

## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 2 June, 1986.

Time — 2:00 p.m.

**OPENING PRAYER** by Madam Speaker.

**MADAM SPEAKER, Hon. M. Phillips:** . . . Presenting Petitions . . . Reading and Receiving Petitions . . .

### PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

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

**MR. C. SANTOS:** Madam Speaker, I beg to present the First Report of the Committee of Public Utilities and Natural Resources.

**MR. CLERK, W. Remnant:** Your Committee met on Tuesday, May 20; Thursday, May 22; Tuesday, May 27; Thursday, May 29, 1986, in Room 255 of the Legislative Building to consider the Annual Reports of Manitoba Hydro-Electric Board and Manitoba Energy Authority. At the meeting on Tuesday, May 20, 1986, your Committee appointed Conrad Santos as Chairman and agreed that a quorum at all future meetings of the Committee would consist of six (6) members.

Your Committee received all information desired from Messrs. Marc Eliesen, Chairperson of the Board of Directors, John J. Arnason, President and Chief Executive Officer, and other members of the staff with respect to all matters pertaining to the Annual Report and the business of the Manitoba Hydro-Electric Board.

Your Committee received all information desired from Mr. Marc Eliesen, Chairperson and Chief Executive Director and other members of the staff with respect to all matters pertaining to the Annual Report and the business of the Manitoba Energy Authority. The fullest opportunity was accorded to all Members of the Committee to seek any information desired.

Your Committee examined the Annual Report of the Manitoba Hydro-Electric Board for the fiscal year ended March 31, 1985, and the Annual Report of the Manitoba Energy Authority for the fiscal year ended March 31, 1985, and adopted the same as presented.

**MADAM SPEAKER:** Is it the will of the House to adopt the Committee Report? Agreed and so ordered.

**MR. C. SANTOS:** Order please.

**MADAM SPEAKER:** As received, the Committee Report.

**MR. C. SANTOS:** I haven't moved it yet.

**MADAM SPEAKER:** Right. The Honourable Member for Burrows.

**MR. C. SANTOS:** Madam Speaker, I move, seconded by the Honourable Member for Inkster, that the Report of the Committee be received.

**MOTION presented and carried.**

### MINISTERIAL STATEMENTS AND TABLING OF REPORTS

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

**HON. G. LECUYER:** Madam Speaker, I have a statement for the House.

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

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

I would like to remind members of the House that this is Environment Week in Canada and a host of activities are planned across Manitoba.

Environment week is a combined effort of various government and private organizations. The principal aim of the week is to heighten public awareness about the importance of our environment.

The theme of Environment Week '86 is "Your action today — our environment tomorrow" — quite appropriate right now in view of some of the mosquitoes we have around, wouldn't you say, Madam Speaker? — and is a reminder to all of us that environmental protection is everyone's responsibility.

Environment Week '86 officially started yesterday with a special opening ceremony at the Museum of Man and Nature. The opening event featured the presentation of three environmental plays written and performed by Manitoba students.

Another major event planned for Thursday, Friday, and Saturday is "Winnipeg Household Hazardous Waste Days." A depot will be set up at the Fort Osborne Complex at 139 Tuxedo Avenue to collect old and unwanted household hazardous wastes. This includes materials such as old paint, solvent, motor oil, and pesticides which usually end up in the landfills or the sewer system. All of the collected products will be properly treated and disposed of.

This worthwhile project is a joint endeavour by our government, Environment Canada, and the City of Winnipeg. Members will find on their desks a copy of the brochure on "Household Hazardous Waste Days" and an invitation to the official opening at 2:00 p.m. on Thursday, June 5.

This is the first event of its kind to be held in Winnipeg and it is our intention to make Household Hazardous Waste Days an annual environmental week event.

Another important event for Environment Week is the Vehicle Emissions Testing Clinic. Manitoba motorists will have the opportunity to see whether their cars are properly tuned and making the most efficient use of fuel.

A variety of environmental exhibits will also be on display at St. Vital Centre on June 5 and 6.

You will note that I have provided members of the House with an Environment Week poster detailing the activities I have just mentioned.

Just before closing, Madam Speaker, I would like to add my thanks and the thanks of all the members of

Monday, 2 June, 1986

this House to the Federal Minister who used his opportunity and comment on the Nation's Business Program last night to launch Environment Week on behalf of Canada and for all Canadians.

In closing, Madam Speaker, I would like to encourage all members to assist me in bringing recognition for this important week. Thank you.

