

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 27 May, 1986.

Time — 8:00 p.m.

BUDGET DEBATE

MADAM SPEAKER, Hon. M. Phillips: The Honourable Member for Charleswood has 20 minutes remaining.

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

I'm going to have a two minute review, Madam Speaker — there'll be no test after for the members opposite — but just before we broke for supper, I pointed out that the City of Winnipeg, it uses hydro profits to offset general expenditures in the city. That is, the profits or surpluses or whatever earned by Winnipeg Hydro apply directly to the tax bill, so that any reduction as proposed by the Minister, a 67 percent increase in water rental rates, will increase taxes accordingly.

The members opposite over the past number of years have been quite worried about private sector increases in rent. Let me tell you that perhaps the proposed increase should go to the Rent Review Board. Perhaps the members opposite might want to refer it there to see if they would agree with a 67 percent increase in hydro water rental rates.

I'd like to quote from Page 27 of the Budget Speech of the Minister of Finance where he states: (1) "There will be no increases in taxes affecting small businesses"; and (2) "There will be no tax increases affecting farmers." That's what he said in the speech. Well, those small businesses and farms within the City of Winnipeg will be faced with a horrendous tax increase; a property tax increase and that statement, therefore, cannot be correct. The Minister should do something — (Interjection) — about that.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

The Honourable Member for Charleswood has 18 minutes remaining and I think all honourable members should give him the courtesy of listening to him.

MR. J. ERNST: Madam Speaker, as I indicated, the statements in the Minister's speech indicated no tax increases. In fact, there will be tax increases for small business, tax increases for farmers in the City of Winnipeg. But not just on small businesses and farms, Madam Speaker, but the homeowner whose house is assessed at \$7,000 will be looking at a \$21 tax increase just for the water rental rates alone.

By failing to bring about solutions to urban problems, many of them their own making, Madam Speaker, this government is ignoring the major population base of the province. Let me give you an example.

The Headingley area of Charleswood south of the Assiniboine River consists of farms and small holdings for the village area at the western end. When these people were herded into Unicity they had a special

prod, a carrot, to entice them. They were told, no, your taxes really won't go up, but what we'll do is we'll do away with your long distance telephone rates. That's what we'll do. Well, they've lived up to their promise. They delivered on the long distance telephone rates and said, "No, we'll put you on the city exchange." But they also received, Madam Speaker, no services. Their taxes escalated to urban levels. They were given the opportunity to contribute to such beneficial programs as the Core Area Initiative, such major public housing projects as Logan Woods, referred to earlier. But they really got the short end of the stick and it's time I have introduced a resolution dealing with that particular matter a little later on in our agenda, Madam Speaker, and I would hope members of the House would give it their consideration.

Much has been said of the plight of agriculture, of low grain prices and high input cost and about the crisis in farming today. That's all very real; it should be a major concern to every citizen. But if agriculture is in trouble in rural Manitoba, Madam Speaker, where taxes are \$4 to \$6 an acre, imagine the situation for farmers in the Charleswood riding where taxes are \$15 to \$20 an acre. Reassessment in 1987 proposes to increase that by 440 percent, and they're not in trouble?

There was no mention in the Budget, Madam Speaker, of any transportation initiatives for the City of Winnipeg, another of the major problems facing the majority of our citizens. Traffic strangulation is on the increase. In the last 10 years, a 56 percent increase in traffic on city streets. There is more traffic now during the daytime than experienced in the rush hour just 10 years ago. With that kind of traffic problem, everyone experiences difficulties from time to time. Private motorists, those driving to and from work or for business, for trucks and for emergency vehicles and indeed for public transportation, they all experience those problems. New roadways are required and existing ones needed to be improved to provide for that free flow of traffic.

More river crossings are required, as our city is blessed with several. They restrict the movement of traffic as well as provide beauty to our city. But rather than spend \$100 million cleaning up the riverbanks, Madam Speaker, can't we at least have some of that spent to get across them? I think that's a concern that has not been addressed.

Certainly a cutback of \$4 million in capital contributions to the city shows a distinct lack of understanding by the government.

All too often governments or people in authority looked at the very substantial capital costs associated with these kinds of problems and don't look at the operating costs. They throw up their hands and say, "No, it's far too expensive, can't do it, federal cutbacks. You know how many day care centres you can get for that kind of money?" All those kind of excuses come across. But they've got to stop and look at the operating costs of not going ahead with those projects because they are very substantial and impact greatly on the people of the city. Is anyone concerned about what those costs are? Does anyone care?

Let me cite an example of the magnitude of those costs. When the City of Winnipeg considered replacement of the Salter Bridge or the Slaw Rebchuk Bridge, if you will, it had two opportunities to look at. The decision was to decide, should we build a new bridge beside the existing bridge, or tear down and build it on the same right-of-way? The engineering consultants did an analysis, Madam Speaker, to determine what the cost would be of demolishing the existing bridge and replacing it on the same right-of-way. The cost to the motorist at that particular time in 1982 dollars was \$6 million, the annual cost to motorists for taking that option of constructing the bridge. So there is an indication of the kind of operating costs that are impacted by a lack of capital costs.

Over the past 14 years of NDP Government in this province only one new transportation project has been built — a 60 percent increase in traffic, one project. Madam Speaker, that was built in spite of the massive growth in the south end of the city, of those new neighbourhoods that the Minister of Urban Affairs and the Minister of Finance spoke about earlier in their speeches, that here are all these wonderful new houses being built, all this new assessment growth coming on and all these new neighbourhoods being created, but it's tough to get to them if you don't build any transportation projects.

The only reason that project was built, the only project, was that the province needed access to its own land bank. The province bought, in the early Seventies, a land bank in south St. Boniface. Here was an opportunity that Leaf Rapids Corporation and MHRC were going to freeze out the developers by grabbing big chunks of potential urban development land and they needed access to it so they built the Bishop Grandin — or contributed toward it. — (Interjection) — Well, I'm getting to that, that's right.

Now, the same land bank they bought in 1974, the Minister of Urban Affairs is advancing amendments to the City of Winnipeg, or Plan Winnipeg rather, Madam Speaker, to freeze that land for the next 20 years. The same land bank they built the road with, they now want to freeze in position for 20 years and not develop. That makes a lot of sense to me.

The Member for River East earlier spoke of the need for a new bridge over the Red River to serve the residents of northeast Winnipeg, to maximize the use of Main Street, now operating below capacity, and to alleviate some of the congestion along Henderson Highway. There's no mention of that in the Budget.

As well as the need for that bridge, there is a dramatic need for an underpass at the CPR mainline at Keewatin Street. The Member for Inkster, I'm sure will be supportive of that to serve the people of northwest Winnipeg. Traffic tie-ups now are becoming famous at that intersection; no mention of that in the Budget.

The need for additional improvements is no less serious in southwest Winnipeg. At Waverley Street and Kenaston Blvd., crossings of the CNR mainline are required for travel to and from the University, the Fort Garry industrial area, and back and forth to the airport. No mention of these projects, Madam Speaker, in the Budget.

All of these projects are contained in the City of Winnipeg's five-year Capital Program. The capital construction planning document, for two-thirds of the

province's population, contained these projects and a couple of others. The former Minister of Urban Affairs talked a great deal about a five-year provincial funding commitment for this five-year capital budget, but there's no mention of that in the Throne Speech.

As a matter of fact, there's a \$4 million reduction in capital spending under the Urban Affairs Estimates, Madam Speaker, not any increase, not any commitment to a five year, long-term capital plan. There was even a public commitment given to fund the Kildonan bridge by the former Member for River East, as I understand it, and that's not even mentioned in the Budget.

Madam Speaker, nothing is all bad and the Budget did offer help to municipalities in rural Manitoba with their deteriorating infrastructure, a positive step. They even hired the former Minister of Municipal Affairs to study the problems of municipal infrastructure. Mind you, if I were a cynical person I might say why didn't he do it when he was the Minister, but fortunately I'm not a cynical person and I wouldn't say that.

Of course, the problem of deteriorating infrastructure, Madam Speaker, isn't a new problem and it's been the subject of extensive studies by everyone from individual municipalities at the local level to the Federation of Canadian Municipalities at the national level.

As a director of the federation, I had the opportunity to be a member of the task force dealing with municipal infrastructure. It was chaired by that free enterprise, right-wing, fascist mayor of Vancouver, Michael Harcourt, and there he was leading the charge saying, "Provincial governments, get off your fannies and do something; Federal Government, do something, but municipalities need help." So the problem isn't new, Madam Speaker, and it certainly doesn't need any more study. I would venture to say there isn't a municipality in this province that doesn't know exactly what its problems are, and all they need is some action, some financial assistance, to get on with the job. That's all they need.

Madam Speaker, I've spent some considerable time in municipal government in Winnipeg and through the Municipal Association with other municipal councillors in the rest of Manitoba. I have a great faith in their ability and the knowledge of these elected people. They know their municipalities inside and out. They know where their problems are; they know how to solve them; they don't need a provincial bureaucracy to tell them what to do and they sure don't need a defeated Cabinet Minister masquerading as a consultant. The time has come for the government to stop acting like Big Brother. It's time to recognize the abilities of local government and put some trust in their mandate as elected officials.

A review of the Estimates for Municipal Affairs, Natural Resources, Highways and the Jobs Fund indicate no amount set aside for this program and I hope the funding will be significant and not just a token gesture toward these municipalities.

