deficits. Not an NDP year, a Conservative year.

I want to mention that, because from '88 on, you just have to look at the document. You just have to look here, the actual expenditures, the differences. What you will find is they added to the debt by running a deficit year after year after year. The debt today is higher than it was in 1988. It is a simple fact. I think that is where members opposite like to skip through various parts of history. If you want to freeze in time, and you want to shift the items around, you end up in that difficult situation that history often proves you are not being accurate when you deal with that.

We can get into the sources of what has happened the last few years. The VLT revenue, and that is documented as well. You just go to the Manitoba Estimates of Revenue. If anybody wonders what has been happening in this province in terms of Estimates of Revenue, or where the source of a lot of this supposed fiscal management comes from, Manitoba Lotteries Corporation, \$223 million. That has increased four times since 1992.

Remember those days? The Minister of Rural Development (Mr. Derkach) will remember those big signs. Some of them are still up in hotels. VLT proceeds will go to rural economic development. Now the minister knows what the projected revenue was in

that year. Guess what happened, Mr. Deputy Speaker? They were shocked to find out how much money the VLTs brought in, way more than was expected.

Now, it took awhile for them to get those signs down. I think there is still one up in the hotel in Ilford in my constituency, and before they take it down I want to get it as a collector's item, because what the government found was a new source of revenue.

Now, I think that is important to look at, because this is one of the foundations that we have here in terms of where the government's fiscal record is, but what scares me even more is where the newest source is. I remember when we had the debate on the balanced budget bill, we moved an amendment that said you could not take the proceeds of the sale of a Crown corporation and use it towards the requirements of this act. We were accused of fearmongering at the time, just the same way after the election we were accused of fearmongering when we suggested, you know, maybe they might be looking at selling off MTS.

The first question I asked after the election, as the newly appointed MTS critic, was to the Premier and to the MTS minister. What is interesting is, we said before the last election that this government would use the balanced budget bill to do what? Take proceeds from the sale of a Crown to try and make its books look good. You know what happened? Within a month of selling off MTS, they had already dumped in \$150 million. Were we fearmongering in 1994 when we said that? No. We were predicting the future. I think we saw through the denials and, by the way, the Minister responsible for the Manitoba Telephone Act may wish to advise the Premier (Mr. Filmon) that he is still listed as being responsible for the Manitoba Telephone System.

I have some interesting questions to ask the Premier about what our four representatives on the board are doing, when MTS, until December of the year 2000, still owes the Province of Manitoba a significant amount of debt. We have a significant stake in MTS, so I find it interesting that all of a sudden now, and I look to the Premier, the Premier does not want to answer questions about MTS, we still have a stake in MTS, but you know my point here is, what the government has done is, it has taken gambling revenue

and it has taken revenue from the sale of a Crown corporation to put into its operating books.

Now we have talked about garage-sale economics on this side. Actually I think that probably maligns garage sales. Garage sales are where you go and sell something that is not probably of that much use to you and make a few extra dollars. I mean, when I think about it, what this government is practising is pawnshop economics. They pawned our phone system. They pawned it

An Honourable Member: Can you tell us why Roy thinks Mulroney was such a good man to save his province?

Mr. Ashton: I find it interesting, the member for Springfield (Mr. Findlay) was talking about Roy Romanow, because I know they must be looking westward with some envy now, because you look at the difficult situation they dealt with. By the way, he may want to take some lessons from Saskatchewan because Saskatchewan went and asked the people of Saskatchewan about the future of its phone company, and do you know what? They went around the province. People said, do not sell it. What did the Saskatchewan NDP do? They did not sell it. That is a slight contrast to what has happened in this province. So I would love to talk about Roy Romanow.

In fact, I believe the member for Selkirk (Mr. Dewar) was just reading the Saskatchewan budget documents, and what a turnaround. I think that is something that the member opposite is probably referring to, how much he envies the record of the Saskatchewan NDP, and I appreciate that.

Mr. Deputy Speaker: Order, please. I hate to stop the honourable member when he is in full flight, but might I ask the honourable member to put his comments through the Chair? It will help the decorum a little bit.

The honourable member for Thompson, to continue.

Mr. Ashton: Through you, Mr. Deputy Speaker, to the member for Springfield, the Minister responsible for Highways and Transportation, that I think is fairly important to do.

But you know, I found interesting some other kinds of ideas that were put forward by members opposite. The member for St. Vital (Mrs. Render) spoke earlier and she listed off various taxes that have been changed and, you know, we can go back historically with the various different taxes that were applied. You know, the most significant increase in taxation in the province occurred between the 1960s and 1980s, going back to the original sales tax, 5 percent, introduced, and the member for Lakeside (Mr. Enns) was part of that government, 1967-68, part of building our province. What I find interesting is, the member for St. Vital listed off about 15, 20 different taxes that had been increased.

Now let us put it on the table what had been increased under the previous government. You know what was interesting, I think it was one of them that the Conservatives have decreased, that is the payroll tax and that is the one they promised to eliminate entirely. I mean who can forget the bidding match between the Premier (Mr. Filmon) and the then Liberal Leader, Sharon Carstairs? You know, what am I bet on the payroll tax? Actually, the funny part was I think Sharon Carstairs beat the Premier by at least one year on the promise. What is interesting now is they have raised the ceiling on it to \$1 million. I wonder how many more years it is going to be before they—how many more times they get lobbied by the CFIB before it is eliminated?

I will put this on the record. If I was in the business community right now, I would not hold my breath on the government eliminating the payroll tax, because they know just how much that translates into in terms of alternate sources of revenue. You all know the numbers. How many points on the income tax is it? How many points on the sales tax is it, Mr. Deputy Speaker, through you to members opposite? They know that. [interjection] Well, it went through you. I am just trying to get some information on the record, and the members opposite know that, because when you develop a budget that is what you look at.

* (2050)

Nothing is ever static. You cannot take one thing here and then not have an impact there. If you were to eliminate the payroll tax tomorrow, you know that it would have to come from somewhere. Where would it

come from, the health care system? In fact, one only has to look at the Estimates of Revenue and compare them to the current tax rates to understand the significance of that. The levy for health and education is \$209 million projected. By the way, it is going to be up this year despite the change in the ceiling, \$209 million; you know, that is more than the gasoline tax at \$150 million, twice the corporation capital tax. Motive fuel tax, three times that amount. If you consider what the retail sales now brings in, I think 1 percent on the sales tax brings in about \$105 million, and the Minister of Finance (Mr. Stefanson) is here and he can correct me if I am wrong—1 percent in the sales tax would bring in about \$105 million currently?—\$105 million.

