

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 27 May, 1986.

Time — 2:00 p.m.

**OPENING PRAYER by Madam Speaker.**

**MADAM SPEAKER, Hon. M. Phillips:** Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Introduction of Bills . . .

### INTRODUCTION OF GUESTS

**MADAM SPEAKER:** Before we reach Oral Questions, may I direct the attention of members to the gallery where there are 30 students of Grade 9 standing from the Ken Seaford Junior High School. The students are under the direction of Mr. Zuk and the school is located in the constituency of the Honourable Member for Kildonan.

There are 26 students from Grades 5 and 6 from the West Lynn Heights School. The students are under the direction of Mr. Chand and the school is located in the constituency of the Honourable Minister of Co-op Development.

There are 55 students from Grade 9 from the Warren Collegiate. These students are under the direction of Mr. Jake Weibe and the school is located in the constituency of the Honourable Member for Lakeside.

On behalf of all the members, I'd like to welcome you to the Legislature this afternoon.

### ORAL QUESTIONS

#### Child Welfare crisis - absence of Minister

**MADAM SPEAKER:** The Honourable Leader of the Opposition.

**MR. G. FILMON:** Thank you, Madam Speaker.

My question is for the Premier. I wonder if the Premier could indicate whether or not the Minister of Community Services and Corrections is out of province at the present time.

**MADAM SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Yes, Madam Speaker.

**MR. G. FILMON:** Madam Speaker, my question to the Premier is, why has he allowed the Minister of Community Services and Corrections to leave the province at a time when there is a crisis in the child welfare system, when 20 children are acknowledged to be in circumstances in which they are at risk of child abuse, and when the child care workers at four Winnipeg Child and Family Services agencies are reportedly on the verge of strike action?

**HON. H. PAWLEY:** Madam Speaker, the question to the Minister of Community Services is one that I would

like to address by way of the fact that a request, I understand, was made to pair the Minister of Community Services to attend a ministerial meeting. That pairing request was rejected by honourable members across the way.

Madam Speaker, what is even more ironic, in view of the sham on the part of honourable members across the way, one of the most important items being dealt with at that ministerial meeting of Community Service Ministers was to share information on an agenda which reads: "Presentations by provinces on critical child welfare issues and solutions."

Those members across the way rejected a pair so that a Minister of the Crown could attend a meeting of Ministers to deal with the very items that they, by way of sham, pretend to be concerned about in this House, Madam Speaker.

**MR. G. FILMON:** Madam Speaker, we believe that it is important to look after the 20 children in this province who are at risk at the present time . . .

**MADAM SPEAKER:** Question?

**MR. G. FILMON:** . . . according to the Minister, and the workers in four child welfare agencies who are on the verge of strike. That's where the priority has got to be, Madam Speaker.

**MADAM SPEAKER:** Order, please.

May I remind honourable members that question period is not a time for debate. If the Honourable Leader of the Opposition has a question, he may now put it.

#### Child abuse

**MR. G. FILMON:** Madam Speaker, I wonder if the Premier can indicate to members of the House whether or not the 20 children who were reported yesterday by workers in the agencies to be at high-risk child abuse situations have been removed from the circumstances in which they were located yesterday.

**MADAM SPEAKER:** The Honourable Minister of Health.

**HON. L. DESJARDINS:** Madam Speaker, as Acting Minister, I'll take that as notice for the Minister and give it to her. — (Interjection) — Do you want me to give you a figure that I don't know?

**MR. D. ORCHARD:** We just want somebody to do something for the children.

**HON. L. DESJARDINS:** It doesn't mean that they're in more danger, there are other people out there — (Interjection) —

**MADAM SPEAKER:** Order, please.  
The Honourable Leader of the Opposition.

### Child welfare workers - labour negotiations

**MR. G. FILMON:** Madam Speaker, I wonder if the Premier could give us an indication of the current status of the labour negotiations with the workers in the four child care agencies in Winnipeg.

**MADAM SPEAKER:** The Honourable Minister of Health.

**HON. L. DESJARDINS:** I would also take that as notice, Madam Speaker.

**MR. G. FILMON:** Madam Speaker, I wonder if the Premier could indicate whether or not the Minister of Community Services and Corrections, prior to leaving the province, left in place a contingency plan to deal with the circumstances should the workers from the four child care agencies go on strike?

**MADAM SPEAKER:** The Honourable the First Minister.

**HON. H. PAWLEY:** Madam Speaker, I'm not aware that there is a strike. The Leader of the Opposition can rest assured that the Minister of Community Services, in her usual conscientious manner, will have undertaken any reasonable discussions with those in positions of responsibility prior to her departure for a ministerial conference, pairing rejected by members opposite that wish to deal with the question of child welfare and child welfare abuse.

### Mosquito fogging

**MADAM SPEAKER:** The Honourable Member for River East.

**MRS. B. MITCHELSON:** Thank you, Madam Speaker. My question is for the Minister of Environment. Could the Minister explain why he did not reduce the buffer zone for the mosquito fogging as requested by the City of Winnipeg?

**MADAM SPEAKER:** The Honourable Minister of the Environment.

**HON. G. LECUYER:** Thank you, Madam Speaker. After having met with the delegation of the City of Winnipeg a couple of weeks ago, I indicated to the councillors that I met at that time, that I would take a serious look at this issue and consult with staff with a view of trying to see if there was any other way to try and bring together the aspirations or the rights of all individuals, and those in this particular instance who want, or think, the fogging will bring some form of relief; and those who, for health reasons or otherwise, object to being exposed to the spray residues.

From the discussion that I had with all, and even including the city's entomologist, there is no other technical way of trying to provide that form of protection. Even then, Madam Speaker, I don't call it a buffer zone, I call it a zone of limited protection because, as the city has indicated in its previous reports

itself, the spraying approach is like an aerosol can — when you press the button, that spray extends for a distance.

It's the same system, Madam Speaker, and therefore, when those trucks go along that chemical spray extends for some 90 metres under normal weather conditions where spraying is permitted. Therefore, we can't even provide any iron-clad guarantee that those who object will be protected, even with 100 metres of limited protection zone; we can only guarantee that they will have less, Madam Speaker. Other than that the requirements on this permit are practically the same as the city has applied on its own self in the past.

### Encephalitis

**MRS. B. MITCHELSON:** My second question is for the Minister of Health. I wonder if he could provide for us some information on how many people have contracted Western Equine Encephalitis in the last 25 years; and could you indicate the number of deaths and the type of disabilities as a result of this dreadful disease.

**MADAM SPEAKER:** The Honourable Minister of Health.

**HON. L. DESJARDINS:** Madam Speaker, if that information is available I'll see that it's given to the members of the House.

**MRS. B. MITCHELSON:** My supplementary question to the Minister of Health is, will this government be participating in the Sentinel Chicken Flock Monitoring Program that the City of Winnipeg has set up as a result of this same program being cancelled by this present government?

**HON. L. DESJARDINS:** Madam Speaker, I believe I already answered this question. We feel that this would provide false security, people thinking that there's no danger, and the point is it is education to the public and, when the mosquitoes are biting, the same precautions should be taken. No, we will not participate.

### Land Titles Registration Fee increase

**MADAM SPEAKER:** The Honourable Member for Fort Garry.

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

My question is to the Minister of Finance. In the Budget the Minister made reference to increasing the tax on those who are going to be buying homes this year in the Province of Manitoba. I'm wondering, what size will that increase be on the purchase of each home.

**MADAM SPEAKER:** The Honourable Minister of Finance.

**HON. E. KOSTYRA:** Thank you, Madam Speaker. I'm not aware of any tax that the member makes reference to.

**MR. C. BIRT:** Madam Speaker, I would refer the Minister to his document when he tabled his speech, when he introduced the Budget.

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He indicates that the registration fees in the Land Titles Office will be increasing by \$800,000.00. Can the Minister advise when this new tax will be going into effect, that the Manitobans who buy homes will have to pay this tax?

**HON. E. KOSTYRA:** The difficulty with trying to respond to the member's question is he's not using correct terms. The fees that are referenced in the Budget Speech are ones that are administered through the Department of the Attorney-General and that information, with respect to those changes, will be made in the usual course by the Attorney-General.

**MR. C. BIRT:** Can the Minister advise, in light of doubling the tax on home purchases two years ago, why the Minister chose to raise the fees again this year, and when this tax increase will go into effect?

**MADAM SPEAKER:** The Honourable Attorney-General.

**HON. R. PENNER:** I presume the member is still talking about land titles fees. Of course, what has to be borne in mind is that the cost of operating the Land Titles Office and offices, and the scheme that we have in Manitoba, which is one of the best in Canada, increases year by year and, indeed, we are now engaged in a computerization program that will significantly increase the level of service to the public. There's a bit of a hiatus there in which there are greater delays than we would like.

We've increased term staff to increase the turnaround time so that those out there who are waiting for titles can get them as soon as possible, while we're waiting to computerize. Indeed, the more we can do to expedite the service, the more the ordinary consumer of that service saves in interest pending closure of a deal; so that, in fact, the amount of money that is presently charged for the operation of the system should be going up as we improve the system. I don't see why the member opposite would quarrel with a reasonable approach of that kind.

**MR. C. BIRT:** A question then to the Attorney-General. In light of the cost of the operation of the department and land titles being just in excess of \$4 million last year, and the profit derived from the same land titles, according to the Estimate, is some \$10 million — in other words, a profit of some \$6 million, it's estimated that the profit will be \$7.5 million this year — why then is the tax on purchase of new homes going up by \$800,000.00?

**HON. R. PENNER:** I presume the member is talking about the fees. If the member persists in calling it a tax he may if he wishes, but I think that the Minister of Finance was right in calling him into account. At least one should expect, in terms of questions from a member who is a lawyer, the appropriate use of terminology.

Madam Speaker, here we have another example of the two-faced approach of the members of the Opposition — the ambivalent approach perhaps is the way in which I should put it. They keep on attacking us speech after speech with respect to the deficit, and

then when we take reasonable measures to increase the overall revenues of the province in reasonable ways, then, in fact, what we get is this kind of criticism. The fact is, Madam Speaker, that this is one of the least regressive ways of raising revenues because most people will only be involved in two transactions of this kind in their lifetime. — (Interjection)—

**MADAM SPEAKER:** Order please. May I remind Honourable Ministers that answers to questions should be as brief as possible.

The Honourable Member for River Heights.

### Pairing of members

**MRS. S. CARSTAIRS:** Thank you, Madam Speaker. My question is for the Premier. Would the Premier please clarify in the future, when he refers to pairing, that he is speaking only of the Official Opposition?

**MADAM SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** I do want to apologize to the Member for River Heights. It was not fair on my part to refer to members of the Opposition that rejected a pair for the Minister of Community Services to attend a ministerial conference dealing with child welfare. I apologize to the Member for River Heights for having tossed her in with the other 26 members across the way.

### South African products - banning of

**MRS. S. CARSTAIRS:** A second question to the Premier, Madam Speaker. I was, as a human being and as a member of the Liberal Party, delighted at the decision made last year to restrict the sale of South African wines in this province. I wonder if the Premier is considering a similar action, as that taken by the Premier of Ontario, in banning all South African products from government purchasing?

**HON. H. PAWLEY:** Madam Speaker, I have not taken that into consideration but it might very well be that the suggestion by the Member for River Heights ought to be looked at closely by this government and we shall do so.

### Rogers Report

**MADAM SPEAKER:** The Honourable Member for Arthur.

**MR. J. DOWNEY:** Thank you, Madam Speaker. I have a question to the Minister of Native Affairs. To the Minister, Madam Speaker, has he received a copy of the Rogers Report which was released last week dealing with conditions in Native communities in Manitoba; and if he has, will he make them available to the Assembly?

**MADAM SPEAKER:** The Honourable Minister responsible for Native Affairs.

**HON. E. HARPER:** I haven't received a report, or haven't even heard of the report yet, and if I have the

report made available to them I would make it available to the member opposite and the people concerned.

### Indian reserves - conditions

**MR. J. DOWNEY:** Madam Speaker, I'm somewhat surprised that with such a major report and conditions being reported that the Minister does not have a handle on the affairs that he is responsible for. A further supplementary, does the Minister concur with the reports in the Free Press where it stated, "Alcohol abuse, anxiety and depression are major mental health problems in three-quarters of Manitoba's Indian communities"? Does he concur with that report?

**MADAM SPEAKER:** The honourable member well knows that asking a Minister whether he concurs or not is not in order. Would you like to rephrase your question?

**MR. J. DOWNEY:** Yes, Madam Speaker. Is it a fact that the information which I just put on the record is true?

**MADAM SPEAKER:** Order please. Requesting a Minister to verify the accuracy of information is also not a proper question. Every member's responsibility and duty is to ascertain the facts for themselves.

The Honourable Member for Arthur.

**MR. J. DOWNEY:** Madam Speaker, a final question to the Minister responsible for Native Affairs. Is he concerned about the conditions which have been reported dealing with the Native communities in Manitoba; and if he is, has he made recommendations, or will he be making recommendations, to his Cabinet colleagues to give them some support?

**HON. E. HARPER:** Yes I am concerned about the social conditions and the health conditions that exist on the reserves. However, I'm also concerned that the Federal Government has decided to cut back on some of the services which are federal responsibility, the constitutional responsibility that they have. But we are, as a Provincial Government, delivering some services and some training programs that . . . the skills . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MADAM SPEAKER:** Order please.

**HON. E. HARPER:** . . . of Native people in those remote and isolated communities.

**MR. J. DOWNEY:** One final supplementary, Madam Speaker. Has the Minister made any official contact to the Federal Government, putting forward his concerns in this regard?

**MADAM SPEAKER:** The Honourable Minister responsible for Native Affairs.

**HON. E. HARPER:** I have, personally, delivered some petitions to the Minister responsible for Indian Affairs last July, in which I carried about 2,000 signatures from

the Indian reserves protesting to the cutbacks that have been made by the Federal Government. At that time, he assured me that there would not be any cutbacks and, if there were any cutbacks, that they would consult with the Indian Bands and the chiefs. To my knowledge, they have not consulted the chiefs, and also they have not consulted the Bands. But last fall, what they did was they consulted with the bureaucrats in terms of how the cutbacks were going to affect them. But I am very concerned about the conditions that do exist on the reserves.

### All-terrain vehicle licensing

**MADAM SPEAKER:** The Honourable Member for Turtle Mountain.

**MR. D. ROCAN:** Thank you, Madam Speaker. My question is to the Minister of Highways and Transportation. Can the Minister indicate to this House whether three-wheel, all-terrain vehicles and four-wheel, all-terrain vehicles can be licensed in the Province of Manitoba?