But while the need for municipal infrastructure replacement is great in rural Manitoba, it's also no less of a problem, Madam Speaker, in Winnipeg. Through the age of many of Winnipeg's services, many of them now in excess of 100 years, action is required here as well. Replacement cycles for infrastructure in Winnipeg today now range between 100 and 200 years. By way of explanation and example, replacement cycle means that a road built today will not be replaced again for

200 years, based on present levels of funding. Hardly a bright future, Madam Speaker. If an effective and working infrastructure is not maintained in our major urban centre, then economic recovery will lag behind, as the cost of doing business, the ability to provide proper services for businesses won't be there.

Certainly, jobs are a priority for every member in this House regardless of the seat he or she occupies. We are all concerned about jobs, and a major source of employment is staring us all in the face. The Canadian Construction Association estimates that for every million dollars spent on road, sewer and water construction, 28 man years of employment are created. As well, there are savings to the property taxpayer resulting from provincial participation, as they get a double benefit as well as a finished product of lasting benefit to all Manitobans: not your little make-work projects, not programs of dubious value, Madam Speaker, but long-term concrete — no pun intended — benefit to the people of Manitoba.

Perhaps the \$100 million River Bank Program and the \$30 million baseball stadium and sport facility program should be rethought, perhaps reconsidered, in the light of the major deterioration of our basic infrastructure throughout the whole of the province, both rural and in our urban centres.

I mentioned earlier in my remarks, I want to talk again a little bit more about the crisis in agriculture. There are probably going to be those snide remarks coming from the opposite side. Now, here's a city boy representing a city riding with municipal experience only, talking about agriculture. I am the first one to admit that I don't know a great deal about agriculture, but I am doing something about it, I'm attempting to learn.

But I do know this. One in every five jobs in this province relies on agriculture in one way or another. A major sector of our economy is in trouble. Basic arithmetic is not too difficult to understand. It says, if it costs \$5 a bushel to make \$3 a bushel, then something is very wrong in an industry and needs to be looked at.

I also know that, unless food production capability of this country and this province is preserved through the present economic cost-price squeeze, there will not be sufficient food in the future to feed a growing world population. We've talked about nuclear free zones and we've talked about all kinds of things in this House, but the fact of the matter is, if you've got a production capability that is going to be feeding a substantial portion of the world, then you cannot let it die on the vine here now. Circumstances could get to a point where we won't even have enough food to feed our own people, let alone the substantial portions of people around the world that we presently feed through our export programs.

At a time when there are major food surpluses, overproduction and depressed market prices, consumers and government both will have to adjust so that our production capability and expertise are not lost in the short term. We may have to pay two-price wheat. The Canadian Government has removed certain taxes from fuel used in the production of farm products, stable grain transportation rates. But what has happened is Farm Start and Farm Aid come nowhere near the assistance this industry needs, and needs now.

It needs it this year. It doesn't need it at some point in the future. We've got to save it now.

You know, Madam Speaker, there are 20,000 farmers in Manitoba and if just 10 percent of those are in trouble, that's 2,000 jobs. Now what would the Department of Industry, Trade and Technology put out in terms of cash, in terms of incentives, to an industry that was going to attract 2,000 jobs to Manitoba? Let me tell you, they'd be jumping all over themselves to get them, throwing money at them by the truckload. Why don't they do something about those 2,000 jobs that are already here? Let them do something to assist agriculture in this province.

All in all, Madam Speaker, this Budget really does little more than perpetuate the status quo. It doesn't help Winnipeggers; it doesn't provide proper help for farmers. It cuts back on highways, while claiming to create jobs in other make-work programs.

This government has stood up to Manitobans and said no. It has stood up to Winnipeggers and said we don't care about you. It has stood up to rural Manitoba and said we don't care if your roads are impassable and your kids can't go to school. It has stood up to farmers and said we'll be happy to put you into debt; maybe we'll bail you out but if you sell your land, we want to tax you on the other half.

Thank you, Madam Speaker.

HANSARD CORRECTIONS

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: Madam Speaker, if you please, a couple of Hansard corrections.

Page 308, line 32, the words "common wheel" should be "common weal."

Page 307, line 48, after 124.5, the word should be "preferred" rather than "common."

Thank you, Madam Speaker.

BUDGET DEBATE (cont'd.)

MADAM SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: I always appreciate the opportunity to participate in the Budget Debate, Madam Speaker, because it gives us the opportunity to address not only overall issues, as we do in the Throne Speech, but particularly the overall economic issues.

In my remarks tonight I want to address specifically that economic issues and economic policy, Madam Speaker, and in particular to look at the policy outlined by this government and the mass of contradictions, deliberate contradictions, offered as a substitute for economic policy by members opposite.

Madam Speaker, today as I go through some of their comments in the election and some of their comments since, I think you and any objective observer will realize just how many contradictions there are in the economic policies of members opposite.

I think you will begin to realize, as I have, Madam Speaker, that what we have seen from members opposite over the last several months is akin to the

old analogy of the sheep in wolf's clothing; and in reverse, after the election. No, Madam Speaker, right now they are a mass of contradictions; they don't know from which end of the scale they are coming.

They went through an election being the sheep; now they are the wolves, Madam Speaker, and I will demonstrate that by pointing very clearly to some of the remarks they made during the election and following the election.

Let's look at the election; let's look at the strategy of members opposite in the election.

They realized what Manitobans thought about the Conservative Party. They realized what Manitobans thought of the Conservative Party in 1981, after having had four years of experience with that party. They realized that Manitobans felt that that party was right-wing, was extreme, was a party concerned with cutbacks, a party that did not have an economic policy that was relevant to the Manitoba of the 1980's.

So what was their response, Madam Speaker? In the period from 1981 to 1986, was it to outline a series of policies which would change that? No, Madam Speaker, they went through close to four-and-a-half years of no policies. Time and time again we heard, in this House, criticisms; we heard no policies and with good reason, Madam Speaker, they had no policies.

With an election coming they realized that wouldn't do. They realized that if they ran again without at least some semblance of policies, that people would automatically think of 1981 and think of the type of conservatism we saw from them.

So they hastily pulled together and toured the province with groups of MLA's, a tour incidentally, Madam Speaker, which somehow managed to miss Thompson, the third largest city in this province. I think that's an indication of how much knowledge members opposite have about the North, the fact that they feel it begins and ends in The Pas, but that's a side point, the fact that they did ignore Thompson. I don't think it really mattered. It was pulled together so hastily that I think the motives were clear.

What they wanted was not a dialogue with Manitobans. They probably spoke to no more than 100 or 200 Manitobans in the process. What they wanted was the semblance of consultation and they wanted some appearance of policy to result afterwards.

So what happened, Madam Speaker, during the election? What happened? Manitobans waited and they waited and they waited. Then, all of a sudden, on a Sunday at 4 o'clock, the Tories dumped one volume full of so-called policies. Manitobans waited and waited and waited for some answers to some very real questions about the costs of those policies, Madam Speaker, and the implications, and they were faced with another volume of policies a week later, once again on a Sunday.

What messages did Manitobans receive from those two volumes? Talk about contradictions, Madam Speaker. People were bombarded with press releases; they were bombarded with news reports with headlines such as this: "Filmon wooing Manitoba voters with call for improved services," or "Health, social funding boost vowed, Filmon pledges \$130 million increase without raising taxes, deficit." Then they received other messages, such as: "Manitoba Premier criticized for rise in debt." "Filmon echoes feds, Tory economic plan aims to cut deficit."

Did they receive a costing of those promises, Madam Speaker? No. Did they receive any explanation on how that decrease in the deficit would be brought about? No. You know, when reporters asked the costs of those election promises, they received no answer. They were told by the Leader of the Opposition that they should go and find the costs, and they should add it up themselves. I suppose members of the Conservative Party hoped and prayed the people wouldn't do that, but some did; some analyzed it; some itemized the costs.

One such analysis — and I've never heard it refuted in this House — added up as follows: the reduction in the payroll tax, \$116 million; Portage expansion, .125 million; funding for independent schools, \$5 million; costs of Beef Stabilization promises unknown; business hydro cut, \$35 million; various business tax holidays or tax credits, \$18 million; removal of property tax, \$10 million; Autopac promises involving \$20 million worth of expenditures. The bottom line, Madam Speaker, of this, this total of \$204 million didn't include the Conservative promises to increase social spending by \$130 million.

Now, how is that consistent with the Tory economic plan aimed to cut the deficit? Well, it isn't consistent, Madam Speaker, and that really wasn't the point. Consistency wasn't the desired goal of Conservatives in the election. The desired goal was basically the same as that pursued by the federal Conservatives in 1984. In fact, the parallels are almost scary, Madam Speaker. They basically took the Tory strategy. They even took some of the phrases. "It's time for a change." That was on their campaign material.

They took the approach of promising social programs, in much the same way that the Prime Minister, then Opposition Leader, talked about "sacred trusts." We all remember that phrase.

They basically tried to hide their true colours while paying lip service to those in their party who believe that the concern about the deficit is the overriding concern of Manitoba today. They hid that, Madam Speaker, and they attempted to look progressive; they attempted to look moderate. They attempted to look like they were in keeping with the thoughts of Main Street Manitoba.