To eliminate the payroll tax, you would have to raise the sales tax by 2 percent. You know, let us put each side of the ledger in place. [interjection] Well, let us deal with that, to the member for River Heights (Mr. Radcliffe). What has happened, and this I think is good news for Manitoba, is that when the economy does go through an upturn, it is also really good news for the government. In fact, it is even more good news for the government than it is for average Manitobans, because what is interesting is without any change from the income tax rate, you get what they call tax creep. You know, you go from one level, and there are not as many levels due to the tax reform at the federal level, but you get an increased collection of revenue that occurs from them.

Obviously you get—I mean, and I think one of the whole reasons to promote full employment, apart from the social benefits, are for governments very clear as well. When people are working they are paying taxes, and that improves the bottom line of the government. When they are not working, if they are collecting social assistance, you know, that obviously is an expenditure, it costs government money. This I think is important to put in perspective, because what I found interesting on this is not just what you would expect. It was interesting, I think it was the Sun had a headline that said taking care of business. It reminded me of the BTO song, taking care of business every day. I mean, this is sort of the theme song of the—

An Honourable Member: Every way.

Mr. Ashton: Every way. We will not get into this, it is three-part harmony. Taking care of business and working overtime. But you know let us put it into perspective here, because what I find interesting is that I think this government—and when I look at business, by the way, I think there has to be a real question about definitions of what is a small business, what is a medium-sized business, what is a large business. I think this government, and they probably said the same thing when they were in Davos, Switzerland, this government is more. and we could call it biased. You know, they can think of a term that is less critical if they want, but this government, I think even more than the governments in Ontario and Alberta, has pushed what I would consider a corporate business agenda.

If you look at the balance of what has happened in Alberta—now let us take a look, take a look for a second at Alberta. Take a look even in Ontario, because what is interesting is what they have done in Ontario. Despite the talk of the tax decrease, which they have done, they have decreased taxes—people forget the health care levy that they are implementing as well.

What they have done there, in addition to the spending cuts that everybody knows about, is essentially decrease the personal tax. In terms of the business side, they are actually getting out of some of the kind of expenditures that most governments are getting out of. There was reference earlier today of Saskatchewan has some tax credits placed on the business side. A lot of governments do. There is a lot of questioning of that. It is funny, it crosses from the right to the left of the political spectrum.

I remember the NDP arguing against corporate welfare bums in the 1970s. Funny part is, you listen to the Reform Party today, and it argues much the same thing. This government brought in at least a dozen extensions of corporate tax breaks or new corporate tax breaks. Most of them were extensions. That is part of their philosophy. I think they would argue that. I am not saying anything I think they would disagree with. You can net out any words you consider objectionable from my side but, when you have got a dozen breaks on the business side, that shows something about your philosophy as a political party.

I really would suggest you look at some of the things that have happened. Even in Ontario and Alberta—I hate to use them as benchmarks—but, you know, I really think, particularly in Alberta, in a way, it is interesting that after the dramatic decreases in expenditures on health care, even Ralph Klein saw the need to add back some of the losses on the health care side.

The recent Alberta election, and this is interesting because 52 percent—

An Honourable Member: Good result.

Mr. Ashton: The minister says, good result. Obviously he is happy. Actually the funny part is, I think all three parties were happy, the one for winning, the second one for surviving and the third one for getting any seats whatsoever. That is the great thing about politics sometimes, you can all come out winners, at least in the Alberta situation.

What is interesting about Alberta is, 52 percent of the people said the No. 1 issue was health care. What you have to look at in that province is the degree to which the Alberta Conservatives, Ralph Klein, the Fraser Institute friend, National Citizens Coalition friend, right—Ralph Klein did what? He understood that he had gone too far in health care. That was one of the reasons, I believe, that he was able to win such a dramatic victory in the end, because he was able to balance it. I say to members across the way, compare your budget to what you actually spent last year on health care. Do not get into the game of comparing your budget last year to your budget this year. You spent more. There was supplementary Supply last year. You spent more last year. This budget, compared to the actual expenditure last year, will result in cuts in health care. You know that. I ask you that question, whether you do not see that there is going to be difficulty with this.

I will go one step further, because let us talk about regional boards which will be in place in a matter of days now. Let us consider that. Mr. Deputy Speaker, what is interesting is, I support and I know our party supports in some general form some of the ideas behind the regional health boards. I certainly do. As a northern MLA, I see some real advantages to having a regional approach. For example, doctors shortages,

there are major problems with doctor shortages. I want to credit the previous Minister of Health, by the way, who made a significant initiative in December.

I think there are going to be two ex-House leaders tomorrow after this debate. I assure members of the House that I mean it. The Minister of Health (Mr. Praznik), I cannot agree with him on every issue. Probably a lot I would not. But when it came to our community being short of doctors, I want to indicate, by the way, that the Free Press I think did a disservice by exaggerating the impact. What the Minister of Health did was approve four positions which are still being recruited, by the way. They should be in place next month. But to move to four salaried positions was a major step.

By the way, I have sent to the previous minister and to the current minister 10 recommendations what the provincial government to do. I am quite willing, I think we should do this more often on issues like that.

And I appreciate, and I will say this on the record again, that the former Minister of Health, coming from Brandon too, I think he understood. Maybe this is why he is the former Minister of Health here, maybe with all these compliments, what it is like to live in a community—you know, in this case, his is the second largest city, mine is the third largest city—where having doctors, where having medical services is a critical part of that. Any rural member in this House and the many urban members who are sympathetic know what I am talking about. There is an example of the kind of issue that I believe could be dealt with outside of the normal partisan debates—doctor shortages. Every province is dealing with that. There are a lot of things that can and must be done, a lot more things, and I really regret sometimes that we cannot have an all-party approach. I know we have talked about it, and our Leader has mentioned this on the economy.

But I think in health care, and I will mention about the regional health boards. Here is where the politics comes in, and this is what concerns me. I have said this, and I have had this expressed to me by regional health board people, and you know they should be democratically elected, but I respect the input of people. I know I have had discussions with the chair in my own community and other members of the board.