**MADAM SPEAKER:** The Honourable Minister of Highways.

**HON. J. PLOHMAN:** Madam Speaker, three-wheel, all-terrain vehicles are currently licensable and can be registered under The Snowmobile Act, but there is no provision at the present time for dirt bikes and four-wheel, all-terrain vehicles to be registered. That is why the government and my department, at the present time, is finalizing draft legislation for altering the vehicle act. It will not be presented to the Legislature in this Session, but it is certainly being considered seriously at this time.

All of the provisions are being drafted, and then there will be consultation with municipalities and groups to determine the provisions that should be included in that act. But the answer is, of course, that at the present time there is no provision for a number of these vehicles to be licensed and registered in the Province of Manitoba.

**MR. D. ROCAN:** A supplementary, would a simple amendment to The Snowmobile Act where a four-wheeler may be put into the act licensing?

**HON. J. PLOHMAN:** Well, certainly there could be a simple amendment just to simply include them under the provisions that are there, but there is a need to include and to update the legislation that is there. There is much more involved than just registering these vehicles.

Certainly there are concerns about the age restrictions, the age of people that can operate them, where they can operate them, whether they should have helmets included as standard equipment, speed restrictions! There's a lot of detail that has to be considered.

The act, as it applies now to three-wheelers, is certainly not adequate; it simply provides for registering. It is not adequate at the present time. There are a number of considerations that we have to work on,

Madam Speaker, so it is not just a simple matter of adding the four-wheelers. It is something that has to be expanded and considered in a number of different contexts, and we want to look at all of those aspects.

**MR. D. ROCAN:** A supplementary, Madam Speaker, to the Minister of Highways. With the number of sales of the four-wheelers being sold within the Province of Manitoba, can the Minister indicate when these vehicles will be allowed to be licensed?

**HON. J. PLOHMAN:** Madam Speaker, I have indicated that legislation is being developed, and will be brought before the Legislature in the Province of Manitoba as soon as it is ready.

### Train derailment, Northern Manitoba

**MADAM SPEAKER:** The Honourable Member for Thompson.

**MR. S. ASHTON:** Thank you, Madam Speaker. My question is to the Minister of the Environment. I would like to ask the Minister what action his department is taking in regard to the recent rail derailment and resulting diesel oil spill in Northern Manitoba?

**MADAM SPEAKER:** The Honourable Minister of the Environment.

**HON. G. LECUYER:** Thank you, Madam Speaker. There is indeed one car, part of this derailment, which has been leaking diesel fuel, some 77,000 litres of it. There is staff from the department assisting CNR in co-ordinating the clean-up effort. I understand, Madam Speaker, that a contractor to do this job is on its way there and should be on the site, as well, later on today.

**MR. S. ASHTON:** A supplementary, Madam Speaker, there have been reports that there was a long delay involving C.N. advising environmental officials of the fact that there was a spill. I would like to ask the Minister if that is in fact the case and, further, what action the Minister will take to ensure that such delays do not occur in the future.

**HON. G. LECUYER:** I haven't had any reports to that particular effect. I understand the accident occurred somewhere around 2:30 in the afternoon on Sunday, and the department was advised by the RCMP in Thompson, I believe, or Churchill by about 6:30 in the afternoon on Sunday. So there was a lapse of four hours. I don't know whether that is considered an undue period of time or not. I shall look into this particular matter.

**MADAM SPEAKER:** The Honourable Member for Thompson with a supplementary and no preamble.

**MR. S. ASHTON:** A final supplementary, I would like to ask the Minister whether he can indicate whether there is any health or environmental hazard resulting from the diesel fuel spill, in view of the fact that certain residents of Pikwitonei have some concern it might seep into the river system.

**HON. G. LECUYER:** Before I do, I want to correct what I said in the previous answer. In effect, C.N. could have been in a position to advise us sooner as far as the accident taking place, and we will be following this up with the C.N. in terms of trying to determine why it took so long.

As far as the last supplementary, there is no undue health concern in regard to this particular accident. We are certainly very concerned in terms of the impact on the environment, and we hope to be able to see that the entire diesel fuel can be collected with spoiled soil in that area. I want to indicate that the oil is in stagnant water which is not part of a runoff to flowing water, and it has been dammed so that it will not affect . . .

**MADAM SPEAKER:** Order please.

**HON. G. LECUYER:** Thank you, Madam Speaker.

**MADAM SPEAKER:** May I again remind Ministers to please keep their answers brief and to the point. The Honourable Member for Morris.

### Kids and Trees Program

**MR. C. MANNESS:** Thank you, Madam Speaker. I'm not quite sure who to address my question to, but I would like to quote from a May 10, 1985 Government Services release. It's called "Kids and Trees Program Under Way." It says: "The Departments of Natural Resources, Education, Highways and Municipal Affairs kicked off the Kids and Trees Program near St. Adolphe on May 7th. The program is designed to involve youth and community groups in community development environmental activities. The first planting was done May 7th by 130 students and 20 teachers from Gretna Mennonite Collegiate. They spent most of the day planting 13,000 seedlings at the junction of Highway 75 and 429 near St. Adolphe." Just one final sentence, and the operative part to this, Madam Speaker, "It is hoped that the project will demonstrate proper techniques of tree planting and maintenance, and teach the students conservation awareness."

My question to somebody over on the other side, Madam Speaker, which department is responsible for this program? Secondly, who is ensuring the proper husbandry of these trees?

**MADAM SPEAKER:** Order please. Could I please remind honourable members that a question should have a preamble not exceeding one carefully drawn statement; and also refer members to Beauchesne 362 which says: "Reading telegrams, letters or extracts from newspapers as an opening to an Oral Question is an abuse of the Rules of the House."

If members who are asking questions could please adhere to the rules, and Ministers responding to questions adhere to the rules, we will have a much more productive question period.

The Honourable Minister of Natural Resources.

**HON. L. HARAPIAK:** Madam Speaker, I would like to take that question as notice.

**MR. C. MANNESS:** Madam Speaker, given that this morning I walked that site and there isn't a live tree

and there is nothing but stinkweed and grass that have killed every tree there, can the former Minister of Education, or the former Minister of Transportation, who took such delight in announcing this program, can they tell me . . .

**MADAM SPEAKER:** Order please. A question cannot be addressed to a Minister in their former responsibility. The Honourable Member for Morris.

**MR. C. MANNES:** Can the Minister in charge tell me how this demonstration site will teach proper husbandry methods to these students who have come by into Winnipeg along that site, I'm sure, weekly, and see the futility of their efforts?

**HON. L. HARAPIAK:** Madam Speaker, given my recent arrival to this position, I'm sure that it is reasonable on my part to take that as notice and get the relevant information regarding the particular project, and I will, when I get that information, respond to the House.

**MR. C. MANNES:** A supplementary, Madam Speaker, can the Minister also then take as notice a question with respect to how many other sites there are, and what is their state and their condition at this point in time?

**HON. L. HARAPIAK:** Yes.

**MADAM SPEAKER:** That's better.  
The Honourable Member for Emerson.

### **Flooding - compensation for damages**

**MR. A. DRIEDGER:** Thank you, Madam Speaker. My question is to the Minister responsible for EMO. A few weeks ago, the Minister made a statement in this House indicating that municipalities that had experienced flooding this spring would be contacted, and they could relate their information, or their charges, back to the government. Can the Minister indicate how many municipalities have been contacted and which ones they are, or have they been contacted?

**MADAM SPEAKER:** The Honourable Minister of Highways.

**HON. J. PLOHMAN:** Madam Speaker, I don't have the complete list. There were about 21 municipalities and towns and villages that were sent the information indicating to the local jurisdictions that the inspection would be commencing as soon as information was received from the municipal offices as to the extent of private damages, individuals coming forward. Application forms would be available at the municipal offices, and they were to communicate with the individuals, and then pass that information on to the Disaster Assistance Board by May 31st. That is a couple of days away. When we have that information, the inspections will begin immediately.

**MR. A. DRIEDGER:** A supplementary question to the same Minister then, is the Minister indicating that there is a program in place right now that the people in the

municipalities making applications can expect a specific program or assistance that will be coming forward?

**HON. J. PLOHMAN:** Certainly, Madam Speaker, I had indicated to the House when this was announced that there was a change in procedure and that, instead of waiting for all of the reports to be in, and all damages having been repaired by the municipalities in the affected areas, as well as providing all of the information for all private damages, we had announced an inspection program that could begin as soon as individual reports started to come in. Applications were made available much earlier in this process.

However, there has not been a particular decision made by Cabinet to pay compensation. That decision will be made once we have determined the extent of the damages, and the Disaster Assistance Board can then bring forward the precise parameters of the payout of compensation, and would be able to make recommendations as to who would be eligible. That will take place after the inspections. Obviously it is implied that we are going to be assisting with compensation to those who are eligible under the program.

**MR. A. DRIEDGER:** A final supplementary, Madam Speaker. I maybe misunderstood the Minister. Did the Minister indicate that there has been no decision made in Cabinet in terms of what kind of assistance will be coming forward, and that there is a possibility that this whole exercise is just a facelift of some kind, or a mirage for the people, that the municipalities and the individuals will be spending a lot of time doing this work and not assured of any assistance?

**HON. J. PLOHMAN:** Madam Speaker, there is no chance that this is a charade or, as he calls it, a facelift or mirage or whatever he called it.

The fact is that our government, during our previous term, has put in place a precise formula for compensation and a disaster assistance plan, not only for municipalities, but also for private individuals. The formula is in place; the municipalities are aware of that formula, and the compensation for individuals is a \$250 deductible up to a maximum of \$30,000 based on eligible damages. That is the program that is in place. It has set parameters and once we have determined the precise extent of the damages, I will be coming to Cabinet with the Order-in-Council with regard to payment of compensation.

### **CAT scans, Health Sciences Centre**

**MADAM SPEAKER:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Thank you, Madam Speaker. My question is for the Minister of Health.

Given that the CAT scan at the Health Sciences Centre is in need of replacement and is subject to very frequent breakdowns causing delay in CAT scan scheduling for patients in need of that diagnostic service, could the Minister of Health indicate to the House when he expects the new CAT scan at the Health Sciences Centre to be operative?

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**MADAM SPEAKER:** The Honourable Minister of Health.

**HON. L. DESJARDINS:** Madam Speaker, it's not a question of waiting for the CAT scan, in fact, I think the CAT scan is there and has been there for a while. It is the construction of the proper facility. That is being done as fast as possible and I think the last I heard it will be sometime in July that the new CAT scan will be installed.

**MR. D. ORCHARD:** A supplementary, given that the delays, because the current CAT scan is often inoperative, and given the life-threatening circumstance of a delay in that kind of a diagnostic procedure, could the Minister indicate approximately what the length of waiting time is for the CAT scan at the Health Science Centre?

**HON. L. DESJARDINS:** Madam Speaker, I would have to get the latest from both the Health Sciences Centre and St. Boniface Hospital. I wish to remind the members of this House that I had announced not too long ago that within, if not this year, by the next year anyway, there would be five new CAT scans including the one at St. Boniface Hospital and the one at the Health Sciences Centre, a second one in both these teaching hospitals and one in Brandon.

**MADAM SPEAKER:** The Honourable Member for Pembina with a supplementary and no preamble.

### CAT scan, North Dakota

**MR. D. ORCHARD:** Madam Speaker, may I pose a new question to the Minister of Health.

Given that the earliest that we can expect a new CAT scan to be operative at the Health Sciences Centre is July, and given normal delays that could well be later, would the Minister give consideration to, for the interim period, dropping the prohibition on patients in Manitoba being able to avail themselves of CAT scanning in, for instance, North Dakota? Because any delay in CAT scanning caused by the antiquated CAT scanner at the Health Sciences Centre may well be life threatening, could the Minister offer to those patients needing CAT scanning, and being delayed at the Health Sciences Centre, the option of going to the United States to receive that very valuable diagnostic technic?

**HON. L. DESJARDINS:** Madam Speaker, certainly not on a regular basis or just on a whim. On a recommendation from and under certain circumstances and recommendations from the doctor, yes. In fact, the commission is looking at that.

**MR. D. ORCHARD:** A supplementary then, given that the commission is looking at that possibility, can the Minister assure the House, and more importantly the patients of Manitoba who are being delayed from receiving CAT scans from the Health Sciences Centre, that their requests for out-of-province CAT scanning will be approved, because obviously, they are not going to be made on a frivolous nature by any physician in this province?

**HON. L. DESJARDINS:** No, Madam Speaker, a decision has not been made. I certainly can't give this assurance at this time.

### Baseball stadium - status of

**MADAM SPEAKER:** The Honourable Member for Charleswood.

**MR. J. ERNST:** Thank you, Madam Speaker. I have a question for the Minister of Sport.

Several weeks ago, the Minister announced that he was going to provide certain funds to the City of Winnipeg to build a sports facility — a baseball stadium, I believe, and a soccer stadium associated with that. The Mayor has indicated recently that since the increase in power rates that it was really taking with one hand and giving with the other. Can the Minister confirm whether that agreement has been signed with the City of Winnipeg?

**MADAM SPEAKER:** The Honourable Minister of Sport.

**HON. L. DESJARDINS:** No, Madam Speaker, that agreement has not been signed. In fact, I don't think that the city delegation has introduced that to the council as yet.

**MR. J. ERNST:** A supplementary question then, could the Minister indicate to the House if there is a consensus of agreement between the Mayor and the Minister with respect to those particular facilities?

**HON. L. DESJARDINS:** Madam Speaker, I certainly thought there was, not only with the Mayor, but with the delegation. But many of the conditions that were included in the proposed agreement have not been met yet, and I would take this opportunity to suggest that this should be done not at the last minute; that the Mayor or somebody else try to put the blame, if you can't get AAA ball put the blame on the province. We've had agreement, in principle, we're ready to live up to it and I think the city should live up to their end.

**MR. J. ERNST:** A final supplementary question, Madam Speaker.

Could the Minister indicate when an agreement is reached, or assuming an agreement is reached, would he be prepared to table that agreement for the information of the members of the House?

**HON. L. DESJARDINS:** It would be my pleasure, Madam Speaker.

**MADAM SPEAKER:** The time for Oral Questions has expired.

The Honourable Minister of Labour.

**HON. A. MACKLING:** Madam Speaker, I beg leave of the House to make a non-political statement.

**MADAM SPEAKER:** Is it the will of the House to hear the Honourable Minister? (Agreed)

The Honourable Minister of Labour.