You know, it almost worked. Some people, I feel, probably did buy that revised version of the Conservative Party. I think that probably explains some of the election results. Perhaps it should come as no surprise, because it worked well for the federal Conservatives. It has worked well for other Conservative Governments in Canada and other Conservative regimes elsewhere that have followed that particular strategy.

But you know, Madam Speaker, just barely two months to the day of that election, we are seeing just how weak that disguise was. We are seeing the very fabric of their policies unravel before our eyes. We are seeing the true Tories come out of their political closet and declare that, once again, they're the same right-wing Tories that believe in deficit reduction before people, that do not believe in job creation. They're the same Conservative Party that ruled this province from 1977-81, the same Conservative Party that people in this province have rejected four out of five elections in the last 16 years.

Just look at some of the comments. It has been a consistent theme in debate in this House since we reconvened just barely more than a couple of weeks ago. We've had member upon member on the Opposition benches get up and talk not about social programs or concerns about health or concerns about education. There have been very few comments on those particular areas. Their concerns have been in regard to the deficit.

The Opposition House Leader, in debate on the Throne Speech, referred extensively to the deficit as an issue, various other members. Some of the new members, including the Member for Springfield, referred to it, and probably the most passionate exposition of this particular concern amongst Conservative members came from the Member for Sturgeon Creek.

In fact, in comments directed at myself, he urged that the First Minister and the Ministers in the Cabinet be convinced of the need to take the debt load off children and grandchildren and young people who are coming up in this province, and hold down the spending for the benefit of future generations, for people of my age and younger. You know, I respect the Member for Sturgeon Creek for those statements. I don't agree with his philosophy or approach, but I respect the member for stating that clearly and on the public record.

I wonder, Madam Speaker, how that member felt as his leader in the election campaign announced hundreds of millions of dollars of election promises. How did the Member for Sturgeon Creek face people in his constituency on the door when they asked that member, Madam Speaker . . .

MR. D. SCOTT: Did they give you a cold shower or did you give them a shower?

MR. S. ASHTON: You got the cold shower treatment or the cold shoulder treatment? Which?

I really wonder how he could answer questions on the door from constituents of his, from voters in his constituency, about what the Conservatives meant when they said they were going to cut the deficit, because surely he must have received comments from his constituents on that matter. Did the member say, as he stated in this House, that it should be the first and foremost consideration, politically, of the government of this province? Or did he mouth the campaign promises of the Leader of the Opposition, campaign promises that he surely could not have supported?

Madam Speaker, there are many other speakers who have spoken on this particular issue, both in Throne Speech and in terms of the Budget, but I think probably the best example of the kind of policy that we see from the members of the Conservative Party is the Member for Morris, who talked, I believe, for probably about 90 percent of his speech today about the deficit, who talked about cutting hundreds of millions of dollars worth of expenditures. Madam Speaker, this was not mentioned in the Conservative election platform, but I believe that is the true Conservative economic policy.

Let's get back to the contradictions. I have outlined what I feel are the Conservative economic policies. Let's be fair. Perhaps the Leader of the Opposition has outlined somewhere a consistent economic policy that would decrease the deficit and live up to his election

promises. Perhaps there are some examples of this. You know, I checked in the Leader of the Opposition's comments on the Budget; I couldn't find them. I checked in his comments on the Throne Speech; I couldn't find them either. You know he did state, once again, that the deficit is in what he considers to be an unacceptable range, but there were no comments in any of the news reports and certainly not in the Throne Speech about what he would do instead, but there was a slight indication. That's the first time in this House the Leader of the Opposition did give some hint of what his party would do if they were to form government, and it came on Friday, the 23rd of May, this past Friday, in the last few minutes of his comments on the Budget. I just want to go through exactly what the Leader of the Opposition was proposing for Manitoba.

For example, let's look at what he would like to cut, because for the first time there is an indication of what he would cut. The first thing, as the Member for Kildonan points out, the first and foremost cut, from the Leader of the Opposition, would be in terms of job creation. It's stated right in Hansard. He didn't state this during the election campaign. It didn't appear in any of these campaign advertisements. It didn't appear in any of the brochures that members opposite distributed to the voters of this province, but in actual fact the first priority of the Conservative Party, if elected, was to cut job creation.

MR. F. JOHNSTON: We heard all this this afternoon . . . do we have to hear it again?

MR. S. ASHTON: Madam Speaker, the member opposite is going to keep hearing this because I think it's about time that Manitobans realized the true economic policies of the Conservative Party.

What would the Leader of the Opposition cut? The Venture Capital Program, the Jobs in Training Program? Would he cut development agreements? Would he cut Careerstart, Graduates in Business, the Northern Youth Core Program? Because these are all Jobs Fund programs. Would he cut programs for forest management and renewal, the CHEC Program, the Hydro transmission line? Would he cut programs for job training for Northerners? Would he cut the InfoTech Program, the Technology Commercialization Program, the Strategic Research Support Program, the Technology Discovery Program? I could go on, Madam Speaker, there are many other Jobs Fund programs, but I think I've made my point and that is that the Conservative Party would cut or eliminate many of these programs. They would have to, to get that \$40 million cut in job creation expenditures.

During the election campaign, it's ironic, they tried, unsuccessfully, but they tried to convince the people of Manitoba that the economic record of this government was not a good one.

MR. D. ORCHARD: It isn't.

MR. S. ASHTON: Well, the Deputy Leader of the Conservatives says, "It isn't," and yet, in justifying the \$40 million cut in the Jobs Fund, the Leader of the Opposition refers to the fact that we have said that our economy has recovered, then he says we should

cut the Jobs Fund. Surely, Madam Speaker, he is agreeing with that statement; he doesn't contradict it. In fact, he suggests that we should cut job creation programs because our economic record is good. I think what they haven't realized is what we on this side say, is not that our economic record hasn't been good, it has; but unemployment is still a problem in society and it still needs the kind of job creation efforts that we're getting out of the Jobs Fund. That's what we're saying, Madam Speaker; that's what the Leader of the Opposition doesn't understand.

So \$40 million worth of cuts. He then proceeded with a number of other suggestions, some of which I find particularly bizarre. The suggestion, for example, that the Minister of Native Affairs had no need for a new executive assistant. I feel that the Minister responsible for Native Affairs has just as much right to an executive assistant as any other Minister in order to carry on the business of his portfolio. I find it offensive that the Leader of the Opposition would pick on that particular item. I think that the Minister responsible for Native Affairs does need an executive assistant. He refers to several other suggestions, but you know what his bottom line figure is — it's \$55 million. That is the sum total of the program cuts that the Leader of the Opposition has proposed. Now that's one side of the ledger.

What about the promises? Well let's put aside even those promises which the Leader of the Opposition didn't refer to because certainly he did not discuss many of them in his speech. Let's just consider the bottom line on those promises he did include. Madam Speaker, it comes to the following amount: \$11 million on the education taxes and \$20 million on the payroll tax, a total of \$31 million.

Now there's an interesting side note on that. The Conservative Party, which during the election talked about the elimination of the payroll tax being its top priority, two months after the election talks not about an elimination of the payroll tax but a change at which point the payroll tax is applied. Instead of talking about a \$115 million tax cut, they talk about a \$20 million tax cut. Even with that dramatic reassessment of their campaign promise, I still come up with the fact that the sum total of the cuts in expenditures that the Leader of the Opposition talked about in his speech is no more than \$24 million — \$24 million, Madam Speaker. So where, once again, is all that rhetoric about cutting the deficit on their part? What cuts would they make? We don't really know, Madam Speaker.

In fact, I think we can demonstrate from their statements that they have no idea what is going on. They have no idea. In the election campaign, they talked about increases in spending for health, education and social programs. Now those programs add up to about two-thirds of the Budget of the Province of Manitoba, and they talked about increasing those expenditures. So to get a decrease, Madam Speaker, they'd have to have massive cuts in their remaining departments.

So we heard talk of massive cuts in those departments coming from members opposite. Have they talked about cutting in the remaining departments? No, Madam Speaker. On department after department after department, we've heard criticism of this side for not spending enough. Whether it be in terms of Highways and Transportation or Natural Resources or

Municipal Affairs or Urban Affairs, there's almost an unlimited number of items that members opposite have urged this government to proceed with, items which would have resulted in increases in expenditures in those departments.

About the only departments I haven't heard referred to are the Departments of the Environment, Co-operative Development, Northern Affairs, Status of Women, Housing, Business Development, and Industry, Trade and Technology. Those are basically the only departments I haven't heard members opposite talk about. To realize a real cut in the deficit, they have to realize what they would be talking about in those departments. They'd be talking about eliminating those departments, or at least some of them. Are they saying that we should eliminate the Department of the Environment or the Department of Co-op Development or the Department responsible for the Status of Women? Are they suggesting that, Madam Speaker? Well, I certainly hope not. But that is the only way in which you could iron out those contradictions — iron those contradictions out and come up with a consistent policy.

Well, I've got another suggestion of what's happened to the party opposite. I outlined it in terms of strategy earlier. Their strategy was to appear to be moderate and progressive when, in fact, they clearly were not. But since the election I think what is obviously happening is that there is a split within that party, a split between those who still want to talk moderate and progressive or talk about cutting only — and when I say "only," very advisedly, when one considers that the deficit reduction of "only" \$55 million would be the expense of job creation, or else you get the more extreme position put forward by the Member for Morris who says that we should look at cuts of hundreds of millions of dollars worth of expenditures; or the position put forward by the Deputy Leader of this Conservative Party who said that he would want the books of this province balanced in six years and that his prime proposal for doing that was not to cut the Jobs Fund by \$40 million, but to eliminate it entirely. Those are the two streams we're seeing in that Conservative Party, those two contradictory policy directions.