Do you know what they are telling me? They are saying that in the first number of years you need actually to have bridge funding, which may increase the amount of money that you have to put in if you are going to reform the system. You are setting up new institutions. You are going through adjustment processes, and I am sure the Minister of Health (Mr. Praznik) must have had these discussions within his own caucus, the previous Minister of Health.

* (2100)

The bottom line is that regional health authorities cannot work if they are underfunded. They become an excuse for inputting cuts. They can work if they not only rationalize the system but they bring forward a new regional approach so that you end some of the competition between communities and bring all the communities together. There, I think, is another thing that gets missed in a lot of the debates in this House, and that is that when we opposed the bill that brought in the regional health authorities, it was not opposing the principle of regional health authorities. It was the undemocratic nature of the boards. It was basically in the potential for those to end up with massive privatization. We believe that the regional health authorities will be far more effective if they are allowed to represent the people of their own communities, and that can be done through democratic elections. I say to the Premier that, if the bill had not had the negative features we talked about, I am sure we would have been able to support—[interjection] Well, the principle of regional health authorities is one thing. The way you have set it up, I believe, is an excuse for cuts, is going to be undemocratic, and is not going to have the strength that you would have if it were a reflective board.

Let us go one step further because let us talk about education for a moment. You know what I get a kick out of when it comes to education is that the Premier—he has got some very creative speech writers; I must give him credit—but, when I hear the Premier getting up to talk about this it is as if there are the two Premiers of this province. There is the one that comes in here, and I want to be charitable here and I do not want to be unparliamentary, but there is the street-fighting Premier, there is the street-fighting member for Tuxedo who comes in here and he will take his shots

and the rest of it. Then there is the Premier that goes to the events and reads those speeches. By the way, I do not know who writes those speeches, but I give him full marks for creativity, but the ultimate, to my mind, is when the Premier gets up and talks about change in the new economy. Anybody that is observing what is happening now knows that to be a fact, but what is interesting is when he talks about the information economy, and starts talking about our best resources being what? Being people? You know, investment in the education system. What are we doing with our education system? We have cut it; we have cut our public education system.

An Honourable Member: You still do not get it.

Mr. Ashton: Well, the Premier says that I do not get it. Teachers do not get it; school boards do not get it; parents do not get it; students do not get it. They do not get why you can say one thing in your speeches and do another thing in your budget.

I want to say to the Minister of Education (Mrs. McIntosh) because this will really stir things up over there, because I said this to her privately, I will say it on the record—well, I am going to say it. She got a lot of compliments from a number of school board members from Thompson. She sat down and listened to the school board. She met with them for about an hour, not this past MAST meeting, but the previous MAST meeting. I realize this has created some difficulty for the Minister of Education because I noticed in her debate on the throne speech that she had already attacked me for what I had said on the throne speech. I had not spoken at that time, but she knew what I was going to say so she could speak out against me.

Hon. Linda McIntosh (Minister of Education and Training): And I was right.

Mr. Ashton: Well, she was probably right too. I probably did not agree. A self-fulfilling prophecy. There is something about the Minister of Education urging me on that brings that out in me.

An Honourable Member: That fortune teller in Quebec that Mrs. Chretien goes to.

Mr. Ashton: JoJo Savard of the PC caucus.

I want to focus in on that, because I can speak from personal experience. I mentioned this in Question Period. I am a graduate of R.D. Parker Collegiate in Thompson, our public education system. My kids are in that school system; now, one in high school, one in elementary school. Since 1992, the School District of Mystery Lake has been cut more than 10 percent. In one year, in one year alone the impact, if they had not increased property taxes in conjunction with a cut in expenditures, they would have had to increase property taxes, the local levy, by 42 percent in one year because of the funding cuts. Forty-two percent. By the way, this is when the then Minister of Education said that Thompson was a wealthy school district, which came as some interest to people in my community, a lot of hard-working people who do not exactly see themselves as being wealthy.

You know what concerns me—

An Honourable Member: Highest per capita income in the province.

Mr. Ashton: Well, the member for Tuxedo talks about per capita incomes. I think if you would care to look at his own community as well, he would find that especially the last number of years that has shifted. Our population in Thompson, the average income is quite a bit lower. There is a lot of unemployment now. There are a lot of aboriginal people moving in from other communities who do not have the luxury of that job.

Whether we do have whatever level of income or not, we have a public school system that has had to cut, cut, and cut, and it is cutting again this year—for the Minister of Education—by \$465,000. They are increasing the special levy by 4.1 percent. On top of that the property taxpayers of Thompson are faced with an increase in the overall provincial levy. Their school portion of the tax will go up by 7 percent this year. Do not forget in 1995 it went up by 14 percent on school taxes alone.

So I want to talk about that because of my own community. The words of the Premier (Mr. Filmon) about investing education do not apply. What I found amazing about this budget was when the Minister of Finance got up and announced this \$1 million-fund for computers.

Some Honourable Members: Hear, hear.

Mr. Ashton: Hear, hear, say members opposite. Because of the funding formula and the cuts that have taken place, my school district has had to cut \$80,000 out of its budget. Eighty thousand dollars. So what you do is you get school boards across the province to cut. Then you throw back in a million dollars which will barely even scratch the surface of the needs in terms of computers in this province.

I really want to turn this around again, because you cannot talk about investment in education and not do it. Your basic philosophy, and this is the philosophy that has been consistent—do not kid yourself about it, do not kid anybody in this province about it. The argument basically is it does not matter, the expenditure level is not the real issue. Fine-sounding words, but I can tell you of program after program in my own community that has been cut because of the reduction of funding from the provincial level has been cut, which has affected education quality.

What frustrates me is, I live in a community—there are no private schools in Thompson. There may be some who choose to send their children to private schools. We had an innovative program a number of years ago, it was called the TAG program. It has been used in other areas as well, Talent and Gifted program. What is interesting is I know a lot of parents who have decided in the end to send their kids to private schools, not because they support the philosophy of private schools, nor are they tied to the parochial nature of the schools. I know many people, for example, in the Greek community here in Winnipeg who send their kids to Catholic schools. They are orthodox. It is not a question of parochial schools, religious schools. It is because they are looking for something they do not feel they can find in the public system. I say give the public school system a chance and it can do the job. In my own community, the TAG program provided the needs for a lot of bright and gifted students that I believe had a dramatic impact in keeping people in our public school system.