## NON-POLITICAL STATEMENT

**HON. A. MACKLING:** Thank you, Madam Speaker.

I received a letter today which I wanted to share with members of the House. It is from Stevenson/Britannia School, Britannia School being my old elementary school in my constituency, and the letter reads:

"In celebration of Manitoba Day, May 12th, our school undertook a variety of activities. Classrooms studied the symbols of Manitoba, names and locations of towns, visited historic sites and researched various topics of our history. The students and staff met for two assemblies: one on May 12th to introduce this unit, and one on May 16th to present and display our findings and to celebrate with a birthday cake.

"On behalf of the students of Stevenson/Britannia School, we would like to present you with this card to commemorate Manitoba's 116th Birthday."

Madam Speaker, it's such a beautiful card, showing the creative efforts of this class in my school which reads: "Happy Birthday Manitoba, from the Grade 1 class at Stevenson/Britannia School." I think it is a beautiful card and I wanted to share it with members. Thank you.

## ORDERS OF THE DAY BUDGET DEBATE

**MADAM SPEAKER:** On the proposed motion of the Honourable Minister of Finance and the amendment thereto proposed by the Honourable Leader of the Opposition standing in the name of the Honourable Minister of Health.

**HON. L. DESJARDINS:** Madam Speaker, I adjourn the debate for my leader.

**MADAM SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Madam Speaker, let me just first explain the reason for my participation in the Budget Address today, rather than later, due to the fact that Manitoba is indeed honoured to host the Western Premiers' Conference in the very fine constituency represented by the Honourable Member for Natural Resources at which conference commences tomorrow evening and is completed by Friday noon. In addition, on Monday I have an invitation to attend the First Ministers' meeting in Ottawa pertaining to trade.

Madam Speaker, I would like to first take this opportunity — I'm sure on behalf of most members of this Chamber — to commend the Minister of Finance, the member for the Constituency of Seven Oaks, for the very competent, the very fair, the very humane manner in which he introduced his first Budget to this Chamber the other evening. Madam Speaker, I also would like to, at this time, commend the former Minister of Finance for four years of competent stewardship of the financial affairs of the Province of Manitoba. There is no doubt in my mind that the competent management of the finances of the Province of Manitoba by the former Minister of Finance, the present Minister responsible for Industry, Trade and Technology, has meant a great deal to Manitobans as a whole.

Madam Speaker, this is this New Democratic Party Government's Fifth Budget to this Chamber. It is a Budget that is fair; it is one that is fair, despite the fact that there are many challenges that this Budget had to confront, but this New Democratic Party Administration, as reflected in this Budget, was prepared to deal with those challenges and I'll be dealing with them later.

Secondly, no one would quarrel that this is a responsible Budget by a responsible government in a period of time that is fitting to the particular circumstances that we are faced with as Manitobans and as Canadians.

Thirdly, this is a Budget that is humane, a Budget that takes into consideration the real needs of the low and the middle income groups within our society. It is not a Budget, Madam Speaker, that is aimed principally at cutting deficits; that, regardless of the penalty that must be paid as a consequence thereof, by those with the greatest need in our society, it is a Budget that reflects the understanding that this New Democratic Party Administration has of the very real human concerns that exist within the Province of Manitoba.

The fact that we do have so many of our families in this province — husband, wife, and children — attempting to scratch together enough funds to pay bills, to pay taxes, to pay their regular grocery bills, that reflects the fact that there are farmers that are struggling with one eye on the bank to ensure that they maintain the future of the family farm. It is a Budget, Madam Speaker, that recognizes the real weight that is imposed upon the single parent with children that must find a way of ensuring they get by with meager resources during a time of grave difficulty insofar as the single parent is concerned.

So, Madam Speaker, this is basically a Budget that is concerned principally with people, not a Budget that is principally concerned with numbers and calculations, but recognizes the importance of caring, of compassion, of a philosophic direction in our society; that those that are able to, those with power, those with greater amounts of wealth, must be prepared to assist, to the extent that is possible within our society, those with the greatest need within our society. That is a social democratic Budget to which this government supports philosophically.

Madam Speaker, the time — and I mentioned the time but a few moments ago — there is regrettably no more notches in peoples' belts. We heard a lot of brave commentary by some economists a day or two after the Budget. Well, it's too bad that the government didn't hit the people of Manitoba harder was the impression that was being given by some of the economists from the University of Manitoba. Madam Speaker, this Fifth Budget, unlike the last two Federal Budgets, does not put a squeeze on the ordinary men and women of the Province of Manitoba. Madam Speaker, we recognize the fact that due to the past two Federal Conservative Budgets, and the financial squeeze that has been put on the average and the ordinary man and women in this province, that there's little room left at this point after the squeeze that has been imposed by the Federal Government in their last two Federal Budgets in Ottawa.

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

Mr. Deputy Speaker, I think we should watch the Tories with interest and a certain amount of amusement

during the proceeds of this Budget Debate. In watching the Tories, Mr. Deputy Speaker, it reminds me of that old game, "To Tell the Truth." — (Interjection) — We have the Member for Pembina, the Deputy Leader of the Conservative Party in this Chamber, who boasts in public forum, by way of a media conference, "I am a Conservative and I will reduce the deficit in four years."

Then, Mr. Deputy Speaker, we have the Leader of the Conservative Party, who during the campaign said, "I am a Conservative, my election promises will add hundreds of millions of dollars to the provincial deficit." — (Interjection) —

Mr. Deputy Speaker, we have the Member for Morris, the Finance Critic of the Minister of Finance, who stated, "Mr. Deputy Speaker, I am a Conservative and government should have cut spending and increase services." Mr. Deputy Speaker, as was said in the game show, "will the real Manitoba Progressive Conservative please stand up."

Mr. Deputy Speaker, we have the Member for River Heights who, during the course of the election campaign, in fact, made the Tory promises look very much like petty cash, promises mounting again to hundreds of millions of dollars by the Member for River Heights during the course of the election campaign. During the evening of the Budget Address, the Member for River Heights described the Budget as a socialistic Budget from a socialistic government. Mr. Deputy Speaker, the Member for River Heights called for expenditure reduction on Budget night; she has called for increased expenditure every other day since Budget night. You can't have it both ways.

Mr. Deputy Speaker, I ask honourable members across the way to leave their beautiful world of fantasy land that they love to dream about, enjoy being part of, and to return to the world of reality in the Province of Manitoba, 1986.

I ask the members across the way to demonstrate just a little consistency within this Chamber. As I indicated earlier, Mr. Deputy Speaker, honourable members can't have it all ways, demand a reduction in the deficit, demand a reduction by way of taxes and at the same time, demand, as honourable members have in this Chamber, increased expenditures day by day in this Chamber.

Honourable members may think they are magicians with some sort of magic wand, but Manitobans have judged their words, they have found their words to be wanting, and the result of that was their defeat on March 18 for their lack of credibility to the people of the Province of Manitoba.

Mr. Deputy Speaker, you cannot improve the deficit by any other way, any fundamental and substantive way than by stimulating the economy and ensuring you have a short, a medium and a long-term economic strategy in order to build upon the strengths of your provincial community in order to increase the provincial product in order to ensure, as a result of that, additional incomes, and additional incomes as a result mean less deficit within a provincial jurisdiction.

Mr. Deputy Speaker, we look at the world today, those nations that are in the gravest economic trouble, those nations that have the largest pools of poverty within their midst; there are those nations that have cut expenditure on health, on education and on social assistance. They are nations that have had

corresponding reductions in corporate tax rates; they have been nations that have increased the burden of the costs of government upon the ordinary citizen within their particular nation. There are nations, yes, where there are very large wealthy multi-nationals, but there are nations that are very, very poor per capita.

Mr. Deputy Speaker, since 1980, more Canadians regrettably are living under the poverty line than before. Only Manitoba is the exception to that since 1980. I'm not suggesting, Mr. Deputy Speaker, all the actions and programs of this government, by any means, have resulted in that; but I do believe that we participated and contributed to a situation by which Manitoba only, of all provinces in Canada, has less people living below the poverty line than any other province in Canada since 1980.

But what have we witnessed? We've witnessed record bank profits, hundreds of millions of dollars being utilized not for increasing production within the Canadian nation, but rather hundreds of millions of dollars that have been spent by way of mergers, by way of takeovers that haven't increased one job, haven't increased the productivity of the nation. At the same time that this has occurred, we have witnessed increase by way of government debt, federally, and in every provincial jurisdiction, save one, in Canada. (Mr. Deputy Speaker, C. Santos, in the Chair.)

So, Mr. Deputy Speaker, there is clearly a direction which we must focus upon; and it's not enough for honourable members to participate in games like charlatans, but rather to face up to the hard, cold reality of the circumstances that exist in Manitoba, 1986. That is what this Minister of Finance did by way of a competent, responsible and humane Budget that he introduced into this House last week.

Fighting recession on the backs of the poor doesn't work; it's wrong. Cutting back on health, education and social services doesn't work. Fighting unemployment with giveaways to the banks, to the oil companies, with large and massive corporate tax breaks, just doesn't work.

Members across the way ought to know, from their own personal experience in 1977-1981, that this just doesn't work because honourable members followed a particular Conservative philosophy and advocated — and I give credit to the former Leader of the Conservative Party in Manitoba. He believed firmly in the particular philosophic and doctrinal direction which he attempted to lead the people in the Province of Manitoba but, unfortunately, it was a wrong-headed approach, and an approach that was bound, before it was even launched, to end in disastrous consequences for the people of the Province of Manitoba.

It was like having a well-intentioned pilot, Mr. Deputy Speaker, but that pilot certainly leading a ship totally in the wrong direction. It was called the trickle-down theory. If you find some way of ensuring that the large corporate entities and the wealthy in our society receive additional sums of money, then some way or other, under Conservative philosophy, there'll be a trickling down of the proceeds and some of it will reach those at the bottom. It has been a standard Conservative approach and philosophy that that is the way that you stimulate the economy and you generate jobs. I'm sure the honourable members that profess that kind of philosophy are well-intentioned and well-

meaning. In that way they suggest that we'll, with slashing and cutting, be able to eliminate the deficit.

In fact, on that very point, I read a rather amusing column. I believe it was in one of our daily papers the other day suggesting, regrettably, the Minister of Finance didn't have the insight to do in his Budget what Ronald Reagan had done in the United States. I don't know what that columnist was talking about.

Ronald Reagan, the great cutter and slasher of social programs in the United States, didn't decrease the deficit in the United States. My information of that deficit in the United States, under the President Ronald Reagan, Conservative Republican, is the largest that it's ever been in the United States of America. If there ever was an example of an experiment that failed and, regrettably, the Member for Sturgeon Creek and the Member for Morris would still like to follow in the direction that was pursued by Ronald Reagan. Well, honourable members obviously don't like that, but they look up to Ronald Reagan as the way out of deficits. Ronald Reagan has the largest deficit in the history of the United States of America.

Mr. Deputy Speaker, they want to talk about deficits. It was during the final year of their administration that there was a very large percentage increase in the deficit in the Province of Manitoba during the final — oh, they squeezed; they squeezed social and health programs during the first year or two when they were in office, because after all the election was still a few years away. But am I correct that they did not increase expenditure in Manitoba 18 percent or thereabouts in the last year of their administration? Am I not correct that the deficit in the Province of Manitoba, percentage wise, increased at a faster clip during the last year of the Lyon administration than ever before in the history of the Province of Manitoba, or since?

So let us deal with the reality of the present situation and let us put aside this nonsense propagated by honourable members across the way that some way or other trickle down economics works to the general benefit of the economy and the financial picture of any nation or any province.

What is required, Mr. Deputy Speaker, as I mentioned, is a strategy in place. This government has pursued a strategy, a strategy by which we have prioritized those items within Manitoba that we believe to be the priorities of Manitobans: first and foremost, jobs; the development of the economy; the improvement of agriculture as an important segment of the Manitoba economy and the improvement of the rural communities; preserving our health and community services in Manitoba.

This Budget, introduced last week, pursued that course of action, pursued this course of action by first, insofar as taxation is concerned, recognizing for reasons that I've already mentioned that it was not a time for sales tax increase, not a time for income tax increase, not a time for additional burden thrust upon the small business community or the farmers by way of tax increases. It was a Budget that carried on insofar as this emphasis upon economic development, Jobs Fund expenditure.

Jobs Fund, which means cooperation with the private sector and the municipalities and the community organizations and, yes, the Federal Government to lever additional economic spending and activity in the

development of long-term assets within the Province of Manitoba continuing and carrying on.

Mr. Deputy Speaker, I noted with some interest that the Leader of the Opposition in his speech indicated he would cut Jobs Fund spending by \$40 million. I wonder, Mr. Deputy Speaker, where was that interesting pronouncement by the Leader of the Opposition during the election campaign? If it's right now, why didn't the Leader of the Opposition promise that during the election campaign? Why did he keep that commitment under wraps during the campaign?

You see, Mr. Deputy Speaker, we are now revealing the true self of the Conservative Party in this House. Keep things under wraps. Bring it out, as he did, just the other day, \$40 million in cuts.

Mr. Deputy Speaker, I also noticed, No. 1, we were going to get rid of the health and post-secondary education levy. Honourable members call it payroll tax. But the Leader of the Opposition didn't tell Manitobans leading up to March 18 that it would only be a partial reduction of the levy. He is now saying that he would only have reduced it for some businesses in the Province of Manitoba.

So here we have in the space of two months a turn in direction on the part of honourable members across the way. They would have slashed Jobs Fund expenditures. That would have meant assistance to our young people to obtain employment in the Province of Manitoba as well, and only a partial reduction in the levy in Manitoba. Neither of those commitments were explained to the people of the Province of Manitoba during the campaign. Now we find out.

Mr. Deputy Speaker, we are proud of the fact that we have launched, with Limestone development, the training of Northerners, particularly a lot of Indian people in Northern Manitoba, to develop skills in order that they can ensure that they participate in the development of the hydro-electric projects in Northern Manitoba. Once those hydro-electric projects are completed, Northerners will be able to take those skills back into their own communities to ensure that their own communities are self-sufficient insofar as the skills that are needed in order to provide the services in those communities.

We are pleased that we are able to participate by way of various areas of agreement with the Federal Government in transportation under the auspices of the Minister responsible for Transportation, including the port of Churchill. There will be much said later on during the Session about that.

The Tourism agreement by the Minister of Education while he was Minister of Business and Tourism, with excellent cooperation, I must say, by the Federal Minister of Tourism, one I respect very much, Mr. McMillan from Prince Edward Island, a real gentleman, a real participant in the federal-provincial way to ensure that there be cooperation. I think he deserves all the respect we can.