Madam Speaker, the New Democratic Party does not have those contradictions. Certainly we have differences on policy within our party and we have healthy debates. Unlike the Conservatives who rarely, if ever, have policy conventions, we have them each year and we are concerned about policy, particularly economic policy. I think that's obvious in this Budget. I think if you look at it you will see that this government is concerned about job creation, whereas the Conservatives would cut or eliminate the Jobs Fund entirely, we are committed to continuing the Jobs Fund and continue a major effort for job creation in this province.

In terms of health and education, we're committed to maintaining proper health and educational services in this province. We don't talk out of both sides of our mouth about deficit reduction, on the one hand, and maintaining those services, as did the Leader of the Opposition during the election. We don't talk, as the Leader of the Opposition did, about - and I'm going to quote the Leader of the Opposition, this is the basic reason why he talked about the increase in spending on health, education and social expenditures. He said, "The funding increase would be a commitment that

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Tuesday, 27 May, 1986

indicated a minimum level so that nobody could suggest that we were talking cutbacks." So that was the real bottom line.

They suggested they would increase spending, not for policy reasons, but because like Brian Mulroney, they wanted people to actually believe that if they got in they would be moderate and they would be progressive. Like Brian Mulroney, they wanted people to believe that the social programs of this province would be treated as a sacred trust.

Madam Speaker, we reject that approach as a party; we reject it totally. We believe in health, education and social spending as goods in themselves, not as cheap political tools for an election campaign.

We believe in direct job creation; we believe in assistance to those sectors of our society that require assistance the most. Witness the increase in expenditure for the Department of Agriculture this year, and as a representative from a constituency that does not have an agricultural sector, I say that is the kind of expenditure we should see from a government in this province. That is an expenditure of principle, Madam Speaker. We have said clearly our priorities.

Madam Speaker, the Tories have come up once again with this mess of contradictions. This whole policy as an election tool, rather than policy for the purposes of public policy, of government policy. We will see over the next few years the results of real policy in this province. We've seen it for the last five years; we've seen it from the New Democratic Party. We will see what a real economic policy will result in. The Member for Morris agrees.

I could quote him at length the reports from various banking institutions, various economic forecasting organizations in this country who are predicting what our growth rate would be and will be in the next decade. For the information of the Member for Morris, they're predicting that we will have the highest level of growth in the country, not the second or third, not the bottom, as the members of the Conservative Party saw when they were in government for four years, but the highest level of economic growth. — (Interjection) —

The Member for Morris wants to challenge that. Sometimes I wonder myself if they wouldn't be happier if we fell back to the bottom. Perhaps that's what they mean by challenging you. Perhaps that's what would result if they were to be in power, if they were to cut expenditure on job creation, if they were to engage in the same sorts of tax giveaways that their federal counterparts have advocated for years, the same sort of approach to trying to create jobs through tax breaks to corporations. Perhaps that would be the result, Madam Speaker, but they're not going to get that opportunity because I feel that Manitobans know them too well.

As much as we, the New Democratic Party, have won four out of five elections, as much as we've been in power for 12 out of the last 16 years, Madam Speaker, people of this province remember one clear and concise thing. That is that the Tories had their chance for four years and they blew it. We had the worst economic record in this country because the real Conservative philosophy was put into place, the real lack of economic leadership and initiative was allowed to run this province for four years. We saw the kind of drift that the Conservatives inflicted on this province.

I'll make another prediction, not just an economic one but a political one as well, and that is that if the Conservatives continue with their contradictions, if they continue to really espouse the kind of right-wing deficits before people approach we've seen, when they have the opportunity to lay out their policies — or at least part of those policies — on the table, that they are not going to form government for a long time.

They're not going to form a government, not just for four years, but for many years to come, Madam Speaker, because Manitobans simply won't buy the same sorts of retreated, political garbage that we saw in this election campaign from the Conservative Party in this province.

Madam Speaker, I feel that the Conservatives owe this Legislature and the people of Manitoba more in the way of policy and policy direction than they've given us. They certainly owe more than what we saw in the election campaign; they certainly owe us more now, during this debate, than to promise everything, as the Member for Niakwa talked about, having it both ways. They owe us more than that.

The Member for Niakwa may be correct in the sense that as an opposition member he could get up and have it both ways, but I think that's one of the reasons why the Conservatives have been in opposition so long, because they keep trying again and again to have it both ways and the people of Manitoba realize that. They want parties which are either government or ready and willing to govern; and that party, the Conservative Party clearly is not ready and willing to govern. They're ready and willing to be in opposition for a long, long time, Madam Speaker.

I really hope that we will see some changes from members opposite. I don't think we will. I can just say that whether or not they do, whether or not they accept this, what I hope is considered to be constructive criticism on my part, Madam Speaker, that they will consider it and at least attempt to give us some alternatives; but regardless of that, I can guarantee them that this party, through documents such as this Budget, will continue to stress the kind of policy initiatives that the people of this province want.

Probably I would consider the greatest flattery of this, there were great flatteries from this Budget, and I think this is to the credit of the Minister of Finance. One is about the newspaper headline that said that it didn't hit the little guy, it leaves the little guy alone. I think that is the kind of Budget we need in Manitoba. Conservatives may cry and scream when the corporation taxes are increased, and they did. They may cry and scream when the banks have to pay more taxes, and they did. But we're going to stick up for the little guy.

Madam Speaker, if they don't believe that they are seen in that light by their comments perhaps they should have read — and I hate to quote opinion polls but I will in this one case as an exception — a poll which came out just a few months ago. It said there were two groups in society that the Conservative Party was identified with. Every other group was identified with the New Democratic Party, whether it be small business, or farmers, or working people, or men, or women, or young people.

There were two groups which people said that the Conservatives represented, the rich and big business,

and they don't know why. They think they can, during election, talk about programs for people, then spend four years talking about deficits and criticizing tax increases for banks and corporations, and they think they can break that mold. But that's what people believe of them, that they're the party of big business and they are the party of the rich. So, Madam Speaker, I consider that a compliment.

The Member for River Heights suggested that this Budget was a socialistic budget for a socialist government. Well, Madam Speaker, she is right, and it is because of those kinds of budgets that we have been in government for 12 out of the last 16 years, because that's exactly the priorities that the people of this province expect.

Madam Speaker, I talked in my first speech in this Legislature about common sense, and the common sense of the people of Thompson. I think that was demonstrated amply in this election when they rejected the kinds of policy pap that we saw from members of the Conservative Party. I can tell them that in those two months since the election, from the comments I have received from constituents that the strength of the New Democratic Party is higher, because they are starting to see the same talk over and over again. They are starting to see the same Conservative Party they've seen for years and years. Common sense, Madam Speaker, it's the kind of common sense you'll see in people in Thompson. It's the kind of common sense that you saw in so many ridings in this province in the last election and I think the same kind of common sense that is going to keep the New Democratic Party in government for many years to come.

MADAM SPEAKER: The Honourable Member for Brandon West.

MR. J. McCRAE: Madam Speaker, it's a unique privilege to speak in a Budget Debate, very unique and exciting for me.

The speeches that I have been listening to for the most part have been constructive and interesting; but more recently, in the last day or two, I have heard some pretty interesting ones. For instance, tonight we heard the Honourable Member for St. Vital tell us that this government would sooner or later come to regret this Budget.

We heard the Honourable Member for Kildonan yesterday who spoke at great length about a lot of things, none of them the Budget. He spoke about how great it would be if we could muzzle the press in this province. We heard, Madam Speaker, in the Throne Speech Debate from, I believe, it was the Member for Kildonan, either him or the Honourable Minister of Urban Affairs, talking about campaigning in their ridings and how unfairly they were treated — I believe it was the Minister of Urban Affairs — and how there had been some dishonest things said by Progressive Conservative candidates.

You know, I thought I had better wait awhile and think about it, Madam Speaker, and I have done that. I think I should tell whichever of those honourable members raised those allegations about an experience I had in my area during the election campaign.

A MEMBER: Tell us about it, Jerry.

MR. J. McCRAE: Okay. Certain members of the New Democratic Party went around the constituency of Brandon West, Madam Speaker, talking about how the Progressive Conservative Party's policy was to remove rent controls in this province.

When our party suggested that the motoring public in this province should not be overcharged for their Autopac premiums and when we suggested they be rebated 10 percent, people of the NDP persuasion in Brandon West went around telling my constituents that the Progressive Conservative Party would abolish Autopac.

We were also told in Brandon West, Madam Speaker, the constituents of Brandon West were told that the Progressive Conservatives would abolish Medicare in Manitoba. The words "hackers" and "slashers" were used regularly, Madam Speaker. You need look no further for a good example of hacking and slashing than in the Budget brought down by our Minister of Finance on Thursday. And then tonight we had to listen for some time to the Honourable Member for Thompson. We heard little but tripe from that honourable member, Madam Speaker, and I've had more fun watching caskets warp.