It is on both ends of the scale. I can tell you who else has been affected in our community. It has been the special needs students, the L1s and the L2s because they are the ones who have less teacher attention right

now. So I say to the government, we can talk about issues in this House. There may be times when we can find common ground. But talk is cheap when it comes from a government that talks about health and education in its budget and cuts and cuts and cuts, Mr. Deputy Speaker.

Talk is cheap, again, when the Premier (Mr. Filmon) gets out of this Chamber and reads his scripted speeches when the fact is that many Manitobans, particularly in rural and northern Manitoba, are being left further and further behind by a government whose view stretches far beyond the borders of Manitoba, usually to far off locations like Davos, Switzerland. You know, Davos, Switzerland is not the new economy and new reality. The new economy and new reality is here in Manitoba.

I say to the Premier and I say to this government, many people are increasingly questioning the priorities of this government, and when it comes to this budget, they see the phoneyess of a government that cuts health care and education and tries to add in a few token programs. They see the phoneyess of this government, and they see fundamentally a government that talks about emphasizing the needs of aboriginal people after it has cut everything to do with aboriginal people for 10 years, that talks about ordinary people and gives a dozen tax breaks for corporations. They see this as a government of rhetoric, and they see the action, and 95 percent of Manitobans, apart from those who benefited from some of those corporate tax breaks, will not benefit from this budget. That is why I have no hesitation in voting against this budget, because this budget is not a good budget for the people of Thompson. It is not a good budget for the people of northern Manitoba, and it is not a good budget for the people of Manitoba, Mr. Deputy Speaker. Thank you.

Hon. Gary Filmon (Premier): Mr. Deputy Speaker, it is a privilege, as it always is, to be able to respond to the budget and to be able to participate in this debate in our Legislature, a debate that signifies, I believe, some of the most important differences between the two sides of this House. Certainly, many, many members have had an opportunity to participate thus far, have made excellent contributions, and I want to compliment all of them for putting forth their views. Obviously, we have our disagreements as to priorities. We have our

disagreements from perspective, perhaps some ideology involved in those disagreements, but, nevertheless, it is always, I think, a very important part of our responsibilities here to be able to put our views on the record on something as important as the annual budget.

* (2110)

(Madam Speaker in the Chair)

In fact, I have said this before, but every dollar that a government spends is a policy decision made, and the budget is therefore a very important policy document. It is not just a philosophical document, it is not just numbers, it is indeed a government statement of policy and conviction.

I want to compliment the Minister of Finance (Mr. Stefanson) for his efforts in bringing forward, in co-ordinating the efforts to bring forward this budget, and I say advisedly co-ordinating the efforts, because everybody is involved in the government in this process of bringing a budget forward. This is our 10th budget. Next month we will be celebrating nine years of having been elected to office. [interjection] Well, the member for Elmwood (Mr. Maloway) is expressing some dissatisfaction with his lot in life of having to be on that side of the House for what must seem like an eternity, and I have got news for him, I would invite him to get used to it because there is going to be lots more time for him to experience this.

But the budget was the product of the efforts of many, many people. Certainly everyone knows how diligently Treasury Board has to work on the effort of going through painstakingly the Estimates process. I know that my colleagues throughout caucus had a great opportunity to have input to this, but in many ways all Manitobans had an opportunity to make input to this budget. Certainly the minister has carried on the tradition of his predecessor in going throughout the province on a consultative effort and listening to Manitobans in towns and villages and communities throughout Manitoba, receiving many, many presentations, much advice from special interest organizations in some cases, but in many, many cases from individuals who are concerned about their future, who care about this province, and who wanted to give advice to the government on this year's budget process.

and I thank each and every one of them for their hard work, their dedication, their effort in making sure that this budget came to fruition.

I believe that one of the things that can and should be said about this budget most importantly is that it has the priorities in the right area. You take a look at it. It continues to protect services to people in this province, to enhance them, and to build a strong foundation for the future. I think it is well to take a look at just how those priorities work out. In the budget and in the highlights from the budget, there is an indication of just where our government's priorities are in this whole mix. What is really interesting is to be able to compare these priorities versus the priorities of the members opposite when they were in government. Indeed, they said that they were dedicated, for instance, to protecting health care, to funding education, to funding social services and so on.

Of course, what we find is when they left office, their proportion of the budget that went to health care was 31.4 percent. Today it is 34 percent. It is over a half-a-billion dollars more in funding for health care. When they were in office, they invested 17.1 percent of their last budget on education. Today it is 19.2 percent. I think their real priorities are in this next item and that is that in their last budget, they devoted 11.9 percent to servicing the debt, and today it is 9.7 percent. There they were going shoulder to shoulder with the financiers and the bond holders in Zurich, Tokyo, New York and Toronto, and all over the world, at the same time denying Manitobans the funding that they deserved for their needed services. That is exactly the kind of priorities that resulted in them being turfed out of office.

I quoted, I think, during the Throne Speech Debate from an article that was written just a matter of weeks before they were turfed out of office unceremoniously. It is so good that I might just take a few minutes to read it again, Madam Speaker.

It is February 20, 1988, just days before the Pawley government fell. It is from the Winnipeg Free Press. It is entitled, Social costs take smaller cut of budget. It says: Education and some other social services are getting a dwindling share of provincial resources under Howard Pawley's regime. It says the government has

cited health, education and other social costs to explain increases in the provincial deficit over the past six years, but a Free Press analysis of government spending patterns shows spending on most social programs is increasing no more rapidly than spending on other government departments. In fact, the major social programs as a group account for a slightly smaller share of total government spending than they did when the Pawley government first took office. Meanwhile, the government has beefed up spending on administrative areas including Legislature, cabinet operations, civil service fringe benefits, the Finance department.

And that of course was the big nut, because it was the interest on the debt which had gone up from \$114 million the last year before they took office, before Pawley took office, all the way up to \$575 million in six and a half years of Pawley administration.

An Honourable Member: Say that again.

Mr. Filmon: Yes, in six and a half short years it had gone from \$114 million annual spending on interest on the debt all the way up to \$575 million a year in the budget that caused them to be defeated in February of 1988.

Those are the kinds of priorities that that group opposite had, and that is why, of course, they were defeated from office and have remained in opposition ever since, and they have not learned anything, I might say, Madam Speaker. They have not learned anything in their period sitting on that side of the House, because we see it every day in the debate on this particular budget. There is no consistency in what they are saying. They just want to go back to the bad old ways, tax and spend, tax and spend, promise everybody everything and say you are going to help them by giving them more money, but you have no idea where you are going to get it from and so on.