Cultural agreements, further initiatives in respect to housing, housing initiatives that have ensured that the Province of Manitoba enjoys the best record by way of housing starts last year in 1985 than any of the preceding seven years, initiatives that would ensure that our unemployment rate remained the second-lowest as it was during 1985; initiatives that would ensure that we would bring forth to this Chamber during

the proceedings creative efforts to assist small business to obtain funding and expansion through small business bonds; and further work to ensure that we have further energy development agreements for the people of the Province of Manitoba.

We are not afraid of shadows. We are not afraid of the future. We are not afraid of the sons and daughters and granddaughters and grandsons of this province, nor are they. We have confidence in the Province of Manitoba. It is for that reason that we confidently go out to seek additional energy sales.

You know, Mr. Deputy Speaker, let me just say this. If Sir John A. Macdonald, the founder of the party across the way, had the mentality and the cowardice and the lack of confidence and the lack of vision that the Opposition appears to exercise across the way, there would have been no national policy for Canada. There would have been no railway binding east and west in Canada. There would have been no foresight, Mr. Deputy Speaker, whatsoever. Instead, we would have had cynicism, pessimism, lack of confidence and cowardice. But fortunately, Sir John A. Macdonald was not made of the kind of Tory that we have across the way.

I don't believe that there is any accident that the employment growth in Manitoba is up 27,000 persons from pre-recession levels. By the way, that is one of the best records by way of growth in full-time employment of any province in Canada. That has occurred under this New Democratic Party administration not on its own again, but working in cooperation with Manitobans from one end of this province to the other, despite the opposition of honourable members across the way.

A population that has continued to grow, capital investment that continues to be and will continue to be the best in Canada; capital investment growth has been and will continue to be the best in Canada right here in the Province of Manitoba. That's not supposed to happen under a socialistic government, is it, Mr. Deputy Speaker?

This is a pragmatic government that is concerned about good government and producing results, and we had results to the effect that the Leader of the Opposition just prior to the last election before a Chamber of Commerce forum in this City of Winnipeg had to admit, well the statistics look pretty rosy. Things are pretty rosy. He didn't seem to make that statement with a great deal of enthusiasm, with some reluctance, but begrudgingly acknowledged that the picture appeared to be rather rosy.

Secondly, agriculture. We are faced with a crisis in agriculture, a crisis that is going to require the combined efforts of the Federal Government and Provincial Governments to properly contend with. Young farmers have been the hardest hit. The result of monetary policies — and I wish I had time to speak about those monetary policies at some length — pursued by Governor Bouey of the Bank of Canada, monetary policies that in my view have created enormous wreckage and damage upon Canadians everywhere, and particularly in the smaller provinces of this country.

What is needed because of the wreckage caused by a monetary policy that was ill-founded is a national agricultural thrust in strategy in order to undo some of the damage that has been done on the agricultural

front. That policy is not one that can be obtained by offloading responsibility on either the provinces or the farmers and unlike members across the way, we don't intend to make excuses for the Federal Government.

Yes, there is a provincial responsibility and I am proud of what we have done by fulfilling our provincial responsibility to the farmers of this province, and the Minister of Finance detailed at great length the initiatives and undertakings by this government during the past four years in attempting to some extent and not to the extent that I would like to ease some of the lot on the agricultural front. This Budget demonstrates a 21 percent increase to agriculture.

This Budget stressed Farm Aid and Farm Start, all geared towards assisting the family farmer. This Budget spoke in respect to the \$80.2 million through MACC, Beef Income Stabilization Program; this Budget talked about the relief that was needed in respect to purple gas, in order to ensure that those monies would actually reach the pockets of the farmer. I trust that honourable members across the way will assist us in ensuring that their federal colleagues will accommodate that request to change so the family farmer can benefit as they ought to be able to benefit from the full benefit of the exemption.

Mr. Deputy Speaker, no more offloading. Honourable members should stand in their places and break their ties with Ottawa and stand up for the farmers of this province for whom they were elected to represent.

I want to give the new agricultural critic, who replaces the former agricultural critic, don't be an apologist for your colleagues in Ottawa. Stand up on behalf of the farmers of this province, you were elected to represent them so represent them strongly and firmly in this Legislature and give our Minister of Agriculture the kind of support that he requires in order to ensure there's a national farm policy and put national leadership provided in Ottawa for the farmers of this country.

Let me warn honourable members, if they don't start providing that kind of leadership, if they don't cut their ties with their federal cousins in Ottawa, they will be facing the same sort of problem as Tories have been inflicted with in Ontario, in Prince Edward Island, and in Alberta within the space of the last few months. The same result will be inflicted upon them as more and more Canadians say they are prepared to put their partisan ideological objectives above the interests of the voters that they were elected to represent. That's what's happened in Alberta, Prince Edward Island and Ontario in the last few months. — (Interjection) — Let me say to the Member for Sturgeon Creek, you lost 30-35 percent in the polling results in the space of 18 months — 30-35 percent — that's what you lost in the space of 18 months.

Mr. Deputy Speaker, transfer payments: Health care is the largest single item in the Budget. This Budget provides for an increase of some 6.4 percent. The health care system in this country is confronted with a very serious challenge. Up till 1979 we enjoyed 50-50 cost-sharing with Ottawa. When honourable members formed the government in the Province of Manitoba, they received 50 percent health care funding from Ottawa. That is down now to 45 percent. By 1990-91, it'll be down to approximately 36 cents of each dollar for health care funding in Manitoba. That increased burden upon the smaller provinces, poorer provinces

is going to, as a consequence, result in an additional burden upon the sick and the elderly in our society. It is going to be reflected in health care from one end of this country to the other unless there is a real determination on the part of people everywhere to say enough is enough and we must return to equal partnership, Federal and Provincial Governments, in order to ensure that Medicare and health care is sustained and maintained in Canada.

What I am concerned about is that the moves that have taken place are going to open the door to those that philosophically wish to undercut Medicare anyway. Historically, in Manitoba, the roots of anti-Medicare views are well recognized by Manitobans. Before I was elected in 1969, I remember a former Premier of this province, one Walter Weir, threatening to go to court in order to prevent the Federal Government from imposing Medicare on the provinces. What a great legacy to Canada than when to fight Medicare by going to the courts to prevent the implementation of a comprehensive, universal health care system in Canada. That's the foundation, that's the basis, rotten and decrepit — (Interjection) — base by which the honourable gentlemen sit across the way, by way of their lack of support for Medicare and for health care historically in the Province of Manitoba.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**HON. H. PAWLEY:** Well, Mr. Deputy Speaker, I understand the anxiety and the agitation, the tension on the part of the Member for Lakeside. I certainly share the realization of the Member for Lakeside's agitation because he was a member of that Walter Weir administration of 1967-1969 that threatened to go through courts rather than see Medicare imposed in this country by way of federal-provincial participation.

Honourable members across the way think that by their moving around the province waving a document called "Programs for People", that Manitobans are going to believe them; that by holding a press conference at 3:30 or 4 o'clock late one Sunday afternoon and releasing a document in as low a profile way as possible so they wouldn't get their true believers upset, that some way or other they were going to be credible to the bulk of Manitobans that are rightfully concerned about the social directions of the Conservative Party in the Province of Manitoba.

This government intends to carry out its responsibility to ensure that the preservation of health and education and social service programs are carried out, and that we not only carry out those programs, sustain and maintain them, but where possible we improve upon those programs.

I think we are proving false the myth that social commitment means economic disaster that we often hear by way of Conservative approach and philosophy. The deficit will come down, it will come down in an orderly direction through economic direction, economic strategy, prudent expenditure . . .

**A MEMBER:** You said it was going to go up.

**HON. H. PAWLEY:** Yes, from time to time, having to make unpopular decisions and difficult decisions,

decisions that will be attacked in this House which we're prepared to explain and to deal with, because in order to carry on the responsibility of government, we must be prepared to meet those challenges in the latter part of the 1980's.

Conservative contradictions on the deficit during the election campaign were of course very obvious, and in this House they are very obvious. I believe that's why Manitobans can't figure Tories out. They say decrease spending, yet we had the Member for Pembina jumping up in his place on Friday, calling for additional expenditure of at least \$16 million, and probably would like to go beyond that in respect to two government programs.

We heard also cries today for more medical equipment insofar as the Health Sciences Centre — I believe I did just a few moments ago — probably a very understandable request. I'm not quarrelling with the request, but let's not talk about reduction of spending from one side of your mouth and from the other side of your mouth, crying for additional expenditure, day by day by day in this Legislature; and the deficit — saying that the deficit must be reduced.

The only suggestion that I've heard of any consequence by way of reducing the deficit is that we cut the Jobs Fund by \$14 million. That's the only substantial suggestion that has been made by honourable members across the way, of course, neatly ignoring the fact that they promised hundreds of millions of dollars in the campaign, that I assume they would want to have fulfilled their election commitments, at the same time as they are allegedly reducing the deficit insofar as Manitobans are concerned. You see, I think maybe it's a very dangerous assumption. Maybe they didn't have any intention to fulfill those election commitments that they made only two to three months ago. I think maybe the philosophy that would have been pursued is indeed the one that was pursued by the Deputy Leader in this House, the Member for Pembina, who said that he would have cut and slashed in order to ensure there would be no deficit in Manitoba within four years. That's probably the direction that honourable members would have undertaken. It was very nice to not talk about the deficit during the campaign, or what they would do, very nice for them to talk about 6.5 percent in health and social programming. Did they talk about deficit during the campaign?

**A MEMBER:** Yes, yes.

**HON. H. PAWLEY:** Well, if it was, it sure was such a low whisper that nobody in Manitoba heard them talking about it, but we heard all about their social program. We heard all about their new economic direction. We heard about all those costly promises that were made to Manitobans. But now, of course, as is always the case with Conservatives, the tone is changed. The principal objective must be deficit cutting.

I don't know why honourable members wouldn't have come forward during the campaign, and being true believers, and said to Manitobans that the deficit is a time bomb and we ask Manitobans to give us a mandate so we can get this deficit under control? Why didn't they do that? That's what they believe, but honourable members don't have the courage of their conviction.

During the 35 days of the campaign, they preferred to act like Social Democrats, not like Conservatives, and in the balance of the four-year period they mouth Conservative ideology in this Chamber and then wonder why they're not taken seriously by Manitobans.

The other important area that must be followed diligently by federal and provincial governments is to ensure that in this country there is tax reform. The current system encourages the hemorrhaging of tax dollars. The current system taxes 85 percent of labour earnings and only 45 percent of investment dollars. Mr. Deputy Speaker, I think there was a great deal of truth in the Carter Commission Report on taxation, when it recommended that a dollar ought to be a dollar for taxation purposes, regardless of whether it's earned from investment or from the sweat of one's brow. That's fairness, that's equity within the tax system.

I think the reference on Page 24 of the Budget, presented to this House by the Minister of Finance, demonstrates that very clearly and I would like to read this to honourable members. "A Manitoba family of four, with two children and one working spouse, earning \$30,000, will pay \$1,368 in 1986 federal income taxes after family allowances, child tax credits are taken into account. This is \$176 or a 12.9 percent increase resulting from the last two federal budgets. In contrast, an individual, also with a dependent spouse, receiving \$50,000 of investment income, will pay only \$909 in federal income tax this year. This is one-third less than the family earning \$30,000.00. The last two federal budgets reduced the investor's federal taxes by \$4,245 or by 82.3 percentage points." Mr. Deputy Speaker, that I think is not a fair taxation system.

Mr. Deputy Speaker, how much more time do I have? I'm only using the 40 minutes because the Minister of Finance is enjoying the unlimited time to conclude.

**A MEMBER:** We'll grant leave.

**HON. H. PAWLEY:** Maybe I can get leave though.

**MR. DEPUTY SPEAKER:** The Honourable First Minister normally has a limited hour of time, but if he wants to stay within 40 minutes he has already exceeded it.

**HON. H. PAWLEY:** Yes, the Minister of Finance, in concluding debate on Monday, will use on . . .

**MR. DEPUTY SPEAKER:** The Government House Leader.

**HON. J. COWAN:** Mr. Deputy Speaker, the rules are somewhat unclear as to whether or not both the Premier and the Finance Minister would have unlimited time in this instance. I would ask, given that the First Minister has spoken at some length now, that on the basis of the rules being unclear, we allow him to continue his remarks and the rules being what they are, the Finance Minister would have unlimited time in closing debate as well. Agreed?

**MADAM SPEAKER:** Order, order please. Rule No. 33.(1) stipulates that on motions, the Leader of the Government, the Leader of the Opposition, the leaders of recognized opposition parties and the Minister

moving a government order all have unlimited time. It also stipulates (e) that a member making a motion of "no confidence" and the Minister replying thereto also have unlimited time.

So it is my opinion that the Leader of the Government, and the Leader of the Opposition, and the Minister of Finance, in this instance, as the Minister replying to the Leader of the Opposition's no confidence motion, all have unlimited time.

The Honourable First Minister.

**HON. H. PAWLEY:** Thank you, Madam Speaker, the . . .

**MADAM SPEAKER:** The Honourable Opposition House Leader on a point of order.

**MR. G. MERCIER:** Madam Speaker, Rule 33, (e) and (f) read no member except, etc., a member making a motion of no confidence or the Minister replying thereto. One person replying thereto.

I therefore submit to you, Madam Speaker, that only the Premier or the Minister of Finance can speak longer than 40 minutes.

**MADAM SPEAKER:** May I clarify for the Honourable Opposition House Leader that in this situation, the Honourable Leader of the Government, and the Leader of the Opposition have unlimited time on any motion.

In the case of (e) a member making a motion of no confidence in the government, which in this case was the Leader of the Opposition, the Minister replying thereto, which in this case would be the Finance Minister, would have unlimited time. The Honourable Leader of the Opposition also has unlimited time on any motion.

The Honourable First Minister.

**HON. H. PAWLEY:** Madam Speaker, I mentioned this particular example because real deficit reduction, besides its stimulation of the economy and the growth that is necessary in order to ensure that the deficit is reduced, also commands the need for overall tax reform, both in Canada and in the provinces, to ensure that there is greater fairness, there is greater revenue increase, but in a way that is fairer than the present system that rewards those that receive their income from one direction much less by way of tax than those that receive their earnings by way of wages and salaries.

We are moving in this Budget in a way that the Leader of the Opposition has criticized insofar as tax changes. We make no apologies for the fact that our banks and our large corporations can afford to accept a little bit more of the responsibility of covering our health care, our community service costs, our education costs and other costs of government.

I know the honourable members across the way do not appreciate a shift in taxation from those of low and middle income brackets within our society to those that are wealthy or to the larger corporations and to the banks.