Madam Speaker, as a relatively new member of this Assembly and being unaccustomed to the nuts and bolts of provincial budgeting, I think the best way for me to approach the Budget brought down last Thursday night would be as any other Manitoban would and especially Manitobans who live in the Brandon area. Surely Manitobans must be scratching their heads, as I am, wondering just how the Minister of Finance and his government can claim so much credit when so much of their program has been, and will be, carried out with borrowed money. Manitobans are asking, when will the bubble burst?

Madam Speaker, you'll remember the cookie-jar commercial that the New Democrats put on the air during the election campaign . . .

MR. G. FILMON: Yes, and it had Wilson's hand in it.

MR. J. McCRAE: . . . that cookie-jar ad, Madam Speaker, was an attempt to deride Progressive Conservative election promises, election promises which had not even yet been made. But the cookie jar will blow up for real this time, but it will be in the faces of the Manitobans who voted for something better than they will be getting.

The Budget statement given by the Minister of Finance last Thursday night was carefully drafted to paint . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please. Order please.

If honourable members would like to have a private conversation, I'm sure places like the members' lounges would be ideal locations.

The Honourable Member for Brandon West.

MR. J. McCRAE: Madam Speaker, you may know that for a number of years I was employed by the House of Commons as a Hansard reporter and I had the

opportunity many times to listen to a very fine Canadian, a man to whom no one on the side opposite bears any resemblance. I refer, of course, to Mr. Tommy Douglas, Madam Speaker, and very often in the House of Commons those nasty Liberals opposite would be doing the same thing we saw a few minutes ago. I remember one night Mr. Douglas said, you know, Madam Speaker — or maybe it was Mr. Speaker at that time — when honourable members opposite speak best from their seats, it seems every time they sit down they disturb their thought processes. We've seen a little of that tonight, Madam Speaker.

Madam Speaker, if I can continue, the Budget statement given by the Minister last Thursday night was carefully drafted to paint a very pretty picture and to obfuscate some of the ugly facts Manitobans are entitled to know. After all, it is their money being spent by the government and their future being borrowed from, so it is particularly distasteful to me that the Minister should paint Manitoba's economic picture so selectively and in such rosy hues.

The Honourable Member for Charleswood referred earlier to his sadness at the Budget. Well, as I sat and listened to the Budget Address, the feeling I had was not so much a feeling of anger or scorn, and maybe that's surprising to some honourable members, but I felt an emptiness and almost a helplessness, the kind of melancholy depression one feels after a brutal and unprovoked physical assault. I felt like throwing up my hands, Madam Speaker, and saying, "Fellow Manitobans, we've been had again. We've been conned. We've been abused once again."

Madam Speaker, honourable members opposite learned nothing from the election campaign. All we know is that they were very pleasantly surprised, maybe even shocked, to find themselves back in office. You'll remember, Madam Speaker, on election night, the Premier of our province standing before his supporters and saying, "Would you have believed that 18 months ago this would be our lot tonight, to win this election!" Madam Speaker, they were shocked and they were surprised because they knew they did not deserve to win that election.

Honourable members opposite have chosen to interpret their 41 percent of the vote as a strong mandate for continued drift and debt. Well, that's the wrong interpretation, Madam Speaker. That interpretation by this government hurts me and my family and it hurts all Manitobans who have strong feelings about the future and the kind of province we want to have in the days and years ahead. But, Madam Speaker, I would be neglecting my duty if I threw my hands up and gave up.

Manitobans would be making a mistake if they used this Budget as an excuse to give up their hope for their children, because in spite of the incredibly bad judgment of the Minister of Finance and his colleagues, and in spite of the careless attitude of honourable members opposite when it comes to the spending of other people's money, Manitoba is still strong, Madam Speaker, and the people are strong, stronger than this government ever has been or ever will be.

As unreliable as this government's projections are, Madam Speaker, the Budget projects a deficit this year of \$489 million. To the total debt of about \$6,500 for every person in the province, this Budget adds \$800

more. Madam Speaker, there are seven people in my family and, in effect, we're indebted to the creditors of Manitoba to the amount of \$5,600 more this year. Any possible benefit brought about by the Budget, real or imagined by the Minister, will be more than wiped out by this burden of debt imposed on us by this government.

Madam Speaker, since 1981, this NDP Government has run the provincial debt up to \$7.3 billion. In the five years since 1981, debt per capita in Manitoba has risen by \$3,204.00. For my family, that's \$22,421 more debt in just five years.

The Minister of Finance says we should be confident about the future and eager to meet the challenges ahead. Well, it'll be a big challenge just to pay the interest, and my leader has already talked about the proportion of this year's Budget increase that will be directed to debt charges — 29 percent. This kind of economic oppression will make Manitobans eager all right. I agree, Madam Speaker; they'll be eager to meet the challenge of getting rid of the NDP and enthusiastic about unshackling themselves from the ball and chain honourable members opposite force us to drag around.

Madam Speaker, my daughter turned 16 years old last week. She's got herself a part-time job. She's starting to learn about money. She likes money. Donald Munroe, a Progressive Conservative in the House of Commons from Esquimalt-Saanich, once told the members about just what it was, what a billion dollars was. Well, maybe it would be instructive to honourable members opposite to know what half-a-billion dollars is. If I was a wealthy man, Madam Speaker, which I'm not, and I had a million dollars set aside for my daughter, I could send her away for a long time, spending a thousand dollars every day on a long vacation. She'd be almost 19 years old when she came home. If I gave her half-a-billion dollars, Madam Speaker, she'd be 1,385 years old before she came home. I give this illustration just to underline for honourable members just what half-a-billion dollars really is.

Madam Speaker, if this year's deficit could be demonstrated to be useful in some way, if there was some kind of assurance that it was stimulative in nature, that it might put people to work or be a constructive investment, that someday the debt spiral would end after it served its purpose — whatever that is, Madam Speaker — Manitobans might look at the deficit in another way. If there were meaningful tax expenditures like the removal of the payroll tax which would put people to work and send out a signal that Manitoba is opening up for business once again, we might be starting along a path to renewal, but the Budget demonstrates no imagination, no will to make Manitoba better, no pursuit of excellence, no reaching out for success. The Budget is this government's testimonial. That testimonial is, "We got away with it before, so why bother worrying about the long-term future of our social and economic programs."

Madam Speaker, the same old gang is back and so is the same old recipe for future disaster. What the deficit means is that this government is committed to carrying a huge debt load well into the future. If honourable members opposite don't wake up and smell the coffee, someday their utopia will come crashing down around all of us. Our population is aging, Madam Speaker. Who will pay for all this mindless, irresponsible

deficit financing, or will the crash mean a serious reduction of services in the future to be suffered by an older and needier population?

Madam Speaker, I refuse to lie down for this. I will fight this kind of intrusion on a future that doesn't even belong to us. The future belongs to those Manitobans who will inherit the mess this government has created and continues to make worse. I wish the children of Manitoba luck in their future struggle, but I say it doesn't have to be that way. This government's mismanagement is an obscene blot on the history of a province that should be looking aggressively, happily and confidently to a prosperous future.

The Minister of Finance says that economic development and social development go hand in hand, and he's right, of course, but there is little sign of the economic development we need to ensure social progress in the future. In fact, the Minister's approach strangles that social progress in the future.

The Minister talked about faltering economic growth and restrained social growth under the Progressive Conservatives from 1977 to 1981. The Minister knows that's not true, and that there has been deterioration in our social services and lack of attention to our economic problems ever since 1981 when his government came to office. Since 1981, Madam Speaker, unemployment has risen. There are some 22,000 more people unemployed now than when this government came to office.

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

Youth unemployment as a percentage of total unemployed was the second highest in the country in 1985. Mr. Deputy Speaker, since this government came to office, the number of people on welfare in this province has tripled. The Minister says our sons and daughters are coming home. Well, we all know what they're coming home to. They're coming home to welfare and to unemployment insurance. Our youth unemployment figures prove that, Mr. Deputy Speaker.

In addition, farm, business and personal bankruptcies are up. In 1985, Manitoba was the only province where consumer and business bankruptcies increased. Under the present government, Mr. Deputy Speaker, our hospital facilities and services have been deteriorating, and continue to do so. People now wait six months, instead of six weeks, at the Brandon General Hospital for elective surgery. This government has imposed increases in daily fees. Privately operated personal care homes in Brandon have been thrown out of business by this government, resulting in fewer spaces for elderly people who need care. Obstetrical wards have been closed at Concordia and Seven Oaks Hospitals. Is this the forward looking, caring and fair vision the Minister has for Manitoba? Because if it is, Mr. Deputy Speaker, then for the sake of Manitoba, I wish he'd get his eyes checked.

Mr. Deputy Speaker, we hear from the government side, and certainly from this side of the House, that the farm economy is in deep trouble. Just in case honourable members didn't hear me during the Throne Speech Debate, I'll say it again. As the farm community goes, so goes the rest of us. In view of the increase many times over of the rate of farm bankruptcy since 1981, why has the Minister not addressed the issue of the education tax on farmland that we've been hearing so much about from farmers? Why did he not mention

the huge increase in the cost of hydro which must be borne in such large measures by farmers? Those increases, too, were imposed by this government.

Even though the government has imposed the payroll tax, increased the sales tax, increased licence and permit fees in every area of government jurisdiction to the point where Manitobans are now the highest taxed in all of Canada, the Minister still comes to this Assembly and announces that in addition to all that he still has to borrow \$489 million.