Well, Madam Speaker, compare that to the attitude that is behind this budget that the Minister of Finance (Mr. Stefanson) brought in. I believe that the attitude behind this budget is a very positive one, very upbeat compared to the negativity that we see from members opposite all the time. We see it in their speeches. We hear it in Question Period.

In fact, you know, their attitude was so glum on the day of the budget, my colleague the Deputy Premier (Mr. Downey) and I were sitting here watching them as the Minister of Finance read his budget and you could watch their faces get longer and longer and longer as the Minister of Finance put forth his budget speech. The reason was that they knew, they knew in their heart of hearts that this budget would be very popular with the people of Manitoba, and they had to come up with some way in which to criticize it.

Of course, what happens when you know that something makes a great deal of common sense, that it is balanced, that it is consistent, that it is what the people expect and what they really want and yet you have got to stand out there in front of the media in about a half an hour and say something really, really damaging to the government? What happens, of course, is that you say irrational things, and that is exactly what happened. They were trading notes back and forth, and they finally had their lines set, and the Leader of the Opposition (Mr. Doer) went running out there and used the phrase that was repeated here with great glee by the member for Thompson (Mr. Ashton) just moments ago, that this was a garage sale budget.

The reason was, of course, that we, he said, he alleged, had to sell some of our Crown assets in order to fund some areas of government, notably \$150 million paydown of debt on health care capital, and he said that that was selling off, of course, our Crown jewels in order to pay our ongoing debts.

* (2120)

Well, it is really interesting because, of course, about a week later the Province of Saskatchewan came out with its provincial budget. It is really, really interesting because, among other things, there are some special notations here in the Saskatchewan budget that say, among other things, that the 1996-97 revenue which resulted in Saskatchewan being able to come through with a surplus budget in 1996-97, that '96-97 revenue includes special dividend transfer from Crown Investments Corporation of Saskatchewan of \$364.7 million, part of the proceeds from the sale of the province's share in Cameco Corporation, a uranium company, as announced in the 1996 budget.

Now, was that not a Crown corporation? Was that garage sale economics? Well, if so, the New Democrats in Saskatchewan are practising garage sale economics in order to get a surplus. Now, is that not interesting, Madam Speaker?

In addition to that—[interjection] Well, Madam Speaker, the member opposite still does not get it, but that is okay. I might say that part as well of this irrational kind of criticism was repeated then by the member for Thompson (Mr. Ashton) just moments ago in this House when he criticized us for our transfer, our dependency, as he called it, on gaming revenues. He said that \$226 million worth of revenues in this budget came from gaming. Of course, I looked at the Saskatchewan budget, and they have a double asterisk under this particular item in their budget layout. It says, 1997-98 revenue includes a significant increase in transfers from Saskatchewan Liquor and Gaming Authority from \$177.7 million in '96-97 to \$394.4 million in '97-98. Now, this is almost a fourfold increase in their dependency on revenues from gaming and liquor. Now does he say that that is wrong?

Now, Saskatchewan, of course, could not have balanced their budget without that massive, massive transfer from gaming and liquor, but they did it. But is there any criticism from the member opposite? No. not at all; he thinks that that is all very reasonable. Of course, it shows the irrationality of the members opposite in their attempt to try and find some way to criticize this budget, some desperate attempt to try and make some political gain out of being opposed to what? To a surplus budget that is very balanced in its perspective. It has some selective tax cuts.

What are some of the selective tax cuts that it has that the members opposite do not seem to think are very good for this province? Well, there is, of course, an extension of the sales tax rebate for first-time new home buyers. That is a rebate, I might say, that has resulted in some 900 families being able to get a rebate in order to buy their first home. It has worked very well over the last couple of years and it is going to continue to work well, Madam Speaker, but, of course, the members opposite are opposed to that. They do not want people to own their own homes. They do not want to help families to be able to do those things that are important to them.

The corporation capital tax exemption for small business was increased from \$2 million to \$3 million. Some 700 small businesses were able to take benefit of that reduction in the corporation capital tax.

The payroll tax exemption level increased to a million dollars, and a reduction of the payroll tax was given to those who have a payroll between \$1 million and \$2 million annually. That resulted in some 600 businesses being able to be taken off the payroll tax. Of course, they are opposed to that. Well, part of it is that they just do not really understand a lot of this. You know, we have so many of these fiscal geniuses opposite who fly off the top of their head with the facts and figures and criticisms and anything to be critical of. Whatever is the first thing that comes into your head, why do you not say it, that is their attitude.

I was told very recently about the fact that members opposite—well, it is principally the member for Crescentwood (Mr. Sale) who has been going out and visiting in various areas of southern Manitoba. He was in Altona; he was in Winkler. Well, in Winkler he went into one of the very large manufacturing concerns in Winkler, and he said, you know, you should be very upset with the government because they did not keep their promise in getting rid of the payroll tax, and you know that, of course, they do not really care about you people here in this business. In fact, they said they would get rid of it, but the reason they are not getting rid of it is that there are only a very few people who are paying it, and they pay a massive amount.

He said there are only six businesses that pay the payroll tax in Manitoba. So this person, that is what he said. That is what he said. It is unbelievable. This person, who is the comptroller of the company, said wait a second, six businesses in Manitoba pay the payroll tax? He said I know six businesses in Winkler that pay the payroll tax. He said let us see, there is Triple-E, there is Lode-King, there is Monarch Industries, there is Integra, there is Grandeur Homes. He said I know six businesses in Winkler. He said I was not born under a toadstool. What is going on here?

This is the kind of nonsense that these guys come out with. They have no idea what they are talking about. They go out and they say anything that they think is going to get them votes, Madam Speaker. That is the

kind of nonsense. It is irrational. They do not know what they are talking about with respect to the budget, and yet they continue to go out and talk and talk and talk and talk.

There is, as well, in this budget the extension of the Manufacturing Investment Tax Credit for three years. Now there is a program that has benefited many, many manufacturing companies, created tens of thousands of jobs. It is going to be carried on all the way to the year 2000. That is a tremendous, tremendous move.