Their position on tax reform, Madam Speaker, in the last little while in this Chamber, has been one that has been crafted by desire of opportunism rather than by any intention on their part to demonstrate any real

solid commitment to the crying need for tax reform. It has been a personalized, opportunistic move on the part of honourable members across the way.

I would hope that I would be wrong in that statement. I would hope that honourable members would lift their voices in support of comprehensive tax reform right across Canada in order to ensure there is a fair burden of taxation carried by Canadians everywhere rather than some paying too much and some paying too little in our society because the present taxation system is not one that is respected by the vast majority of Canadians.

Regrettably, it has been made more unfair by the last two Wilson Budgets, two Budgets that, rather than ensure that the taxation system would be made fairer, more equitable for low and for middle income Canadians, increased the opportunity for tax breaks for those with the money in order to take advantage of those tax breaks.

Madam Speaker, by way of conclusion, I just want to speak for a moment about as the conflict of interest issue that was raised yesterday by the Leader of the Opposition.

I think it is time that the Leader of the Opposition and his colleagues put up or shut up about conflict of interest. My advice to the honourable members across the way is to join with the government in order to ensure there is complete and total openness, that we don't function on the basis of headlines or innuendoes, that there be complete openness.

I know honourable members across the way become very very agitated, strangely agitated, because they are the ones that have talked for weeks and weeks and weeks about conflict of interest and impropriety and then, Madam Speaker, when we move by way of proposed legislation in this Chamber in order to ensure there is greater openness, that there are tighter controls in respect of conflict of interest, do they cheer? They moan. They moan and they jeer with anger. I wonder why, Madam Speaker, if they are such great proponents of the elimination of conflict of interest that they would not be in fact crying upon this government to strengthen conflict of interest provisions.

But no, Madam Speaker, they want delay and delay and delay. We allowed them to delay in 1983. They participated in innuendoes over the last month, Madam Speaker. There shall be no more delay.

We are going to ensure that the best interests of Manitobans are served. We are going to do what we are doing with honesty and with integrity. We are not going to say one thing on Tuesday, a different thing on Wednesday.

We have witnessed that on the part of honourable members. On Tuesday, you are for tax reform; on Wednesday, you run for cover; on Thursday, you are for conflict of interest; and on Friday, you have run for cover as fast as you can. That is so demonstrably true of the Tories in this Chamber.

Let's talk about transfers from Ottawa. Again, we don't know where honourable members stand. I thought maybe the little letter that I sent to the Leader of the Opposition back in December, after I brought it to his attention last week, that it would be answered by this time and maybe he would have asked for a briefing in order to ensure that his facts were correct in respect to the transfer issue; that he might have been outside

with eight other leaders of Conservative parties in this country, rather than standing alone with one other Premier in this country, selling down the interests of his province rather than standing up on behalf of the people in this province.

Madam Speaker, in conclusion, our Budget is a good Budget; it's a solid Budget; it's a truthful Budget; it's a forward looking Budget; it's a Budget with a vision. It is not a Budget that is crafted in cynicism, in pessimism, in a lack of confidence. It is not a Budget that was crafted by those across the way that are "Chicken Littles" in our society, members that are negative; members that see the sky falling in around them. This Budget was crafted by a Minister of Finance who enjoyed insight, enjoyed commitment, enjoyed a sense of humaneness and fairness and responsibility and passion to Manitobans.

I am proud of this fifth Budget of this New Democratic Party administration because I believe, Madam Speaker, it will lead towards its principal objectives, jobs, the improvement of the economy and the long-term strategy that relates to it, of the short, medium and long term, the contribution to the improvement of the rural community and the development of agricultural programs, the refusal to participate and the undercutting or undermining of health, education and other social programs, a Budget that was made by a Manitoba Government in the interests of Manitobans and not a Budget that would reflect the interests of a special interest group or a political ideology, as is reflected by honourable members across the way.

Honourable members ought to indeed reflect upon the worthiness of this Budget and give this Budget the kind of support that it properly deserves, come Monday night.

**MADAM SPEAKER:** The Honourable Member for Morris.

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

I welcome this, my first opportunity, to speak on a formal basis during this Session. I want to begin by thanking my constituents who chose, in large measure, to send me back to the Legislature.

I can tell you that I enjoyed the campaign extremely and although I wouldn't want to rush into another one over the next year or two, I certainly would be ready within two years, if need be. The way things are looking, after that speech just provided to us by the Premier, Madam Speaker, it may be sooner than two years.

I had a few occasions to meet my opponents during that election, young Calvin Knaggs of the Liberal Party was an interesting person. I wish his leader might hear these remarks. He seems to have the same preoccupation that she does, when speaking in front of people or answering questions. That is, you do not ever say anything without a prepared script, and if you do and if a question is offered to you, you give an answer whether it answers the question or not.

On three or four occasions I enjoyed being with this young man, who I know will be involved in politics, and attempting to be involved in politics for some years ahead.

My NDP opponent, by the name of Audrienne Hourie, I had occasion to meet her on just one occasion. She

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made one visit into the Constituency of Morris. I must say, I wish she had made more, in response to the Member for The Pas. I wish she had come and visited more often because nothing happened to spur on the membership to support the cause of the Conservative Party of Manitoba than that one visit. Once and for all, people saw the foundation of socialism in action.

Of course, the very foundation of socialism is as much akin to Marxism, Madam Speaker, and of course the whole theory of her presentation was class distinction and class warfare, that the way of course there were sufficient resources available to all of us, particularly government, if we just go out and take, take from those that have.

Anyway, Madam Speaker, I don't want to belabour that, and although I would like wade into the discussion and rebut many of the arguments offered by the Premier, at this time I choose not to, although I'll use some of them. I've heard the same rhetoric from the Premier over the last five years. Nothing he enunciated today was new.

However, before I do go much further, I'd like to congratulate the NDP. It hurts me to say this, Madam Speaker, but they did win the election, and we're chastised by members opposite to remind us that they won so I'm giving them their credit. They did win the election.

I must confess however that I was surprised; I was honestly surprised. As I travelled through the width and breadth of this province, I saw no strong affinity whatsoever for this party. I saw no favourable reaction to the promises that they made on a daily basis, Madam Speaker, so I was surprised quite frankly to see the margin of victory, but I have to congratulate them.

Twice I have lost now. I have won, but twice I have lost, in the sense that I'm sitting over on the Opposition side, and I can tell you, Madam Speaker, I don't enjoy it; I don't enjoy it one bit. There are too many serious problems in the constituency from which I come. There are too many serious problems in much of southern Manitoba and indeed all of Manitoba that I think need to be addressed.

I've watched this government closely over the last five years and now probably for another year or two and I dare say there are no decisions being made whatsoever, that are trying to impact favourably on many of the problems that we have within Manitoba.

I refer specifically to roads and I refer to educational matters and, of course, I refer to the fiscal mismanagement of this province.

I'd like to also congratulate new members. I have been extremely impressed by the calibre of new members on both sides, although I take great pride in the 11 new members we have within our group, Madam Speaker. Our party needed the infusion of new blood and new spirit and it's been provided for in this election; and I'm happy that each and every one of the 11 new members is part of our caucus today.

Madam Speaker, Budget 1986. My first reaction to it was that it is an election budget. I would swear that the members opposite, or whoever was responsible for drafting that piece of legislation, believes there's going to be an election in this province within the next two years because it is an election promise. It does not face up to reality. In no way does it look at the future ahead and what we are going to have to face as

taxpayers, as ordinary Manitobans, using the slogan that the members like to use so often.

I would love to philosophically and economically tie into every one of those paragraphs of the Budget's presentation, every one of them. Unfortunately, the rules, as read out by Madam Speaker, do not allow me unlimited time, but I would just love . . .

**A MEMBER:** Leave.

**MR. C. MANNES:** In roughly 35 minutes, I'll ask for leave then, Madam Speaker.

A cursory review of the Budget provides just these quick comments. This is the fifth year of deficit over \$425 million, totalling \$2.4 billion over the last five years. The pattern of spending increases goes something like this: The first year, in '82-83, this government was in place, it increased 10.9 percent. Then it jumped to 17.3 percent in the second Session.

The third year it dropped to 3.9 percent; fourth to 4.6 percent and this year up to 6.9 percent. If one sees, tries to look for a little pattern in there it's hard to find, although it appears like the NDP is bent on increasing spending in their first year of government or maybe in their last year because who knows how long this government will be in place. How long will the Thirty-Third Legislature exist?

The Budget was predictable in part only. Frankly, I must tell you I was surprised at the increase in spending of 6.9 percent, because if you listened closely to the Throne Speech, underlying every comment that was made was the reality that we are in some difficult times, that restraint was a necessary buzzword. That was the underlying theme throughout the Throne Speech and I thought that that would be reflected in the Budget to follow, but it didn't. Instead, we had increased spending at the level of 6.9 percent and we had, of course, a deficit increase in the order of \$489 million.

Madam Speaker, the editorial in the Free Press maybe said it better than ever, under the term "capitulating to reality." That was what we expected in the Budget; it didn't happen.

Well, I was happy with one aspect of the Budget. I only saw the reference to the term "ordinary Manitobans" once — only on one occasion. And yet, do you remember the Budget the year previous, Madam Speaker? There must have been reference to that at least 25 times. As a matter of fact, the Premier today, he can't even speak for three minutes without using that term. At least, I was glad to hear that the new Minister of Finance threw away that term "ordinary Manitoban," because I could tell you there's nothing more offensive, there's nothing more degrading than that term. It is the foundation of socialism when you try to break your people apart on the belief that some are suffering because others are gaining. So I'm happy and I pay tribute to the Minister of Finance for minimizing that term; hopefully he will continue.

Madam Speaker, what I found most disturbing on Budget evening, was the ease and the apparent glee with which NDP members applauded the deficit, with which they applauded the increase in spending, with which they applauded every aspect of that Budget. I found it hard to believe and even though that was the fifth Budget I've heard, and members opposite have

taken some delight over the last number of years, whether it's increases in taxes or whether they've been able to hold back for some increases in taxes, or whether it's been a deficit or an increase in spending; all the long run negative implications of many of their actions are all applauded. What really hurts, I'm telling you, Madam Speaker, is that everyone opposite knows that the present course is leading to, I say, some type of suicide. They know where we're headed, and yet how many of them are prepared to stand up and have the courage to say — either within their caucus room or their Cabinet — we've got to hold the line?

(Mr. Deputy Speaker in the Chair)

The Minister of Agriculture knows; he represents an area where there are many small farmers, small business people, people who do not go into significant debt, people who, for the large part when times are tough, will survive better than most people in this province. He represents that type of person and yet he doesn't take the way they would want their government to act and perform. He doesn't take that message into the Cabinet room, Mr. Deputy Speaker.

The Member for Brandon East, the Minister of Employment Services, an economist, a former economist lecturer, he would know where we're headed. But where does he stand, Mr. Deputy Speaker? And the new Finance Minister, with his background, I believe that he has some understanding that we can't continue to do as a province what we've been doing for the last five years, but he chooses not to do anything significant to arrest this horrible burgeoning deficit and debt. And, of course, the new Member for Lac du Bonnet, representing a rural area, would know too well the long run result of continuing to spend in such a manner. Even the new Minister of Education — I give him that credit — he too knows where we're headed. But the best speech that I heard and the one person that I heard stand up on the other side during the Throne Speech and indicate that he knows there's something coming, is the Minister of Health. I'll make more reference to that later.

But I know there are others within that Ministry, within that Cabinet, Mr. Deputy Speaker, like the Minister of Community Services who would never accept that; who, in her fairy tale world believes that if you throw enough money at every problem, you will find a solution, in spite of the fact that there are more so-called educated people today graduating from universities, who are laying on her plate problems in society, asking for money to solve them. Yet the Minister of Community Services will continue to believe that throwing money at all of these problems will solve them.

Well, Mr. Deputy Speaker, the Premier just showed us what he understands about economics. He just gave it to us, he gave us a whole hour of it — and any person that says, "extols us" — "us" meaning the Conservatives — to leave our fairy tale world, or who has the gall to say that the President of the United States has the highest budget deficit in the history of that country. Can you imagine the gall of our First Minister making a comment like that? And the lack of understanding.

He goes further to say that my former Leader, the former Premier of this Province, Mr. Lyon, in his fourth term had the largest deficit increase in the history of this province. He did, he did, from \$50 million or so

to \$250 million, fivefold. Brilliant. So I can see that there's no leadership coming from him, in attempting to delve into this very major problem that we have, not only within the Province of Manitoba, but indeed, within most parts of the Western World.

Mr. Deputy Speaker, we're no longer alone in our cry that sanity be returned to fiscal management of government events and actions. If you read the editorials today in almost any paper, and locally the Sun, the Free Press, the national papers, you will begin to realize that neo-Conservatism, that hated buzzword used by the Premier in 1982 and 1983, is now being accepted within the press of this nation. You begin to realize that federal Finance Minister Wilson is no longer being attacked by the press and the thinking people for trying to restrain the growth of government. The NDP should begin to realize that they now are beginning to be alone in their desire to push up spending and deficit.

So, Mr. Deputy Speaker, let the members realize when they yell at Ottawa for increased expenditures, that a full 25 percent — and I ask them to remember this, I ask them to show me the courtesy of at least absorbing this one figure because I'm not going to use many of them today — that 25 percent to 28 percent of all the Federal Government revenues are directed towards servicing the federal debt. And today, as my Leader has documented, within this province, we're at the level of 9.7, and the members opposite are going to have to tell us because we are going to keep pushing them and pushing them. They're going to have to tell us at what level: firstly, they want to see the Federal Government share of revenues being devoted towards interest costs; and secondly, what the levels should be within the Province of Manitoba. We'll keep pushing them and pushing them until they tell us, because as they cry out for greater support from Ottawa, what they're saying is they want that figure to go over 30 percent.

Mr. Deputy Speaker, the Budget that was laid before us was one that was flowery; it was full of self-congratulatory messages; it was self-righteous; it was full of tributes that I have come to accept and, I daresay, expect.

It used to bother me in the past; it doesn't anymore. The constant barrage of population statistics, the constant barrage of forecasters of economic indicators that the members use and, of course, which from time to time we use back in rebuttal of their arguments, I say the arguments no longer bother me and, of course, I realize fully that the game is politics. I don't believe that democracy is particularly well served through these tremendous battles of numbers and yet I realize that's what the Budget is; it's a compendium of numbers, and many of them.

Mr. Deputy Speaker, what disturbs me, though, most about the deficit is first of all the matter-of-fact nature by which members opposite have accepted a half-billion dollar deficit. It's the innate belief by so many opposite that next year or next decade will bring relief and, of course . . .