The Minister announced a 6.4 percent increase in the Budget for health care; 5.1 percent increase for education. We know, Mr. Deputy Speaker, that that is needed. It is needed badly. Let's hope the Minister of Health can find some efficiencies and some economies in his department; let's hope so.

Mr. Deputy Speaker, the priority is 29 percent of an increase for debt servicing. It is clear that the priority is continued, growing, and uncontrolled debt.

It is curious that the Minister doesn't deal with how the growing debt problem will be addressed in the future. Does he think the problem will go away all by itself? I don't think so. I think the Minister is a little smarter than that or maybe he has given up. Maybe he has resigned himself and his government to defeat at the next election and takes the position that the Tories can clean up the mess. Well, I say to the Minister, that's very likely what will happen, but for many many years, the Tories and thousands of other Manitobans will find it very difficult to forgive the Minister and his predecessor. Both those gentlemen should and do know better.

The Minister refers to a turnaround in the Manitoba economy, from nation lagging to nation leading. The Minister indulges in sophistry, of course, because he knows that according to key economic indicators like job creation, interest rates and inflation, the Federal Government's performance is leading the way.

In some areas like unemployment and interest rates, the Minister's government is the beneficiary of federal initiatives but, of course, the Minister takes credit for them while pointing his finger at the Mulroney government, when he and his government can't produce results at home.

In his Budget statement, Mr. Deputy Speaker, the Minister said that he met with Manitobans representing a broad spectrum of economic and social interests. He says his Budget reflects their concerns and incorporates their ideas. Well, let me talk about that consultation process just for a minute.

Just who was it that was concerned that the corporate capital tax was too low? Was it the implement dealers; other farm suppliers? Was it farmers who will be affected by that tax, Mr. Deputy Speaker? Was it the 4,000 affected businesses in Manitoba? Was it landlords? Was it their elderly renters? Was it their other renters? Did the Minister consult with all the consumers in this province who will all pay that levy?

I really think the Minister was surprised at the suggestion of the Leader of the Opposition and the suggestion of the Honourable Member for Morris that this tax would be paid by consumers, ordinary Manitobans. The Minister didn't consult ordinary Manitobans. Did he really think, Mr. Deputy Speaker, that those costs would not be passed on?

Who, in the education field, felt that community college fees were too low and should be increased by

8 percent? Maybe I missed it, Mr. Deputy Speaker, but I don't think the Minister mentioned this in his Budget Address. I believe we only heard about the good things. Was it the students, who have too much money in their pockets, that wanted that increase in their fees? Was it their instructors? Which social or economic interests suggested that?

Which Chamber of Commerce, business operator, or worker, complained to the Minister about the payroll tax? Did they say to him, leave the payroll tax where it is because it's progressive and it's fair and it should remain? Was it an unemployed worker somewhere in this province who couldn't find work just because of that tax? I don't think so. Maybe it was the Canadian National Institute for the Blind, or some other non-profit charitable organization which has to pay that payroll tax.

Mr. Deputy Speaker, in the Westman area, the local chapter of the CNIB has a budget this year of \$550 for white canes. The budget for payroll tax is \$1,693.00.

Maybe it was one of those unprofitable marginal business operations that asked the Minister to leave the payroll tax where it is. Maybe it was a church group, Mr. Deputy Speaker.

Whose idea was it that the provincial debt was too small and should be increased by \$489 million? The Minister went through all this consultation; maybe he will be able to tell us the answer when he gets up to speak in this debate, when he finishes the debate.

What forward-thinking Manitobans told the Minister that putting Manitoba so much deeper into debt was a way of standing up for Manitoba?

Did the business sector say the deficit was too small? Maybe it was the Canadian Federation of Independent Business.

Was it the needy people of the future, those who are going to be suffering cuts in services? Maybe it was the young people of this province who will have to pay, and pay, and pay in the future.

Who was it told the Minister that less money should be spent on highways in this province at a time when our highway system is deteriorating? The Budget for administration in that department is up but the budget for highway construction is down \$7 million.

Mr. Deputy Speaker, my NDP opponent in the election campaign made a commitment around Brandon that he would work very hard for a western access route in the City of Brandon. We're not going to get an eastern access route for another four or five years but he was already talking about the western access route. It kind of reminds me of our Heritage Fund here in Manitoba.

He said that this western access route would come about some day because he, the Member for Brandon West, as he hoped to be, would push hard and be the link between industry and government. Anyway, this person would work very hard to bring about the western access route for Brandon. I wonder if the Minister of Highways contacted him for consultation about this serious cut in the budget for the Department of Highways.

Mr. Deputy Speaker, the defence put up by the Minister of Highways in this regard is not going to wash. It won't wash with farmers; not with the motoring public; and certainly not with honourable members on this side of the House.

Perhaps the abrasive and the arrogant attitude of the Minister of Highways is the reason for the cut, in

which case Manitobans are not well served by having him as their Minister.

Mr. Deputy Speaker, who was it suggested to the Minister of Finance that water power rental rates should be increased? Was it the Minister of Urban Affairs, who defends this move so strenuously? After all those nice things I said about the Minister of Urban Affairs in my Throne Speech, I'm really surprised but I guess the First Minister has forgiven the Minister for all those things he said before he joined the government party.

Do you think it was the Mayor of the City of Winnipeg who suggested that rate increase? I don't think so, Mr. Deputy Speaker.

Whose idea was it, Mr. Deputy Speaker, that the Minister should increase driver's licence fees from \$5 to \$7.00; driver's test fees increased from \$2 to \$4.00? The Minister just lost another vote. I told you a little while ago about my 16-year-old daughter. She is about to take her driver's test and she is not going to be very happy with the Minister. I think she might even vote against him next time. I know the Minister didn't talk to her.

In addition, motor vehicle registration fees will increase by an average of \$3.00.

Another thing, Mr. Deputy Speaker, and you may be able to identify with this, there is a vehicle sitting out on the lot that has Santos on it — I really don't know who it belongs to but that's what the licence plate says. One of the few pleasures some of the people in this province have is a personalized licence plate. That fee is increased 50 percent, from \$50 to \$75.00. Is this another way to get at the rich, to make the rich pay, Mr. Deputy Speaker? That's what Paula Fletcher would say, make the rich pay by paying more for their licence plates.

(Madam Speaker in the Chair.)

Does this increase reflect the cost of production or is it just plain mean-minded avarice on the part of this government?

The whole point of this discussion, Madam Speaker, is that the Minister has said there has been consultation with a broad spectrum of economic and social interests. When did he have time to do that? If he did meet with all those people, and I have to take him at his word — he says he did, so he must have — he clearly didn't listen to them. This government never has been very enthusiastic about listening to advice and this Budget proves it.

Madam Speaker, let me talk about the positive aspects of the Budget. Believe it or not, there are some. I said in my maiden speech that I would be fair with honourable members opposite and tell them when I think they are doing something right and when they're doing things right. If any of my colleagues were thinking of taking a break because they don't want to hear the positive things about the government, I would just tell them don't be gone very long because this part of my speech is not lengthy.

I think that there is a need in this province for increases in spending in the health and education fields, Madam Speaker. We campaigned for that; we believe in it; we support it.

It is refreshing to see that the government has recognized the two progressive initiatives brought in by the Lyon administration should be enhanced and made more meaningful. I refer here, of course, to the

Child-Related Income Support Program and the Shelter Allowance for Elderly Renters. Many farm families and elderly renters will benefit, Madam Speaker, and on their behalf I offer thanks to this government

The increase in supplements for seniors is needed and appreciated.

The 21 percent increase in expenditures in the Department of Agriculture is a small step, but it's in the right direction, I hope. Compared with the assistance offered to farm producers by other prairie provinces, however, the increase will be viewed by Manitoba producers as pretty small potatoes. Potatoes are potatoes.

The Department of Agriculture is one of just a few which will be spending a little less on the administration side. Even the Communications Branch, it appears, will be spending less. Is this some kind of indication that this government's beginning to spend smarter? I hope it is.

There will be an increased budget for special farm assistance at MACC, a new expenditure of \$6.5 million. This could be viewed as a positive development but, during the review of the Estimates, we will be asking whether we are just throwing good money after bad.

With respect to Farm Aid or — as the Honourable Member for Minnedosa calls it, Band Aid — it will be necessary to review the lending criteria of MACC, because what is the point of making all this money available if nobody qualifies for it?

We, on this side of the House, are also pleased to see that Beef and Hog Stabilization Programs will receive more support, and it appears there will be some assistance for sugar beet producers.

Madam Speaker, I'm sure the farm economy will accept what is offered in this Budget with thanks. On their behalf, I hope this increased spending achieves the desired results.

I'm sorry that I couldn't spend more time talking about the positive aspects of the Budget but, as I see it, that's it. Madam Speaker, how much time do I have left?

MADAM SPEAKER: The Honourable Member has 12 minutes remaining.

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

Madam Speaker, the government plans a lot of expenditures, 6.9 percent more than last year. The best expenditures, besides vital health, education and social expenditures, would be tax expenditures because, if done properly, those initiatives promote economic growth. The removal of the payroll tax would have been a progressive move, but that didn't happen. The Minister hasn't been listening in this regard either. The removal of this disincentive tax would put a lot of people back to work and make Manitoba more competitive.