As well, of course, the Manitoba Film and Video Production Tax Credit, a new initiative that will create many, many jobs by supporting our cultural industries. Now our cultural industries, of course, have been a tremendous example of zeroing in on a particular area of opportunity and creating the atmosphere and the conditions under which it will grow. In 1987 the film and video industry represented a \$1-million annual investment in this province. Ten years later in 1997, it is expected to be a \$50 million annual investment in this province.

* (2130)

With this kind of initiative, this kind of opportunity, plus the work that is going on in the Education and Training field to ensure that there are educated and trained people to work in this industry, they are expecting that within five years they will be at \$300 million of annual production. The best part of it is that over 80 percent of all of that money that is invested in a film that is produced here, over 80 percent of it accrues right here in Manitoba in salaries, in services, and all of the supplies that are purchased by those people who produce the films. That is the kind of targeted tax relief, opportunity for growth, job creation, that makes this a very, very balanced and consistent document that I think people can be very, very pleased about and are pleased about.

Let us just look at that one particular item that I referred to. Derek Mazur, who is the chairman of the Manitoba Motion Picture Industries Association said on the day of the budget, quote, I am ecstatic. People will be quite shocked at what we can do. This will make us competitive. Without it, we were getting beaten.

Now that is, I think, an example of what the real people are saying, not the kind of irrational comments, the mindless criticism that we heard on budget day and that we have been hearing day after day after day in the debates here in the House from the members opposite, Madam Speaker.

What other areas do we see in the budget that are incentives for investment and job creation? Well, we see of course that the Business Start Program will be extended. This is a program that has helped many, many small businesses. It has helped in particular women and rural entrepreneurs with loan guarantees.

We have, of course, more support for the farmers with respect to the Manitoba Crop Insurance program enhancements and a \$3.4-million fund for Agri-Food Research and Development Initiatives. We have support for our aviation industry, our air cargo and the other aspects of the aviation industry, much of which is really growing here. I was at the sod-turning for Purolator, an investment of \$6 million in a building job creation, and they are bringing in thousands of packages daily and repackaging them, putting them on different carriers and taking them out of here, out of Winnipeg to destinations across the country. A tremendous opportunity because we are very conscious and very much aware that we have to foster and help the growth of this aviation cargo business, and it is happening. Winnport is part and parcel of that whole initiative, and it will continue to grow, and it will continue to be a very positive thing for Manitoba.

Sandy Hopkins, the chairman of the Winnipeg Airports Authority, said on the day of the budget, and I quote: We're glad this tax reduction has happened. A number of us had been talking to the province about the situation.

These are all positive comments made by ordinary Manitobans, not comments that are just knee-jerk reactions by opposition members who want to get a eight-second clip on the radio or television that evening, Madam Speaker. These are real people who have to make their living in this economy, who have to be able to depend upon the economy for their jobs, for their families' income and for their future growth opportunities.

Here is another quote that was made the day of the budget. Harold Buchwald, the chairman of Winnipeg 2000, "The balance was just about right. It sends a good message to the business community and entrepreneurs that Manitoba is open for business."

But, you know, to their credit, the media went around, and they asked people from all walks of life, from all areas of our economy, they went to talk to some retired people, Ed and Hazel Thornhill, and it said in the article, "The budget will not drastically alter the lives of Ed, 80, and Hazel, 81." What Mr. Thornhill said is "There are all kinds of things you can do with the money, but I'm a strong advocate of eliminating our debt." He is a former air force pilot; he is very conscious of balance and choosing your priorities well. He went on to say, by eliminating our debt now, it will make things better for the future. Right now, it's a tremendous weight sitting on us.

The interesting thing is of course that the member for Thompson (Mr. Ashton) somehow tried to assert that we are just as responsible for this debt as he was when he was in office with the Pawley administration. Wrong again, Madam Speaker, wrong again. I went back just to be sure of my facts, and I would not want to be a little bit out on this one.

This is for the member for Thompson. In the six-and-a-half-year period that they were in office, they added \$4.1 billion to the total tax supported debt of this province—\$4.1 billion in six and a half years. Now what has happened in the nine years, just about nine years, that we have been in office, well, we have added \$1.6 billion. Now I think that there is quite a difference in that kind of approach to budgeting where they add \$4.1 billion in six and a half years, and we add \$1.6 billion in almost nine years.

That is the difference, and of course the difference is that we also are now in the process of paying down the total accumulated debt. And this is where this budget is historic, because it takes us onto a whole new plateau of commitments to the future. This is what it is all about. It is about the future and it is about our commitments to the next generation and the next generation of Manitobans after that. They now know that for the first time since the '50s, we are into a concerted effort to pay down the province's total

accumulated debt. They also know that we are doing it without raising taxes. We have not raised any of the major tax rates now in 10 budgets. They also know that we are simultaneously building an economy that is more buoyant and stronger than it has been in 25 years, Madam Speaker. You can look at every statistic that exemplifies the strength of an economy. You will see Manitoba in the upper echelon of those statistical analyses of the economy.

Let us take a look, for instance, at growth rate. Take a look at our growth rate. We are projected to be somewhere in the 3 percent or better range for 1996. In fact, as I read to members opposite, the analysis of Manitoba Bureau of Statistics feels that most of the economists have underestimated the strength, and that is going to be well over 3 percent when the final numbers are in for '96, maybe even close to 4. The forecasters—we have had two in the past week—one, TD Bank said 3.5 percent for 1997; the other, the Bank of Montreal said 3.3 percent, both of them projecting again above 3 percent levels for 1998. Madam Speaker, we are looking at a five-year period of growth, consistent and buoyant, that we have not seen for a long, long time.

Another good part of this is that we have consistent investment by the private sector. Five straight years of increase in capital investment, projected this year to be a sixth. No other province in Canada can say that. We are at an all-time record high level of investment, \$4.25 billion dollars of private capital investment this year in Manitoba.

We have had, of course, similarly huge investments in our exports. Much of the activity that has been going on in the manufacturing sector and in the high value-added sector has been as a result of our growth in exports. Exports to the world in the last six years for Manitoba have gone up about 120 percent; to our biggest consumer market, United States, in six years, 150 percent growth. Again, the best in Canada, Madam Speaker.

More so than that, what is it doing for our young people? Because they are the people for which we should be developing these economic plans and developing these budgets. Well, I have had an opportunity in the last little while to talk to a lot of

these youths, spoken at things like the engineering graduation, to the graduating class of the engineers in Manitoba, Sustainable Development Organization in which there were a lot of youths there.