**MR. DEPUTY SPEAKER:** Order.

**MR. C. MANNES:** Mr. Deputy Speaker, it also bothers me that the attempt continues, and as a matter of fact

we just heard it enunciated again by the First Minister, his attempt to continue to try and make Manitobans believe that the general economy is doing well, doing extremely well, and yet they know that there are many sectors within the province that are suffering.

So they chide us from time to time saying we can't have it both ways. Well, they can't either, Mr. Deputy Speaker. They, on one hand, can't say how well this economy is doing, how they are providing so many jobs, and how the economic activity of this province is growing at such an accelerating rate; and yet, on the other hand, claim and cry out that we need more support from those provinces that are doing better by way of equalization through the Federal Government mechanisms.

What are the sectors within our province doing, Mr. Deputy Speaker? Agriculture last year devoted \$2.4 billion to the economic welfare of this province. How can it be expected to increase in 1986? Realistically, it can't. Net farm incomes are down 15 percent and, of course, that will have a direct influence on the state and the health of this economy.

What about the area of minerals? Well, there are no major increases forecast for 1986 within that area. They are projected to be roughly the \$840 million they were in 1985.

What about manufacturing; is it going to increase, the gross value of manufacturing? Is it going to increase significantly from \$5.6 billion? Nothing the members opposite have told us will lead me to believe that it is going to increase significantly.

I know there will be some continuing increase in value and activity within the servicesector areas, and I realize that there will be a good increase in the retail trade areas, of course, as a reflection of the fact that personal incomes are increasing. They are increasing somewhat.

But the key question, Mr. Deputy Speaker, is where is this Manitoba economy headed? That was the essence of my first question to the Finance Minister the day after the Budget. Lay before Manitobans, and those who really care where this province is heading, lay before them forecasts of expenditures and revenues for the next number of years. Whatever he has, whatever Ottawa will share with him, on behalf of Manitobans, I am asking the Minister of Finance to share with us those figures. It is crucial and it is critical at this time. We have to know how it is we can continue to spend more than we bring in.

This is what Premier Pawley said in the Winnipeg Free Press, and some of it is paraphrased and some of it is his words. Pawley said Manitoba can only keep its deficit and tax rates in line and preserve programs by evolving, in quotes, "a five to seven-year plan for economic development. We have to improve our economic base and that is why we are pursuing hydro sales and potash. We intend to use the profits from hydro for long-term economic growth. We also have to contain our deficit, although we can only bring it down within a certain extent." End of quote. That's what the Premier firstly said here just an hour ago and secondly said to one Frances Russell when she interviewed him here about a month ago.

What the First Minister is saying, that the hopes of Manitoba are all tied into a program, an economic program over the next seven or eight years which will concentrate on hydro and potash. Mr. Deputy Speaker,

I know you have been in the Hydro Committee over the last number of days. I know you have listened to the discussions that have taken place there, and there will be much more that will be coming forward over the next two or three sittings of that committee because we are going to intensely question the so-called profitability of the NSP sale. Something is wrong; there is something wrong with it. We have on the occasion the chairman of Manitoba Hydro telling us how all the factors are changing in a favourable light towards Manitoba's benefit and yet he still uses the figure of \$385 million of profit in 1984 dollars.

You would think, Mr. Deputy Speaker, that that sale would be totally modelled and programmed so that if anything changed from day to day, that another run would be done to find out specifically what the so-called forecast profit is. Where are these profits and how certain are they? We will find out, Mr. Deputy Speaker.

The Premier talks about potash. Where is it? Where are all these future potash revenues? Third World countries jumping over each other to try and develop hard currencies, selling whatever they can out of the ground to improve their standard of living, and you can't blame them. Yet, in the view of the Premier, we are going to be able to sell into that type of fierce competition even though agriculture is in a five to eight-year down cycle. Who is he trying to kid and how certain are the forecasts? Yet, I ask, is it on the benefit of these fairy-tale beliefs that the Minister of Finance and the First Minister say to all Manitobans that they have a long-term economic growth program which will help us resolve the deficit and the massive increase in spending. Well, hogwash, I say, Mr. Deputy Speaker.

You know, manufacturing, and we are proud — I am as proud of what we have in this province as anybody else when it comes to light manufacturing — and yet where is it going to go? The members opposite who are in Cabinet are well aware of the preference pricing taking place in some of our sister provinces to the west. They know what a difficult time a lot of our manufacturers are having in exporting into other provinces within this country.

Yet we have the new Member for Kildonan get up and chastise the Alberta government and saying what kind of a government is this that has all these billions in Heritage Fund and won't help to put to work all the people in Alberta? Doesn't he realize that, if they put those billions to work, who it's going to impact the most negatively upon, which province is going to suffer the greatest consequences? The Province of Manitoba. That's where our markets are. Yet members opposite have the nerve to chastise the Alberta government for not putting to work immediately their large trust fund. They don't understand.

You know, that is one thing about a socialist. They can't stand to see a reserve. Ask the City of Winnipeg; ask the school boards of this province over the last two or three years. When they see a reserve, they have to attack it. They'll change around their criteria, they'll change or bring into being a new program, but they will go at a surplus, Mr. Deputy Speaker.

So from where is this economic growth supposed to come? Where is it supposed to come? Something doesn't add up. Real growth forecast to be 3 percent or 4 percent over the next year, and as my leader

mentioned, inflation blocking in, hopefully, at 4 percent or less over the next number of years.

I just want to digress only for a second. You know, the First Minister had the gall to continue his attacks on the American people and, particularly, the American President. Yet, for the third quarter in a row, back to back, they've had negative inflation in the United States. Some might say well that can be a problem in itself, and maybe it might. But for members opposite to say that nation hasn't come in control of its own economic destiny over the last five or six years is to admit that they're totally blindfolded to the reality of world economics.

Mr. Deputy Speaker, how does it add up when our real growth is forecast at 3 percent to 4 percent, inflation at 4 percent, and yet expenditures will increase at 6.9 percent, the deficit up half a billion dollars per year? It just does not add up. So I ask the Finance Minister to begin to reveal to Manitobans and to the Opposition as he can the forecasts of expenditures and revenues for the next number of years. This insanity cannot continue.

You know, I would just like to quote something, I guess, that makes me a Conservative, Mr. Deputy Speaker, and it was written by Gord Walker in Conservative Canada. I've heard it said before in different forms, but I just wanted to quote this, and I quote: "Budget deficits are the result of government explicit decisions to spend, yet not to tax, but relentless deficit spending year after year through bad times and good mortgages our future. It is a tragic burden that we, our children and our children's children will have to bear. What we are really doing" — and this is the key, because you've heard all the other part before — "is denying them democracy, because they won't be able to decide where their tax dollars should be directed for half of them will have to be directed to our expenditures today."

That is the nature of Conservatism, Mr. Deputy Speaker, and that's the sadness related to the fifth NDP major deficit Budget in this province in the last five years.

So where do we turn before we hit the brick wall, as my leader said the other night? Where do we turn? Again, that's why I have to pay some tribute to the Minister of Health. He doesn't know if it is the brick wall, but he knows something's coming. That is why his plea was so strong the other night; that is why he asked us to set aside our political differences; that's why he asked us to take some of the rhetoric out of our commentary; that's why he asked us to work together for the good of our health institutions and our health systems, because he sees something coming. He can't see it as the brick wall yet, but he sees something coming. We know it's coming and they know it's coming, but they won't realize. They will pretend they don't see it. To me, it was a very educated speech.

Someone once said, you can always spot an educated man. His views are the same as yours.

**MR. DEPUTY SPEAKER:** Does the member want to yield to a question?

**MR. D. SCOTT:** I wondered if the member would allow a question. We may even give an extra couple minutes on this side of the House to respond.

**MR. C. MANNES:** Mr. Deputy Speaker, at the end — I think the members opposite are prepared to grant me leave. They have said so, indicated earlier on and, at the end of my speech, I'll be glad to entertain a question.

**MR. D. SCOTT:** Thank you.

**MADAM SPEAKER:** The honourable member has six minutes remaining.

**MR. C. MANNES:** So where do we turn? Well in my view, one place we can't turn, Madam Speaker, now that you have returned to the Chair, one area that we cannot turn to is the Federal Government. I felt the frustration from the Minister of Health lashing out, because one can become terribly confused in this whole argument of transfer payments. The Premier doesn't understand them. He lumps them into one big group and, of course, there are three or four components. Sometimes, people use the word transfer payments when they mean the established program funding. Some people use them to mean the equalization; some people use them as the sum of all those four programs.

I have no doubt and I believe, and I remember the letter that was signed by my former predecessor, the Member for Turtle Mountain, with respect to equalization programs. The formula was changed. There was a legitimate complaint from the Province of Manitoba, and we shared in that. But what I sense coming out from the people opposite now is what they're saying is Alberta has lots of money. Ontario is doing well, their economy is doing well. Let's go after them. The equalization process isn't working. We are not getting our share.

Of course, as I said earlier, a socialist cannot stand to see anybody holding a reserve of money. When Alberta has 15 billion in Heritage, the members opposite want, through the equalization process, a major share of it.

Well, Madam Speaker, I look at the transfer payments in total, and I notice they are increasing, not as quickly as we are increasing our spending within the province. I am not going to apologize for the Federal Government. I will quarrel with them on as many occasions as members opposite, but I want to say this. I am just not going to do what they have done for the last four years, and blame everything, every shortcoming that the public will believe is theirs on Ottawa.

Bill C-96 will be the next thrust on their part. We have some problems too with that bill.

**MR. M. DOLIN:** Do you support it?

**MR. C. MANNES:** Well, the Member for Kildonan says, do you support it. Have you read it? No. That's right, at least he is that honest. I thank him for being that honest, and I would ask the Minister of Finance whether he's read it — (Interjection) — yes, I certainly have. As a matter of fact, the copy is — (Interjection) — the bill? Do you know what the bill does, members opposite? Madam Speaker, I will gladly answer the question on their time after my presentation.

But I will not blame Ottawa, because members opposite tell me to do so. As I have said before, we'll

move — and I'll gladly discuss Bill C-96. So where does it lead us, Madam Speaker, on the Budget? I guess it can lead us to some philosophical beliefs when we realize we are a trading nation. We realize that there are other Third World countries who are desperately trying to increase their standard of living. Of course, we can only maintain our standard of living if we produce more wealth.

Of course, that is why the free trade issue is such an urgent issue to this province. That's why it cannot be treated so lightly by members opposite. Do the members realize that one-third of the gross national product of this nation is derived from trade, that 80 billion out of 250 billion comes from trade? Out of that 80 billion, 65 of it comes from the United States, and 25 billion of that 60 billion is in the Autopac. Another 20 billion is in petroleum and products. Yet, the members opposite will lead you to believe that we will go to that table with a very hard bargaining stance and, of course, we want to. But, Madam Speaker, we have a gun to our heads.

Once these countervailing duties begin to come on, then listen to the members scream like they did over the last two days when a 35 or 37 percent countervail came onto shingles and as the editorial in the Free Press says today: "Protectionists at it again" — I'm talking about the software. What will that do to our treasured social institutions and everything we hold so dear?

Well, Madam Speaker, let's get down to a non-political debate on free trade and let members realize it is a western Canadian and a Manitoban initiative. We are the benefactors of any enhanced trade — this province — so let's put aside the politics. That's my appeal to members opposite.

How much time do I have left, Madam Speaker?

**MADAM SPEAKER:** I have already turned the member's light on. You have about half a minute.

**MR. C. MANNES:** Madam Speaker, I'll just close very quickly by saying it's certainly not my intention to be gloomy today. As one drives through the City of Winnipeg and you see the magnificence of this fine city and if you've had an opportunity, like I have, to come through rural Manitoba and see the ground coming alive with the growth of new grain, you know that this province is a great one in which to live. The only thing that can tear us down, take us down, is fiscal mismanagement.

I just leave that as my final comment and ask the members to realize fully that increasing spending and increasing deficits and debt will only bring us down.

**MADAM SPEAKER:** The Honourable Member for Inkster on the debate.

**MR. D. SCOTT:** Madam Speaker, earlier in the debate of the member's presentation, I had interrupted. He expressed a willingness to respond to a question at the conclusion of his speech, and I believe we have agreement on this side of the House to give him five minutes leave to respond to a question. If he is willing to respond to that question, I would like to know . . .

**MADAM SPEAKER:** Order please. One moment please.

Is it the will of the House to allow the honourable member to ask a question and the Honourable Member for Morris to have five minutes to answer that question?

Leave has not been granted.

**MR. D. SCOTT:** It's been turned down.

**MADAM SPEAKER:** Order please. I heard members of the opposition deny leave. I understand that they have changed their mind.

Is it now the will of the House to grant leave? Agreed. The Honourable Member for Inkster with his question.

**MR. D. SCOTT:** Thank you very much, Madam Speaker, for granting leave.

I listened with great interest to the member's . . .

**MADAM SPEAKER:** Does the honourable member have a question?

**MR. D. SCOTT:** Yes, I do.

**MADAM SPEAKER:** I do not think the leave was granted for the honourable member to give a speech. If the honourable member would ask a question.

**MR. D. SCOTT:** Madam Speaker, in the election campaign, was the Member for Morris responsible in any way for the presentation that was made to the Province of Manitoba, citizens of Manitoba, and the election commitments of the Conservative Government where they did not promise any tax increases; where they promised some \$300 million worth of additional expenditures for the Province of Manitoba due to expenditures and \$118 million tax cut — at least a \$118 million — how does that jibe with the Member for Morris's call for fiscal responsibility and reduction of the deficit which he so eloquently made this afternoon?

**MADAM SPEAKER:** The Honourable Member for Morris has leave for five minutes.

**MR. C. MANNES:** Just five minutes, Madam Speaker? Madam Speaker . . .

**A MEMBER:** I can't believe we didn't give him conditions.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MADAM SPEAKER:** Order please. The Honourable Member for Morris.

**MR. C. MANNES:** Madam Speaker, thank you for calling the House to order.

I want to tell the member that, yes, I was part of developing all that policy as indeed all these members were. I can tell you if the member ever wanted to watch democracy in action, he will understand how it is and why it is that all our new members have contributed so greatly in such a short time in the proceedings of this House because they were, as I was, fully part of the policy development of this party. So, Madam Speaker, let the member's concerns rest on that count.

Secondly, he asked how it was we could rationalize the decision to increase spending on one hand and to decrease the deficit on the other. I think that's in essence what he was getting at.