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

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

I would like to, on behalf of members on our side of the House, thank the Minister for bringing to our attention the activities surrounding Environment Week. We, on this side, join with the government in the promotion and encouragement of all of those activities, and indeed in the awareness of all of the concerns surrounding the need to improve our environment and the need to maintain it in as a pure a form possible for the enjoyment of all. As a former Environment Minister, I'm delighted to see the carrying on of the various activities, and indeed the expanding of Environment Week to include so many aspects of public awareness that are important to promote.

Madam Speaker, I would like to at this point indicate to the Minister that, of course, environment also means and involves the quality of life. The opportunity for all of us to go out and enjoy the outdoors and enjoy the opportunities that are all too rare in Manitoba when we have good weather and the opportunity to go out and enjoy it. I would hope that the Minister, in considering that, would take into account that many people are prevented from going out and enjoying the outdoors these days with the infestation of mosquitoes that we have, so that we can't enjoy the quality of life in so many of our public areas, our parks, even in our backyards. I know that many of my colleagues and probably members opposite, this weekend, may have wanted to be out in the yard cutting the grass, enjoying just the outdoors and the opportunity there; and we would appreciate it much more, Madam Speaker, if the Minister would take account of that and know that so many people, in their desire to utilize and enjoy the outdoors, are being prevented today because of a hard-headed, unbending decision he's making with respect to mosquito fogging.

We believe, Madam Speaker, that the Minister for the Environment would do a great deal more for the enjoyment of the quality of life and the outdoors in Manitoba if he would either put forward evidence of the proof that the mosquito fogging is harmful to individuals, is harmful to people, and indeed does pose a serious health threat to them, rather than taking the unbending position that he has against mosquito fogging and preventing so many people from enjoying the quality of life in the environment that we have for all too short a time here in Manitoba during the summer months.

Madam Speaker, I would say as well that in noting his comments and concerns about household hazardous wastes that we on this side have been waiting now for a considerable length of time for this Minister to do something about a hazardous waste disposal facility in Manitoba.

There have been ongoing studies, reports that date back at least six years in this province with respect to bringing us to a decision on a long-term solution to hazardous waste disposal and management in Manitoba.

His department has been sitting on report after report, has been holding public hearings without any desire or intent it appears, to come forward with ultimately a plan to deal with the management and disposal of hazardous wastes in Manitoba.

I would hope that in addition to simply creating awareness and promoting household hazardous waste control in this province that he would come up with a long-term solution so that we know what we're working toward, in terms of hazardous waste disposal and control in Manitoba for the future.

Thank you very much.

**MADAM SPEAKER:** The Honourable Minister of Natural Resources.

**HON. L. HARAPIAK:** Madam Speaker, I have a statement for distribution to the House.

Madam Speaker, in the absence of the Premier, I would like to table for the information of members, the four communiques issued by the Western Premiers during the very successful conference held in Swan River last week.

I would also like to take this opportunity to acknowledge publicly the hard work of so many of the residents of the Swan River area in preparing for the conference and making it the success that it was.

I know, from the generous comments which Premier Bennett, Premier Getty and Premier Devine made to me, as the host MLA, that Swan River's hospitality made a very favourable impression on our guests from the other western provinces.

Thank you.

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

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

On behalf of my colleagues, I thank the Minister for giving us the communique with respect to the various positions that were taken by the western First Ministers. We echo the congratulations to the people of Swan River for the hospitality which they demonstrated to our visitors.

**MADAM SPEAKER:** Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

## INTRODUCTION OF GUESTS

**MADAM SPEAKER:** Before we move to Oral Questions, I would like to direct the attention of honourable members to the gallery where there are 60 students in Grade 3 from the Sacre-Coeur School. These students are under the direction of Mrs. Miller and Miss Martel. The school is located in the constituency of the Honourable Minister of Tourism.

We have 23 students from Grade 11 in Sisler High School, and these students are under the direction of

Monday, 2 June, 1986

Mrs. Thompson. The school is located in the constituency of the Honourable Member for Inkster.

We have 28 students from Grade 7 in the Glenboro School and these students are under the direction of Mrs. Greenlay. The school is located in the constituency of the Honourable Member for Gladstone.

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

## ORAL QUESTIONS

### Bail order of \$1.00.

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

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

My question is for the Attorney-General. I wonder if the Attorney-General can indicate whether or not he or his department will be instructing Crown Attorneys to appeal the \$1 bail order which was ordered in the case of a woman charged with second-degree murder.

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

**HON. R. PENNER:** First of all, I think that members should know more of the facts before they raise questions of that kind and should perhaps take the opportunity to ask me before raising very sensitive issues in the House.