A job creation business tax credit proposal, which brought standing ovations for our leader during the election campaign, would be much wiser than making \$10 million available for small business loans, especially when such assistance has never been asked for in the first place. This tax credit proposal would be another example of smart spending.

The removal of education tax on farmland would be a significant stimulus to the farm economy, and farm producers have been asking for that.

Instead of standing up for Minnesota, this government should make cheap hydro available to new businesses setting up in Manitoba.

If the government would pay its bills in 30 days like everybody else does, businesses and individuals providing goods and services to the province would appreciate it.

When will the government seriously tackle the problem of red tape and regulation faced by the small business sector and by farm communities?

You know, providing tax holidays for new businesses in the North would be a progressive move, and that would create jobs and help expansion for Northern Manitobans.

Madam Speaker, those are just a few good ideas honourable members opposite might like to borrow for the next Budget, if the people of Manitoba allow them to bring another one in. I can tell you that in relation to them, there has been extensive consultation, and the small business community and many, many others across this province would welcome such initiatives.

My leader has identified at least \$55 million in savings the government could have made in this Budget, but chose not to. The purpose of debate in this House and the purpose of having an Opposition is to provide constructive criticism and ideas. My leader and my colleagues have provided that, and we are still doing so, but honourable members opposite choose to ignore good ideas, even when it is clearly demonstrated their ideas are hurting Manitobans. I say that's irresponsible, stubborn, and it's headstrong. Maybe honourable members opposite are just thick.

They don't have any idea what the budgetary and debt situation will be down the road or, if they do, the Minister of Finance is not telling us. If they were honest with the people of Manitoba, they would admit that the situation down the road will be very burdensome for Manitoba taxpayers, but good economics and good politics are two different things, Madam Speaker, and honourable members opposite have opted for politics.

This would have been a good time, right after an election, to show some leadership and to make those difficult decisions, but honourable members opposite lack courage and they lack integrity.

This is not what the voters of Brandon West wanted. In increasing numbers, it is evident that it's not what the voters of Brandon East wanted either.

The government should not take so much comfort in that March 18 vote. The people did not vote for a change in government — we on this side have accepted that verdict — but the people did vote for a change in the way we do things.

Honourable members opposite did not heed the message. The people didn't vote against the Leader of the Opposition or the Progressive Conservative Party. They didn't vote for the status quo either. Voter turnout tells us there was a lack of interest in the electorate. The government failed to get the people excited about its programs.

Regardless of all that, we now know that the programs and policies offered by the Progressive Conservatives in the campaign would be far and away better than what we see in the Budget brought down last Thursday.

As I said, honourable members opposite have misinterpreted the vote. They will pay for that. The Honourable Member for St. Vital has told us that.

But the tragedy of the Budget is that those who will pay most dearly are the people who expected better from this government. They voted for better, but they've been let down, Madam Speaker.

The Minister of Finance has a year or so to figure out what direction this province should be taking. I realize the Minister has had little time to put his economic and social package together, and perhaps that's the reason for the lack of imagination in the Budget.

I hope in the next year the Minister will turn his attention to the future, so that his next Budget reflects some of the concerns that I and my colleagues have and will identify for him.

I wish the Minister well in his new portfolio. I hope the common sense we all know he was born with will be brought to bear on his next Budget. The Minister of Finance is one of the brighter lights on the benches opposite, but this Budget doesn't let that light shine through.

For the sake of the future, Madam Speaker, let's hope his next Budget does.

Thank you.

MADAM SPEAKER: The Honourable Member for Kildonan, on a . . .

MR. M. DOLIN: Will the honourable member entertain a question?

MR. J. McCRAE: Oh, sure.

MR. M. DOLIN: I was not clear. You are opposed to the increase in fees for luxury licence plates? Is that what you were saying? You were complaining about that?

MR. J. McCRAE: As a member of the Opposition, it is my right to comment on the Budget and not necessarily to take a position. But on this particular one, it just strikes me that it's quite a grab from a group of people who find having these license plates of some pleasure to them. Now I know there are members in this Chamber who have these personalized license plates. I don't see why the government needed to increase the fees by 50 percent.

I can't say that it would be wrong to increase the fees, but I certainly think 50 percent is a little bit of a grab.

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Madam Speaker, I trust that you won't start the clock until the rabble quietens a little bit.

Madam Speaker, it is always a delight for me to have the privilege of speaking in this Chamber, and it's an added feature for me, an opportunity to follow the Honourable Member for Brandon West. Obviously, he has been reading the speeches of the former Member for Charleswood, because a lot of the right-wing rhetoric that he espouses certainly reminds me of the speeches from the former Leader of the Official Opposition, the former Premier.

But obviously, the Member for Brandon West likes to reflect on other politicians, past and present, and he thought he was doing himself a lot of service by referring to our late beloved leader, Tommy Douglas, who was one of the best orators in Canada. I trust, Madam Speaker, that his reading of Tommy's speeches will go past the jokes and he will learn something of the social gospel and the need for social reform in society by reading the speeches of Tommy Douglas.

Madam Speaker, it's my intention for a short time this evening to try and give members some of my concerns in respect to where we stand as a society in respect to some of the pressing issues that relate to our economy, relate to fiscal issues, concerns of the workplace and of our economy generally.

One of the things that we paid respect to and showed our concern in the Budget statement and in the statement of the Premier was the need in this society — and I talk not just of Manitoba but of Canada — to seriously address the question of tax reform. No one in our society can be satisfied or complacent on this question. No one of us should point a finger and condemn anyone in society for taking advantage of a system that is wrong. If the system is wrong, we collectively, as legislators, should be committed to changing a system which is wrong.

We know in our society that the system is wrong. It's not just Socialists that are saying the system is wrong. It's not just the late David Lewis, who talked about the corporate welfare bums in his very devastating chronicling of the immense monies that corporations had received — and I'll have some further words to say about corporations later — but our system is totally out of whack. We've had a succession of governments in Ottawa and a succession of systems that have undermined the progressivity of taxation in this country. Our First Minister spoke of that when he talked earlier this afternoon. — (Interjection) — Well, the honourable member across says I'm pontificating. Well, the pontiff that I relate to has shown some progressive statements of late and I think the honourable member could think about some of those statements as well.

Madam Speaker, the Premier referred to the Carter Commission Report, a buck is a buck. The Carter Commission sought to provide realistic fair taxation reform in Canada. But what happened, Madam Speaker? The vested interests in our society influenced the Government of the Day to set tax reform aside, and what we have now — if anyone has ever troubled themselves to look at the Income Tax Act or the Regulations — is just a plethora of clauses and chapters and provisions that are almost undecipherable by the average individual; and thus it is that many people today, even those who are on fixed incomes, go to someone to have their tax return prepared, because it has become a maze, a difficult process for the average individual.

So it is little wonder that businessmen that are not expert in the field go to the tax accountant, go to the tax lawyer, and say, "Here, what is it I should do with my tax return? You're the expert, you do it, because it's become far too complicated for me to unravel." And that isn't the kind of system we should have in our society, Madam Speaker, where tax lawyers spend hours and days and weeks, and finally, devise a new

system to avoid the will of society — and the will surely is that when we make reasonable income, we should contribute to society fairly.

Surely we want to encourage people to work harder, to be more industrious and to receive greater reward, but when they do so, should they not pay some of that back to the society that nourishes them and provides them with that opportunity for personal aggrandizement? — surely that's the case. But we have a society where now there's a glorification in the avoidance of taxation. You pay tax? Huh, you should go to a better lawyer, you should go to a better tax accountant, then you won't be paying so much taxation.

Madam Speaker, the Honourable Member for St. Norbert says, "Who do I recommend?" I'm recommending, Madam Speaker, that members of the Opposition join with members on this side when we say, it is time we took a serious look at tax reform in Manitoba. We are going to look at tax reform in Manitoba and I welcome observations and remarks of concern from members opposite.

Madam Speaker, we have a society now in which great amounts of wealth go untaxed and this is not from my lips alone. This is not some fantasy I'm talking about. The Auditor General, in his report, has regularly commented on the injustice of our taxation system, where billions of dollars owed by corporations are set aside as deferred income tax and, seemingly, are never paid. I've made comments about that in the House before; I will not repeat those, Madam Speaker. I would commend to the Honourable Member for Brandon West a reading of those remarks. Maybe they, along with his concerns about reading about what politicians have said at other times, might be edifying to him.

Madam Speaker, at one time in the Fifties, the proportion of the weight of taxation, as between individuals and corporations, was almost equal in this country. It's been dramatically shifted now so that individual personal income tax filers pay far and away the greatest incidence of income tax in this country. There has been a major shift in the onus of paying for the systems we enjoy in Canada today and that bespeaks injustice, Madam Speaker. I commend honourable members to think about the challenge that is before us. The Auditor General, others, talk about the deficits we have, both federally and the Opposition talks about our deficit provincially.

We're not happy with the deficit provincially either, but while we have a fairly reasonable economy, we see growth in Manitoba, expansion; the revenues that we receive from taxation don't reflect that. There is something fundamentally wrong in our tax system and our First Minister and others are saying it's time we took a serious look at that system and found out the root causes or the imbalance, the failure of that system, and did something about it.

I think honourable members will agree that up until fairly recently, whenever we were, as a society, wrestling with the concern for greater revenue, the income tax was always considered the most progressive form of taxation because it was based on income and on ability, but that's not the case any more. The wealthy, who have the greatest income, pay the least tax. Obviously, the system has gone awry.