Madam Speaker, we honestly believe and our party honestly believes that there are several 10's approaching 100's of millions of dollars within the Provincial Budget that can be rooted out and reprioritized, easily. So that's where we honestly believe it. So you say, well on what basis do you believe that? Well, we talked to members, we talked to former Premiers, who were involved in prioritizing the fiscal state of this crop and yes, we did promise that we would reduce the payroll tax and remove it. We did promise that we would increase social spending. I don't honestly believe it amounted to \$300 million that the member opposite said. I think it was \$130 million. It wasn't the \$400 million I heard the Premier and the Minister of Finance use. It wasn't the \$800 million that I heard the Minister of Urban Affairs use. It was \$140 million. That's what we said.

**MR. S. ASHTON:** \$140 million was the answer.

**MR. C. MANNES:** We also said, and we really expected, that the deficit decrease would be marginal in the first year; we said that. The First Minister today, he indicated we never mentioned the words "deficit reductions". There was nothing further from the truth. Every one of the members of these benches, on every platform, used the commentary that we would be approaching the deficit and trying to reduce the deficit. So where was he? Where was he?

So, Madam Speaker, the short summary and the short conclusion to my commentary in response to the member's question, we had no illusions whatsoever within our promises that we would be able to decrease spending, to decrease the deficit and remove some taxes, absolutely none.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MADAM SPEAKER:** Order please. Order please.  
The Honourable Member for St. Vital.

**MR. J. WALDING:** I thank the honourable members for that applause, Madam Speaker. If they want to applaud, I suggest they do so now in case they are not so enthusiastic at a later time.

Madam Speaker, I am pleased to rise to take part in this particular debate. It's the first time in over four years that I have had the opportunity to address the House and I'm a little bit out of practice.

In view of the fact that I suffered a slight stroke since I was here last, I do apologize in advance if I have any difficulty in recalling a particular word or a particular thought.

Other than that, let me begin by congratulating you, Madam Speaker, on your election to the Chair. It will be a different position for you, as for many of us, and I'm sure you will find it rather different in not being able to take part in the debates or to make any of those unparliamentary expressions across the House, or in other ways, heckle, as members do.

The essence of a Speaker is surely that of impartiality and you will recall that all Speakers when taking the

Chair make promises of fairness and impartiality to the House. That impartiality is the very cornerstone of the parliamentary system. Beauchesne says something like confidence in the impartiality of the Speakership is most necessary for the operation of the parliamentary process, or words to that effect. That impartiality protects the freedom of speech that all members enjoy and have enjoyed traditionally through the system, and it serves to protect the rights of individuals, independent members, and backbenchers against the power of the government.

At the same time, Madam Speaker, you will find that there is a necessity for partiality when your own constituency expects their elected member to take the lead in promoting government policies and programs in that particular constituency. For example, when you are expected to contribute large sums of money to the New Democratic Party, and if you should incur the wrath of the government you may well find things are made somewhat difficult in your own constituency at the time of the next election.

A number of new members have spoken on the matter of the decorum of the House and what they expect to be doing and how they expect to comport themselves within this Chamber. I suppose every new member in coming into the House feels that he is not going to take part in any of that bad decorum of the House, and that he is going to apply himself to getting down to discussing the affairs of Manitoba, and he is not going to heckle across the floor. I have heard some members say that to me both privately and in their speeches here. I wish them well in that regard. I'm sure that all members have hoped to take that position in entering this House, but I do invite new members to look back at the end of the Session on their particular conduct and the things that they have said just to see if they have, in fact, followed up on the things that they said that they would do.

Also a few new members have asked me why it is the tradition to bow in the general direction of the Table when entering the Chamber and leaving it. Certainly, the Mace and the Speaker are examples of splendour in this room, but really that's not the reason why members do bow in that direction. I can recall from my earlier days in this Chamber that I asked more senior members the same question: what are we bowing to when we come in? Is it the Mace or the Clerk or the Speaker or who? I received several different opinions on what it was that we were bowing to. I suspect that those members were really not too clear. The truth is that back in some 1547 or 1457 — I'm not sure when it was — the House of Commons moved into its first permanent headquarters in St. Stephen's Chapel. Now, the chapel had been built for two or three centuries, but the House of Commons moved into it on that particular date. It was in fact a chapel; and it looked like a chapel; it had the chapel screens; it had benches on both sides. The altar was in the position that the Speaker now occupies at the top of the altar stairs and the altar was sitting there with the crucifix on it and nothing could have been more natural for members when entering a chapel than to bow towards the crucifix and, of course, to bow towards the crucifix on leaving the Chamber. The fact that the altar and the crucifix was later replaced with the Speaker's Chair didn't alter the tradition, and that's when the tradition

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began some 5,000 miles away, and I believe that the same tradition has followed the parliamentary system right around the world and we enjoy or carry on that particular tradition within this Chamber.

A number of members have mentioned their own particular constituencies and the election campaigns that went on at that particular time, and I have to join them in thanking my particular constituents in returning me this year to yet another term within the House.

Elections in St. Vital are generally of a rather quiet nature. The opponents that I've faced over the terms have been uniformly upright, straightforward, good, clean campaigns. There has been none of the underhandedness, the whispering campaign, the vandalism that has plagued some other constituencies. I think that is a factor of St. Vital that we do things in St. Vital perhaps a little different from the way they are done in some other constituencies.

My constituents were intelligent people and as I went from door to door, they made it quite clear to me that they understood what has happened and they understood why the challenge was there at the time of the nomination. I received a fair amount of sympathy from the people in St. Vital who objected to a challenge to the nomination of a sitting Speaker who is not in the position to take part in that partisan activity that members in other constituencies are.

Members might remember an early Henry — I think it was Henry II or the III — who was having some difference of opinion at the time with Thomas à Becket. I believe Thomas à Becket was the Archbishop of Canterbury at that time. The King is reputed in his court to have said, "Who will rid me of this troublesome monk?" That's all he said, but there were four of his knights who, armed with sharp swords, galloped down to Canterbury and there they found Thomas à Becket in prayer in the Cathedral, and there they hacked the poor chap to death. People in St. Vital are very aware that the attempt was made over there to hack their particular member, and they resented it, and they don't like it, and they showed, I believe by their support for me at the time of the last election, that they would not tolerate that type of behaviour.

So I find myself in the company of some eight other gentlemen on the backbench on this side. — (Interjection) — I'll get to that, just a minute.

The Honourable Member for Sturgeon Creek, who is not here at the moment, if he should wish to make any particular comments about members on the backbench, I would suggest that he do ascertain the facts before making the statements that he has done. I'll say no more.

The Honourable Member for Kirkfield Park mentions the fact that there are no women sitting on the backbenches. I had not realized that until I happened to read it in Fred Cleverley's column a little while ago; it just hadn't occurred to me. I don't usually read Fred Cleverley but, on occasion, I grit my teeth and I read what he says.

I am quite sure that if the backbench had been composed solely of women that you would have heard a great uproar and many accusations of sexism and other rather foolish things, but I have not heard one of my colleagues say that it is in fact a sexist move to have all of our backbenchers as males. I didn't think anything different of it and I'm sure they did not either.

They realized that we on the backbench are members the same as any other member, and we tend to take the view that one member is the same as another, irrespective of gender; and I say that for the honourable member's benefit and I hope that she would not hear me raise any artificial distinctions where in fact none exist.

I was one of the paid backbenchers, Madam Speaker, until just recently, but now there are nine of us and I can confidently refer to us as one over the eight. If that expression is not readily comprehensible to members, I will explain it to them at some other time; but it does give me the opportunity to speak on a number of different topics, to represent and to speak for the people of St. Vital.

I wanted to mention to members, if they hadn't heard about it, of a survey that I did some year or two ago in the constituency of St. Vital as the constituency of the sitting Speaker. I took advantage of that method that all members have of sending a report or letter out to all constituents with the invitation to send it back and answer some of the questions that were included in it.

Out of approximately 7000 pieces that were sent out, I received back 310 replies. Now I had done similar things before in previous years and asked people a number of questions, how they felt about different things at that time, and the replies varied anywhere from, oh, perhaps 150-250. So a reply of 310, as I received on this survey, was more than average and I think indicated there was some interest there in the position of the Speakership and how it functioned in Manitoba.

You might be interested that the very first question on that asked them, the people in the Speaker's constituency, whether they considered it to be an asset or a liability to be represented in the House by the Speaker; and, by a margin of two to one, people said that it was a liability to be represented by the Speaker in the Chamber.

The final question on the questionnaire was an open-ended one which more or less said is there anything else you want to write in there, are there are opinions, any questions that you want. Overwhelmingly, the most important point that people put in there was who speaks for the people of St. Vital, that every other constituency is represented by a member in the Chamber except this particular one.

Not that they blamed me for taking that particular job where they could see it being for a term of four years, but I did sense from what they said that they would object if it were of a longer period of time than that. That is one of the reasons why I made it clear before the election that I would not accept that particular appointment again, not that I expected to be invited.

But I am quite enjoying the opportunity to speak to the House and to speak for the people of St. Vital without that constraint that other members do perceive. There are a number of things that I want to speak about over the course of this Session, and I'm sure that I wouldn't even be able to get to within this particular 40 minutes that's allowed for me, but I do give notice, although that's not required, that I intended to speak further on parliamentary reform, particularly as it affects the position of the Speakership.

I was suspected, I believe, in the past of promoting reform in the Speakership out of self-interest. I now

have no self-interests and I don't feel at all self-conscious about putting forward to members the same position that I put forward before, that it's impossible to be at the same time both partial and impartial and that it's time we made some change in the position of the Speakership.

Parliamentary reform was one thing that I wanted to speak on and I will do. Hydro is another, and we haven't heard yet too much about it because the Public Utilities Committee is still meeting and considering its report; but, as the Member for Morris suggests, no doubt we'll be hearing much more about Hydro and we will be debating that particular thing even more.

I want to talk at future times about health. I didn't hear what the Honourable Minister of Health had to say the other day on it, but I'm sure that he and probably all of the members do know that there is a financial crunch coming and, with the cost of living and health care rising faster than the general cost of living, that puts pressure on the health system itself. Added to that, our aging population which is moving towards a higher user bracket, while at the same time the people who are paying taxes to pay for that particular system, is growing smaller as a percentage.

I want to deal also at some future date with education and the changes which are necessary in that particular area, as it is with reassessment, which must come in the near future.

On a separate occasion, I want to deal with the corruption of the English language that we hear so much of at this time. I want to speak about the conflict of interest which has been in the news somewhat. I, for one, would support any move to repeal an ineffective and ineffectual Conflict of Interest Act.

I want to talk about the riverbank renewal which has been promised at the time of the election. Since there are two rivers which take in much of the perimeter of my constituency, they are of interest to the people in St. Vital.

I wanted to move next to the Budget itself after those few introductory remarks.

I wanted to perhaps congratulate the Minister of Finance, who has been one of the more successful members over the last four years. I have to compliment the Minister in being quite straightforward with members when asked questions. He doesn't make any sarcastic or misleading replies. He does not answer some other particular point, but he does give the impression anyway of trying to take the question seriously and to give a straightforward answer to it.

I believe that is appreciated by members on the other side from what I have seen to be their treatment of the Minister. When he stands up to give a speech, it is usually straightforward and to give information. It contains much less of the rhetoric and the sarcasm that we do hear from some members on both sides. But I don't want to make the Minister feel too good by saying too much about him.

I wanted to get to his Budget itself. It is quite a monumental task to supply a Budget after being the Minister for such a short time, I believe about a month. What we see, in looking at it, is that agriculture is probably the largest beneficiary, prompted no doubt by the very considerable subsidies in the EEC, European Economic Community, which has given rise to such expressions as "a mountain of butter" and "a lake of

wine." No doubt there are other commodities over there which are produced in abundance because of the subsidies which are levied by the European governments.

Health and Education too — it has to be noted that the increases there are just a shade over the inflation rate, that is, the general inflation rate. There has been no particular generosity as far as Health or Education is concerned. If you take the Health and Education rates of inflationary increase that apply to those two particular areas being different from things in general, the increases there tend to be generally below the Health increase in the cost of living, and the Education increase in the cost of living.

I wanted to refer to the increase in the tax on cigarettes and tobacco, Madam Speaker. I should declare my interest to members, so that they know it's not from a purely non-interested view, that I am a smoker. I buy tobacco once a week — (Interjection) — well, the Minister says I'm not helping him very much. I buy a little tobacco; it usually costs me about \$3, and I buy it once a week. I don't know what the increase is going to be in the tax on a packet of tobacco. It's 50 grams. So I'm not sure what that is.

But I hear very little objection to an increase in the tax on tobacco. That is probably because us smokers feel a little bit guilty about it. We know that increases in taxation on tobacco products is easily done. It's called a "sin" tax, and we don't know whether it is because we are somehow guilty and need to be punished by this additional tax increase, or whether there is a program to get rid of smoking and to punish smokers. If it is the latter, of course, then surely the Minister would increase that tax by far more than 25 cents and make cigarettes and tobacco products real luxury items, the sort of luxury item that you would expect to find sold in gold foil rather than black plastic or something.

Anyway, I would tell the Minister that I don't like it when he increases the taxation on my tobacco. If he wants to punish people or if he's doing it because smoking is bad for you, there are many other things in society that are bad for you. No doubt, it would be better if they were discouraged or if that particular thing were abolished altogether. So please be fair about it, Mr. Minister. If it's a bad thing and you want to discourage it, tax a lot of other things at the same time. I won't go into what they are. You might get some ideas, and we would find more taxes on.

But I think more serious than that is the nature of the taxation on tobacco altogether. It is a regressive tax, because that tax applies equally to rich and poor who buy those tobacco products. Members of the New Democratic Party have always tended to pride themselves on their support for progressive tax measures, whereby those with very little income pay little in the form of taxes, while those with a large income who can afford it do pay larger amounts. On that basis, some people would pay almost nothing for tobacco, while some people would pay a great deal of money.

The opposite is the case in this particular instance, where the Minister is charging everyone a regressive tax which he will, no doubt, say is a voluntary tax. If you don't want to pay it, then don't smoke, but it is not quite that easy for us smokers — (Interjection) — One of my colleagues says that I'm hooked on it and,

yes, I will admit to being addicted to tobacco. I enjoy it, I really do. I happen to find it very relaxing and conducive to thought and to very contemplative reflection, which I would recommend to everybody — the contemplative reflection, that is, not the smoking.

In the approximately five minutes that I have remaining . . .

**MADAM SPEAKER:** The honourable member has 10 minutes remaining.

**MR. J. WALDING:** Good. I hope not to take that long, but I wanted to examine the philosophy behind the Budget itself. When we look at the changes that the Minister of Finance has made with a little more emphasis here and a little more emphasis there. We see generally that it is a stand-pat Budget. It is really not very much different from the way it was last year.