* (2140)

There are so many things that are going their way. Manitoba now has one of the lowest youth unemployment rates in the country. In fact, it is 3 percent below Canada's youth unemployment rate whereas at the time—[interjection] Sorry, it is 5 percent below Canada's youth unemployment rate. When we took office, under New Democrats youth unemployment was 3 percent above the—[interjection] There is the difference, there is the difference.

So the youth are now seeing the debt being paid down. They are seeing less of a stress going to be placed on them in future to pay for a previous generation's bills. They are seeing the youth unemployment rate come down to one of the lowest in the country. More importantly, they are seeing jobs and economic opportunity to them and in the future.

When I was talking with the engineering graduating class, one of the things that is very exciting is that now for the first time in 30 years, since I was at university and looking at graduation, we are having people lined up to hire those graduating students. I was told today that we now have over 75 percent of our engineering graduates taking jobs in this province when they graduate, a dramatic difference.

You know, just a decade ago, it was closer to 50 percent, and now it is up to 75 percent and increasing. That is what the young people are looking for. That is the kind of security that they are looking for. That is the kind of opportunity that they are looking for. That is what they want to see done, and that is why this is a budget for the young people. This is a budget for the next generation and for the future. They know it, and that is why you listen to what they are saying.

As for members opposite, another thing that they said the day of the budget was that this was only a budget for business, only a budget for business. They went on to say silly things—in my judgment anyway, silly things—about well, if the province cuts taxes, that does

not necessarily mean that there are going to be jobs. That is what they said, you know.

This is what the Sun, the Winnipeg Sun, and I do not always agree with the Winnipeg Sun, and I do not always see things in that newspaper that I think are accurate, but this was not even an editorial comment. This was not a write-up by one of the journalists. This was just asking people on the street: in the budget, should the province have cut taxes on individuals rather than on business? That was the argument that was immediately put forward in a knee-jerk fashion by the members of the NDP party. So one person, Doug Fraser—these are all young people if you look at their photographs—says personal taxes “haven't increased for years, and it is time for the businesses to get a break. A tax cut will help businesses to employ more people. A payroll tax cut won't do them much good unless they do hire more people.”

Next one, Allan Lader says, “Individuals will also benefit from a cut in business taxes. If business grows, hopefully they will grow larger and hire more people. What Manitoba needs is growth in the business sector to create more jobs for everyone.”

Valerie Sakalauski says, “We need to do everything we can to protect Manitoba businesses. If local companies are doing well, they will hire more people which will help the entire economy. Governments need to do what they can to encourage business.”

Stephanie Martens says, “If business taxes are lowered companies will be able to hire more people. Companies will reinvest the money back into their businesses. These tax cuts should go both ways and help both businesses and people.”

Finally, Leslie Sinclair says, “These tax cuts will help business to create more jobs, which will help a lot of people . . . Any tax cuts should be targeted to small business.”

They understand. These are young people. They may not have the experience. They may not have all of the background that members opposite have, but they sure understand what happens in our economy and our society.

Madam Speaker, I was going to read from the comments of the Winnipeg Chamber of Commerce, the Brandon Chamber of Commerce. Well, here is an interesting one. Randy Viray, who is an insurance agent, said on budget day: “I see this budget, by paying down the debt and monetary restraint, as building a future for my kids.” Is that not interesting?

Well, let us take a look at what some of the experts say because we have listened to a lot of, I would say, inexperienced advice from members opposite over the last seven days. So let us look at what some of the experts say. Nesbitt Burns, a brokerage firm, this is what they said the day after the budget. Red river turns to black ink, and I quote: Finance minister Eric Stefanson's budget speech focused on a list of stimulative measures, infrastructure spending and enhanced tax credits. This is very much a stay-the-course fiscal strategy, and the province is well positioned to begin paying down its \$6.8 billion of general purpose debt. The Filmon government continues in its tradition of delivering sound fiscal management. The \$56 million in black ink penned for fiscal year '96-97 was not only two and a half times larger than the target announced in last year's budget but represented the first back-to-back surpluses in 25 years. The fact that Manitoba is in surplus at all is truly remarkable, however, considering that federal transfers account for over 30 percent of the province's revenue base. This is due purely and simply to the fact that the province moved earlier than most to put a lid on spending.

A very positive analysis, I would say.

The Bank of Nova Scotia said immediately after the budget: Fiscal prudence does pay off, and Manitoba is the better for it. Keeping a tight rein on public expenditures has been instrumental in turning budget deficits into surpluses, some of which are now being targeted at paying down provincial debt. Presently, Manitoba's net debt relative to GDP is the third lowest in the country.

Here is what UBS Securities said: Manitoba's 1997 budget balanced forever. We like it. The budget is better than we expected. In our opinion, this budget is full of good news. The government is, as promised, starting to pay down debt. There is a budget surplus in

'97-98 for the third consecutive year. Budgetary planning is based on credible, economic assumptions.

Well, I could go on and on, Madam Speaker. I have got a lot of quotes here, but I think it is important for us to look at a few more of the positive areas of this. You know, I was just thinking, as I see the member for Flin Flon (Mr. Jennissen) and I recall some of the comments that were made by the member for Thompson (Mr. Ashton), the best part of what is happening in our economy today, the fact that we have an all-time record level number of people employed, over 540,000, the highest in our history, the fact that our growth is so consistently positive and projected to continue to be, the fact that our export growth is leading the nation, that our investment growth is leading the nation—all these positive things are happening. I will get to a few more, but the best part of it is that this economic opportunity and growth is taking place in virtually every area of the province.

The member for Flin Flon knows because I know that, from time to time when he is up north with us at positive announcements like the opening of a new mine, he is more candid than he is when he sends in his columns from the Legislature here. In those columns, he does everything possible to be negative and to be critical of government, but, of course, since the latter part of 1995, we have had four new mines open. We have another one about to open within a matter of months.

We have all-time record levels of exploration taking place both in the mining side and in the oil side. We have some 25 companies that were not exploring here a decade ago now exploring actively here. Tremendous investment is taking place, jobs are being created, and wealth is being created in the North. That is positive; that is very positive because it is the only way that communities that are dependent on a single industry like mining or forestry are going to be able to survive if we continue to create incentives for people to invest in the long term, as I have talked about on various forums about looking for that needle in the haystack, drilling millions of dollars of holes looking for that vein of ore that can be turned into economic opportunity and jobs. And it is happening.