We welcome, as New Democrats, the concerns of Liberals, Conservatives, even Progressive

Conservatives, whoever, on this question, because as a society we have to face up to responsibility. It should no longer be the right thing to brag about the kind of income you have and the fact that your tax lawyer or your tax accountant has made sure that you don't pay any taxes.

We should be proud of paying for a society that we cherish, where we have the social benefits, the educational systems, the kind of a social environment that we want to preserve; and we can't continue to finance and preserve such a society without paying for it. I've heard many politicians from various political stripes saying we have to face up to reality. We do have to face up to reality in respect to tax reform.

Another point, Madam Speaker, that I want to leave with honourable members . . . Well, the honourable members are chattering somewhat about it. I think honourable members should reflect on the days not so long ago when we had systems that provided for a way in making sure there was fairness in the system, that wealthy people, when they passed on and had made a great of money in this country, left something to society through estate tax or succession duty tax. In many parts of the world they still have that.

But today in our society, oh, it's completely wrong to tax people when they leave. They can't take it with them. Why should they leave it for people who haven't earned it? Why should people be able to go through life living on the benefits that someone else fashioned in a previous lifetime? Why should that be, Madam Speaker? Why should we have a system where there can be no limit to the amount of gifting from one individual to another, so that person can go through life without having done an honest day's work?

Surely it's time to face up to the realities of the costs of modern society, but the benefits of modern society, and collectively say, yeah, we should all be paying for it and paying on a fair basis. Surely that's not unreasonable.

Madam Speaker, another major concern that I have . . . The Honourable Member has a question?

MR. G. MERCIER: I wonder if the member would accept a question on this area of tax reform.

MADAM SPEAKER: Is the Honourable Minister of Labour willing to accept a question?

HON. A. MACKLING: Yes.

MR. G. MERCIER: I wonder if the Honourable Minister could inform the House as to other specific tax changes he would recommend for consideration to members.

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Madam Speaker, if there is time when I complete my remarks, I would certainly want to offer some specifics to the honourable member, but I don't think it's the kind of exercise where I have all the answers, nor does the Honourable Member for St. Norbert.

Collectively — I'm saying collectively, not just New Democrats, Conservatives too — if they were in

government, would be facing the same problem. Collectively as a society we have an obligation to face up to a problem that we are seemingly living beyond our means. We've got to find ways to pay for the benefits that we enjoy, but pay for them on a fair basis.

Now, another concern that I want to share with honourable colleagues is a concern I have not just about the multinational corporation, but the — (Interjection) — Well, the Honourable Member for Kirkfield Park says, here we go again.

Madam Speaker, the Honourable Member for Kirkfield Park should realize what is happening in North America, what is happening in the world in respect to the consolidation of corporate interests, the acquisition by corporations, the smaller corporations, the greater and greater concentrations of power and the fact that the so-called free markets are disappearing, that there really is no freedom of the marketplace any more. There is constant greater and greater concentration of corporate economic power, and that is a major concern in our society, Madam Speaker, and corporations wield that power.

They come to government, as they came to Prince Edward Island just recently, that large corporation, Litton Corporation, just having received that — what was it — \$149-\$150 million contract from the Federal Government and they came to Prince Edward Island and of course the Tory Government thought that would cinch their election, but after the election Litton came to see the new Premier, Joe Ghiz, and they said something like this, "Hi Joe, you want the plant, eh? Okay, the plants going to cost \$18 million. We want \$9 million from you, Joe, \$9 million or no plant." That's what the new Premier of Prince Edward Island was facing.

Now, that's the kind of tough — (Interjection) — Well, what is he saying? We haven't heard yet. The Member for Arthur says what is he saying? We haven't heard yet. Litton will tell us, I suppose. Maybe the Premier will tell us, I don't know, but that's the kind of terrific economic, political leverage that corporations place on provinces, on government.

The Honourable Member for Arthur is not concerned about that, but one of the honourable members mentioned Pratt and Whitney. Yes, I want to talk about Pratt and Whitney. Corporations that hire other corporations to go around as brokers and to see what province will give them the best deal, we are forced into a competitive bidding race to try and find jobs for people in Manitoba and we face the same competitive interests, whether they be in Ontario or Quebec or Saskatchewan or Alberta or wherever and their governments, regardless of political stripe, approach the problem surely of job creation and job retention in their economies, with as much concern and as much fervour as we do. They want jobs too.

But the large corporations and the job corporations, these site-finder corporations, go around parleying one provincial interest as against another. What kind of deal are you going to give us in this bidding war and who makes the money? This broker makes a big part of the money and all the concessions that are wrung out of the provinces. That's the kind of large corporate power that I'm talking about, Madam Speaker. But in this province we have thousands of small businesses that hire many, many more people than many of these

so-called large corporations, but they will open business on the premise that government has to provide them land, or grants, or whatever. They believe that through their effort they should be able to build their business.

So I say, Madam Speaker, that we collectively should say as a society, we are not going to be levered and pushed by large corporations. We are going to stand up for ordinary Manitobans and say to these large corporations, look, we provide an infrastructure for you. We provide a social and an economic milieu in which your business can operate. We provide you with well-educated people, people who are provided with hospitalization and medical coverage, a social net to protect them.

We provide you with apprenticeship, training, skills training, all sorts of infrastructure assistance, and all of this we are prepared to do to ensure that there is a social and an economic milieu where your system can flourish; but don't, in addition, say to us that we must give you money and give you land for the establishment of your business.

Madam Speaker, the Honourable Member for Sturgeon Creek says, "Don't do it." Madam Speaker, the honourable member well remembers the pressure that the Boeing Company put on the honourable member and me, yes, and we felt we had to knuckle under or we were going to lose those jobs. That's the kind of economic and political leverage that I say is wrong because we are one country.

The Honourable Member for Sturgeon Creek's son and daughter and my son and daughter are entitled to go to Saskatchewan or Alberta or British Columbia or Ontario and live there and seek employment there and expect that they will have the same kind of opportunities as they have here in Manitoba. We are one country and, as one country, we should ensure that this artificial bidding against one another levered by corporations should cease, Madam Speaker.

Madam Speaker, there is another area that I wish to talk about, and that is my concern — (Interjection) — Madam Speaker, I don't know whether I can hear myself.

MADAM SPEAKER: Order please, order please. Order please.

HON. A. MACKLING: Another area of my concern that I want to share with honourable members is the concern I have for the growing imbalance in our society, again not only here in Manitoba, and some of it in Manitoba, but by greater proportion nationally, of the tremendous growing imbalance in income level in our society. We all know in our constituencies of families that are struggling, struggling to provide their families with a reasonable opportunity in life, a reasonable base of family living. But contrasted with that, we have in our society people who are making enormous incomes and, as I said earlier, employing people to avoid paying taxes. I'm not just talking about people in private business, but I'll talk about people in private business in a moment.

We have today in Ottawa, and I have to admit I am being partisan when I single out the present government in Ottawa. Perhaps the Liberals would have done the same thing, I don't know. But we have a government

in Ottawa now, today, who very recently increased the income levels of senior bureaucrats — yes, the Honourable Member for Sturgeon Creek laughs — astronomically, Madam Speaker. I don't have all of the classifications, but many of the civil servants are now getting salaries in excess of \$90,000 and \$100,000.00. Well, the honourable members may not be interested in that; I think that's a matter of concern. But, Madam Speaker, it doesn't end there. Maybe it is this fascination with enterprise that captivates the Federal Government that is in Ottawa today.

I read in an article here, this is the Globe and Mail, May 14, and its caption: "Four thousand civil service bosses could get bonus, MP's are told." How do you like that? Four thousand civil service bosses could get bonuses. But listen to what the bonuses might be. "The bonus system was announced in the February 26 Budget, but details will not be available for several weeks." Open government. "Answering questions from Liberal MP George Baker, Mr. de Cotret said the cost could be \$1 million, \$10 million or \$100 million, but the plan will pay for itself in savings to taxpayers from new efficiencies. Under the plan, managers would be assigned money saving targets and efficiency goals. Those that reach them would be eligible for fatter pay cheques." Then it goes on to say, "Of course, he's not going to be mean slashing or anything like that." But the whole idea of these people who are in the \$80,000, \$90,000, \$100,000 a year category now getting bonuses

for doing better work boggles my mind, Madam Speaker.

Surely, it is time that, as government, we set an example. The honourable member laughs, "Set us an example." We, in Manitoba, are setting an example in respect to pay equity. Well, here's the Honourable Member for Kirkfield Park saying "come on" again. Apparently, Madam Speaker, she is not interested in hearing what I have to say about pay equity, but I would like her to talk to the Honourable Member for Brandon West because he thinks pay equity is a buzz word. I would like the Honourable Member for Brandon West to take the time to read my introductory remarks when I introduced the pay equity bill. Please read it for your edification. He may learn something about the cause of social and economic justice for women in society that that bill starts to address — social and economic justice for women that is overdue in our society. It's not just something that is a buzz word, Madam Speaker; it is something about the fundamental rights of women in our society.

MADAM SPEAKER: The hour being 10:00 p.m., I am interrupting proceedings. When this motion is next before the House, the Honourable Minister of Labour has 12 minutes remaining.

The House is now adjourned and stands adjourned until 2:00 p.m. tomorrow (Wednesday).