I would have to question the wisdom of not doing something which perhaps ought to be done at this time, and that would be an attempt to reduce the deficit in some way.

I don't want to go overboard as some members opposite have and say get rid of the deficit altogether but members should know that there is a feeling among many Manitobans that a deficit of nearly half-a-billion dollars cannot be tolerated year after year after year.

I think most members within this Chamber would subscribe to the theories of Keynes, an economist of some years ago who said that when there is a depression and when the economy is depressed, that is the time to go into deficit financing, to inject capital into society, into the economy to get the economy moving and put people back to work and get those revenues coming in again. On the other hand, when the economy is buoyant, that is the time to build up some sort of a surplus to offset that.

If we are to believe everything that we are told about the present economy in the province, we find that things have been handled quite well. The economy is in good shape. The inflation rate is down. The unemployment rate is down; I forget whether it is the second lowest or third lowest or something at the moment. The interest rates are on the way down; they have been for some time. That is not all caused by this particular provincial government but those are the prevailing effects across the country.

Manitobans do look at that particular situation and say a deficit, a large deficit might be advisable when there is a depression, when unemployment is high, but that is not the situation right now. In the time immediately after an election, with three years to go, presumably, until the next election, now is the time to take decisive action on the deficit itself.

I know that my constituents would like to see that deficit reduced by a healthy amount and I know members on this side have said, yes, we should do something about the deficit; we cannot continue at almost half-a-billion dollars.

If we look at the Budget Speech, we find that the change in the forecast Budget for the coming year is reduced by about \$6 million or \$7 million, which doesn't really trim it, just scrapes a little bit off the top.

My opinion, for what it's worth, is that there should have been some more decisive action. I believe that

the inaction on the Budget which we have seen is going to be something which the government will regret and will come back to haunt them in the years to come.

**MADAM SPEAKER:** The Honourable Member for Charleswood.

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

In any Budget Address, I suppose one can contemplate what road to take. I suppose you could take the high road and go on a very high plane in dealing with the question of the Budget and the question of who is responsible and the question of how it gets to be dealt with.

There are other roads to take and unfortunately, Madam Speaker, when the Minister brought his Budget in last Thursday night, I thought he took the low road.

It was actually a little sad. I have known the Minister for some time and I was concerned when he did take that road. He bashed every Tory in sight: this opposition; the one before this; the government of Sterling Lyon. The only thing he didn't talk about was Duff Roblin, I think, or perhaps it was Rodmond Roblin. He may decide to do that upon his summation.

The Minister claimed, too, that his government was responsible for just about everything good in the whole province, that everything had increased, from construction to the North Portage Development Corp, new housing starts, everything but causing the sun to shine, Madam Speaker, and he even left that open for a little interpretation. The Core Area Initiative was another of the great accomplishments of this government, as claimed by the Minister.

In part, there were successes. Things happened for which the government can be proud; there's no question about that. But the thing is, they didn't do it alone. These weren't their total successes. The ideas weren't all theirs. They had partners that the Minister failed to mention.

He didn't say that the Federal Government was an equal partner; no, he didn't tell you that. He didn't say that the same Federal Government that they are standing up to at the present time, the same Federal Government who is taking away from Manitoba all that is good and holy, according to the Minister, and the same Federal Government the Premier and his Cabinet have been bashing for the past year-and-a-half, he didn't say they were equal partners in that process and that their ideas and their money were the same as the Provincial Government's. He didn't say that.

These same people put up just as much money, had just as much say, did just as much toward the success of the program. These same federal authorities who were chastized and berated for not giving Manitoba their fair share, are conveniently forgotten when it comes to claiming the successes such as the North Portage Redevelopment and the Core Area Initiative, and that's unfortunate.

I said some successes and that's certainly true, but you didn't hear about the failures from the lips of the Minister of Finance either. You didn't hear how the partners in the Core Area were coerced into changing the game plan, particularly with respect to the Logan Industrial Park. Every single planner said it should be industrial. All the social agencies, the Social Planning

Council, the Rossbrook House Agency, in that area said it should be industrial; it should not be residential. In fact, the Minister himself, when he was Minister of Urban Affairs, wanted Plan Winnipeg, the city's long-range development plan, changed so that this area would encompass rail relocation because of the dangers to residential development in that area, the dangers of residential development next to the CPR Yards.

In spite of all that, the government had the Core Area Initiative Agreement changed to have this Logan area changed from industrial back to residential. There were no studies, no reports; that's because they couldn't find any planner who would say it was a good idea. So they changed it back anyway.

What was the result? Well, the end result was Logan Woods, Madam Speaker, a nice housing development. Now, I didn't say Linden Woods in Fort Garry; I said Logan Woods. Mind you, it could have been Linden Woods because the price of the houses are about the same, in excess of \$100,000.00.

This great residential project, Logan Woods, sort of nestled in between the Salter Bridge, the CPR Yards and North Main Street, sort of a quiet, contemplative little area, as the Member for St. Vital talked about, this quiet little residential neighbourhood of \$100,000 houses that were selling for \$35,000 and they didn't have any takers, they remained vacant, Madam Speaker, for a very very long time.

When it was all said and done and all that money was pumped into this area, only 12 of the original families whose neighbourhood had to be saved at all costs by this government, only 12 remained. Even the resident hired by this government to lead to save our neighbourhood campaign in that area, even that lady doesn't live in that neighbourhood, she has moved, and after we spent \$100,000 or more per house.

The Minister also didn't take credit for the Core Area Employment Program. It's another dandy program, Madam Speaker, another program that the other partners didn't favour but was demanded, and as a matter of fact the agreement was enhanced to the sum of \$6 million, I believe, at the time that the Pawley Government took over in 1981. This agreement had to be changed to allow for more money that came out of the Logan Industrial Park and into the Core Employment Program.

Well, Madam Speaker, this program placed just 263 jobs at a cost of \$7.3 million, okay? — or \$28,000 per job — an enviable record. Not only that, over half those jobs, Madam Speaker, were in the public sector where they didn't need to spend a dime at all. They could have just hired the people and be done with it, but instead they put them through this particular program and spent \$28,000 each on training them for these jobs — another enviable record.

During the Minister's Budget Debate, he quoted from a number of sources, the Prime Minister, the Royal Bank, and others, when quoting about how well Manitoba was doing under the NDP. However, the Minister was a little selective in his quotations. He didn't mention the quote from the Federation of Independent Business, who represent 70 percent of the small businesses in this province, who said, "The Pawley Government is the worst anti-business government in the country." The Minister didn't quote that.

He didn't mention the Conference Board of Canada. Their projection that Manitoba's economic growth will

be half the national average for 1986, he didn't mention that either. Any significant growth at all in this province is because of government spending, pushing up our accumulated deficits even higher and mortgaging the future of our children and our grandchildren. We can't see, Madam Speaker, any significant — oh, there is some housing construction going on, yes, I agree. There has been a pent-up demand through three or four years of high interest rates, no question about that. Well, the high interest rates, Madam Speaker, were not as a result of a Conservative Government.

The Minister, Madam Speaker, also quoted tax reform measures and cited, in particular, the increased capital gains initiative of the Federal Government. Let me quote from the Minister's Budget Speech, and I quote directly, "While many wealthy individuals will pay substantially less as a result of the \$500,000 capital gains exemption and the \$15,500 RRSP tax deduction, very few ordinary working Canadians can hope to profit from stock market or real estate transactions to the amount of one-half million dollars." Now the Member for Morris indicated that the Minister only used that "ordinary Canadian" once and I think that's the quotation that it comes from.

I find that statement, Madam Speaker, somewhat unbelievable. In their virtual next breath, in the Budget Speech, he proudly presents his party's Farm Start Program, and I would like to quote again. "This Budget provides resources to implement the Farm Start Program. Farm Start will provide loan guarantees of up to \$200,000 of the mortgage of a young beginning farmer who buys his or her land from a retiring farmer, and will help older farmers convert their land holdings into a retirement fund." That's his next breath. Well isn't that just peachy?

First we put a young entrepreneur deep into debt to the government in an industry that they know full well is in deep economic difficulty and with little improvement on the horizon. First you get the kid hooked on the big mortgage, Madam Speaker, but don't offer any real help with the cost-price squeeze of production. Just get him in deep and under government control. Just get him in deep and under your control, Madam Speaker, but in the meantime, his dad has all his money to retire on. So maybe it's not too bad after all, maybe it's not too bad, but hold on, the Minister doesn't think he should get all of his money. No, the Minister doesn't agree that he should get this money tax free. He doesn't like that \$500,000 tax deduction with a capital gain tax. The Minister doesn't think he should get away without taking a piece of the action. Yes, the Minister is opposed to the \$500,000 exemption that would let dear old dad retire with the money his son is in hock for to the government. What a great program.

Now, Madam Speaker, I'd like to advise you and the Minister of Finance that there are a great many farmers out there who are ordinary working Canadians, if we can use that in the context of a fair and reasonable wording. They're certainly very hard-working Canadians. They'd like to convert their farm into a retirement fund without having it skimmed off the top by the government. They'd like to do that. They'd like to be able to take the money that they worked very very hard for over these years and gamble their livelihood annually. They'd like to take that money, Madam Speaker, and retire without having it skimmed off the top by the

government, and I think the Federal Government has recognized that and put in a \$500,000 exemption that would let farmers do that, let them retire in some comfort, using the money that they've built up as equity in their land.

Madam Speaker, in addition to the farmers out there, there are many small business owners who are in the same kind of position. They want that opportunity. They have worked hard over a long period of time, created employment, and this government has indicated that they're in favour of small business, they want to support small business. They want to throw money at small business in terms of new bonds, new debt and new loans to these businesses, Madam Speaker, but they don't understand that when somebody works and gambles their life savings to create a business, to create employment, to build a business over a period of years, they wouldn't mind retiring by taking the money from that business without having it skimmed off the top by the government. The Federal Government, I think, recognized that as well. I would hope that the Minister of Finance would reconsider his position, Madam Speaker, with respect to that because those people out there are also hard working Canadians.

The same area of your statement from the Budget, Madam Speaker, refers to RRSP's as well and the Minister didn't like that either. I guess it really is cradle-to-grave socialism because God forbid someone should be encouraged to plan for his own future, to save for his own retirement, to be able to look after himself and his wife when his working days are over. That's bad according to the Minister. I guess the Minister is wrong. We shouldn't save for the future; we should spend it all today and leave it up to the government for tomorrow.

Madam Speaker, I would like to point out there's a great many self-employed Manitobans out there, small businessmen, unorganized workers, professionals and others who don't have a big corporation or a big government to pick up half of a big pension. They have to go out and save the money themselves in order to provide for their future, but, Madam Speaker, maybe they feel some responsibility, some sense of responsibility that they have to save for their future and not depend on the government and not depend on the taxpayer to foot the bill for them when they retire, but that's wrong, according to the Minister.

If we want to talk about the few who benefit, then let's talk about taxation of investment income. That was another gem in the Budget. The major benefactors of reduced taxation on investment income are senior citizens. They're the people who have saved, Madam Speaker, over their lifetime, saved their money, and now they have invested it and the interest on that money serves to supplement their pensions; many of them on meagre pensions because they've been retired on a fixed basis for some period of time. They saved their money during their working years and have now invested that money in the hopes that they can live a comfortable life. But no, that's wrong, we can't. The Minister pointed out that the rate of taxation on investment income was half or even less than the rate on ordinary income. But those people, the Minister doesn't think, I guess, should have saved their money because he doesn't think that they should be looking after themselves and that government philosophy is that seniors, too, should be totally dependent on the government.

I want to, Madam Speaker, talk for a few minutes about the level of support or, more accurately perhaps, the lack of support for the City of Winnipeg. While a \$600,000 fractional increase in support for urban government on the current Budget is proposed, there is a \$4 million or 22 percent reduction in contribution toward capital. Instead of assisting the city with this infrastructure or creating new transportation initiatives, it proposes instead to cut back significantly on capital works where major job creation opportunities exist. That same theme applies to the Highway's program. It applies in Natural Resources and it applies in Municipal Affairs. Those are the areas of cutback in order to provide for the other programs the Minister has brought forward and still contribute to half a billion or just about half a billion dollar deficit.

While cutting back on help to the City of Winnipeg, the Department of Urban Affairs is increasing its Administration Budget 23 percent — 23 percent. Now how many more apple polishers and bureaucrats does this government need in Urban Affairs to second guess all of the bureaucrats at City Hall? As I understand it, there are 30 or 35 bureaucrats in that department now, Madam Speaker, second guessing the bureaucrats at City Hall. So I don't know how many more they are going to get for this 23 percent increase. But at least the City Hall bureaucrats have some experience and expertise in Urban Affairs.

As well, Madam Speaker, the proposed 67 percent increase in water power rental rates will adversely affect the operations of Winnipeg Hydro. I don't subscribe, Madam Speaker, to the Mayor's calculation of 100-and-some-odd percent, but it is a 67 percent increase in water power rental rates. These will adversely affect the operations of Winnipeg Hydro.

But, mind you, just for a minute, Madam Speaker, can we stop and think about this whole rental charge anyway? Someone really had to go out of their way to think up this little gem of a charge. Here you have water flowing from Ontario down the Winnipeg River. It flows down the river to Lake Winnipeg the way God intended it to flow. Then 60 or 70 years ago, Madam Speaker, the city decided to build a power plant on that river; as a matter of fact, they built two of them. So they built two power plants and have been using that hydro over a long period of time.

However, Madam Speaker, all of a sudden somebody discovered that they should get a piece of the action on this matter because it is Winnipeg Hydro and not Manitoba Hydro — note the name difference. They should get a piece of this action, so they decided to rent the water that's now flowing from Ontario down the Winnipeg River to Lake Winnipeg as God intended it to. No, they should rent that to the City of Winnipeg to generate hydro. Now someone noticed the Winnipeg Hydro had a profit. Oh that nasty word "profit." And not just a little profit either, it was a \$14 million profit, and the Minister said, "Whoa, we can't let them get away with that. We'll have to get our hands on that nice little chunk of change. We'll jump on that right away." So they said, "Let's increase the rent," on the Ontario water flowing down the Winnipeg River to Lake Winnipeg just like God intended it to.

Now, Madam Speaker, the City of Winnipeg uses Winnipeg Hydro profits to offset general expenditures. It doesn't just keep it in an account somewhere and

accumulate surpluses. What it says, Madam Speaker, is that it puts it against the property debts.

Madam Speaker, I gather my time is about up anyway, I'll defer now until eight o'clock.

**MADAM SPEAKER:** Order please. Order please. The hour being 5:30, I'm leaving the Chair and will return at 8:00 p.m. at which time the honourable member will have 20 minutes remaining.