* (2150)

When I go to rural southern Manitoba, people want to talk about all of the value-added agriculture investments that are being made, whether it is at Carberry with major expansions to the potato processing there, or whether it is in Portage la Prairie with another major expansion, or whether it is in Brandon where there is about \$200 million worth of investment taking place there right now in several projects, most of them connected with value-added agriculture, or whether it is the canola crushing plant at Ste. Agathe or whether it is the new flour mill that was announced for Elie or the strawboard plant that Isobord is building near Elie and so on and so forth. All of these things are exemplary of the fact that the economy is perking on all cylinders everywhere.

It is not just the city of Winnipeg. In fact, oftentimes people in the city of Winnipeg say, well, gee whiz, we are envious because we see so much economic growth taking place. We see those expansions taking place at Loewen Windows in Steinbach, at Friesen printing in Altona. We see those expansions taking place at Triple-E in Winkler and so on and so forth, and they say, you know, we are not getting enough.

Then I remind them, Palliser just announced 400 more jobs here in Winnipeg. We have, I believe it is, about 400 jobs that will soon be taking effect as a result of Schneider's being completed. And then Boeing is adding another 400 jobs. These are all taking place in Winnipeg. And New Flyer is adding jobs. And Motor Coach Industries is adding jobs. We are talking about the thousands and thousands of jobs now, and they are happening in Winnipeg, they are happening in rural southern Manitoba, they are happening in mining, they are happening everywhere.

The interesting thing about our employment growth, because what is really important to people is that they want to know that there are jobs there for them, for their children, for their families and that there is security for the future. This job growth is part and parcel of it.

You know, I mentioned that we were over 540,000 Manitobans employed on a seasonally adjusted basis for February. That was the eighth consecutive month of strong job gains for Manitoba. Since June of '96, job growth in our province totalled an estimated 21,700,

which was a gain of 4.2 percent, the strongest job growth in the country, more than four times higher than Canada's growth of just 0.9 percent over the same period.

All of Manitoba's job growth so far—this is what is really exciting—has been in the private sector. Private sector employment, for instance, for the first two months of this year averaged 428,300 persons. That is a 6.1 percent gain for Manitoba, again the best of any province in Canada, way stronger than Canada's 1.3 percent for the same period.

The member for Brandon East (Mr. Leonard Evans) sometimes looks—he is like the member for Crescentwood (Mr. Sale) and the member for Concordia (Mr. Doer). They can always find a gray cloud behind every silver lining, and they look for it all the time, he goes away for a week at a time poring through statistics looking for some way of turning a positive set of statistics into a negative.

His criticism is that they are not full-time jobs, but this is what Manitoba Bureau of Statistics says: Two-thirds of our year-to-date job growth has been full-time jobs; roughly 14,000 of those jobs that I just mentioned are full-time jobs. That gives us a 3.6 percent growth in full-time jobs so far this year, again the best of any province in Canada.

As I have said, the best part of it is that the outlook remains strong for 1997. The Conference Board is suggesting we will add 12,000 new jobs. The Toronto Dominion Bank said 13,500 net new jobs in their projections. Our unemployment rate fell to the lowest level in nearly seven years, 6.7 percent in February.

Madam Speaker, this is what the budget is all about. It is about having a consistent approach to making things work better in our province. It is about having a consistent vision of where we want to take this province in the long term so that we are no longer just hewers of wood and drawers of water, that we are people who are adding value here in Manitoba, that our manufacturing sector is strengthening year upon year, that our agriculture sector is strengthening, in particular by adding value to our agriculture production right here in Manitoba.

That export growth that I talked about just moments ago, the best part of it is in that six-year period with that phenomenal export growth. Over 80 percent of the growth was in value-added processed or manufactured goods. So we are not any longer the kind of economy that people used to think about Manitoba as. We are in an economy that is modern, we are making the transition from a production economy to an information- and knowledge-based economy. We are into the global markets in every way, shape and form, not just because we are connected to them on the Internet or through computers and telecommunications and faxes but because we are trading into all of these markets successfully.

Agriculture—I spoke to the Manitoba Food Processors Association on Friday. We are now selling agricultural products into 115 countries worldwide from right here in Manitoba. This is a tremendous opportunity for us, and it continues to grow.

The thing that is I think most important to all of this is that when we listened to Manitobans, they told us a variety of things. As the economy continues to grow, as our revenues continue to strengthen and as we have the very real prospect of continuous balanced budgets, surplus budgets in the foreseeable future, now we want to talk about just what we ought to be doing with some of this extra wealth that the economy is creating.

Interestingly enough, I think Manitobans have the kind of perspective that ultimately showed up in the budget. They said, well, do a little bit of everything. Make sure you keep paying down the debt because, if you do, every time that you pay down some debt, you save interest next year and the year after and the year after. Every time you save \$10 and \$20 million annually of interest that does not go to the bondholders all over the world, it can go to helping us preserve and enhance our services here.

So they said, keep paying down the debt. They said, we are not really, really troubled by having to have an across-the-board cut on taxes, no quick fix, no big home run but, rather, look at ways in which selective tax cuts can help you to give more encouragement and more incentive to people to create jobs, the kind of thing that all these young people in the Sound Off column of the Sun said. Give some incentives and the

small businesses and the medium-size businesses will create the jobs, and that is precisely what is in this budget, selective tax cuts.

And finally of course, they also want us to ensure that we continue to enhance services, the kind of commitment that we have been steadfast in maintaining of making health care our highest priority and indeed, at 34 percent of our spending, the highest percentage devoted to health care of any province in Canada, that we continue to fund education because it is an investment in the future and continue to maintain our ability to fund those programs for the future.

That is another important feature and again, as I indicated earlier, 19 percent of our funding goes to that

and we continue to provide a social service safety net for those who are dislocated from the mainstream of our economy.

Those things are important. This budget is not only balanced in its fiscal sense, it is balanced in its priority sense, and this budget is consistent and it represents the best of the policies that the people expect of us. That is why everybody, from young to old, from every corner of the province I believe is supportive of this budget, and I recommend it to the House, Madam Speaker.

Madam Speaker: Order, please. The hour being 10 p.m., this will remain open. The hour being 10 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, March 24, 1997

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