That was an order, of course, made by a judge and it was an order not of simply a dollar bail but there were many conditions. The criteria for the bail release, in this case, was that the person was released on condition that she be admitted to a residential alcohol treatment program, so she is in residence in an alcohol treatment program. Following the program, she has to continue alcohol counselling. She has to observe strict curfew, 7:00 a.m. to 9:00 p.m. She has to report every Friday to the Winnipeg Police Department. She has to abstain from the use of alcohol.

There are a whole number of conditions that are attached and these are conditions generally which are not appealable.

**MR. G. FILMON:** Is the Attorney-General saying then, that under the circumstances, he believes that the \$1 bail order was justified?

**HON. R. PENNER:** It would be improper for me to comment on whether or not the order of a judge was justified or not, No. 1; No. 2, it was not an order for \$1 bail. I have just read out all of the other conditions. Thirdly, it is not appealable.

### Bail - conditions of

**MR. G. FILMON:** Madam Speaker, I wonder if the Attorney-General can inform the House what he or his department intend to do to prevent police officers from having to spend an inordinate amount of time repeatedly arresting people who don't show up in court or commit crimes when out on bail.

**HON. R. PENNER:** Madam Speaker, when those who are out on bail commit crimes, they are generally, in

fact almost always not admitted to bail again. But what we must remember is that the conditions of bail are set by the judges, not by members of my department and not by Crown Attorneys.

What the Leader of the Opposition seems to be suggesting is that a department of government, in this case, the Department of the Attorney-General, should in some way be interfering with the judicial system. He apparently does not recognize a fundamental concept in the rule of law, namely, the independence of the judiciary. It is not open to us, and I'm glad that it is not open to us, to tell the judges of the realm what they must or must not do. They do according to law.

In some cases, there is room for an appeal. Where there is room for an appeal, and we believe that the conditions for an appeal are justified, we appealed. We appealed with respect to inappropriate sentences. We appealed with respect to findings of not guilty where we believe an error in law has been made. Those things we do. Those things we can do within the framework of the law. We cannot and will not attempt to instruct the judges of the realm what they are to do.

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

**MR. G. FILMON:** Madam Speaker, Chief Herb Stephen is quoted as saying that his department is having to rearrest certain people three and four times as a result of the fact that they don't show up for court or that they are being let out on bail. Does the Attorney-General not believe that this is a matter that should be reviewed, and if conditions of bail are the problem, that perhaps these should be reviewed by his department in a way so as to try and overcome this problem?

**MADAM SPEAKER:** Would the Honourable Leader of the Opposition rephrase his question and put it in such a way as to not seek an opinion?

**MR. G. FILMON:** Would the Attorney-General review this matter because of concerns that have been expressed?

**HON. R. PENNER:** Yes, Madam Speaker, I will be happy to. In fact, when I last met with Chief Stephen, which is within the last week, I suggested to him that rather than the occasional meetings, which we have held on specific issues, that we should meet regularly as I do with the RCMP, and there, of course, because it's within the terms of the contract with the RCMP. But I asked Chief Stephen that in my view, even though we did not have a contract police relationship with the Winnipeg Police Department, the Winnipeg Police Department is independent, that it would be advisable if we met on a regular basis to review any concerns that either one of us might have because of the close symbiotic we have. He thought that was a very good suggestion. We will be having those meetings on a regular basis. I'm sure that we will be having one in this month and that will be one of the questions on the agenda. I have no doubt.

### Plea bargaining

**MR. G. FILMON:** A further question to the Attorney-General. Is he re-examining department policy on plea

bargaining as a result of the Correia murder case in which a plea bargaining act suppressed the evidence against the accused from becoming public, either to the public or to the family who are expressing great concerns about this?

**HON. R. PENNER:** The Correia case, of course, is one in which there still might be an appeal, so I have to be very limited in my comment. I wish the Leader of the Opposition would take the time to do a little more research in this as he should in other areas before jumping to conclusions. The fact of the matter is that the Chief Justice of the Court of Queen's Bench, who has the power to do so, decided in the particular circumstances of the case not to receive a statement from a brother of the victim, knowing that the proposed statement was one that didn't deal with the impact on the family but attempted to blame other members of the family for the tragedy, the Chief Justice, in my view, was right in the decision that he made, but he had the power to make the decision. I did not, nor did the Crown Attorney, have the right to make the decision in those circumstances.

The decision as to whether or not a victim impact statement is to be received is a decision of the trial judge alone. There may be amendments to the Criminal Code within the next year that will put that on a somewhat different basis and establish the criteria, but at the moment it is for the judge alone and not for Crown Counsel to tell the court when a victim impact statement may or may not be received.

**MR. G. FILMON:** Madam Speaker, my question was with respect to plea bargaining. In an instance in which plea bargaining before the preliminary hearing effectively prevents the evidence from coming out on these cases, does he not believe that the plea bargaining should be reviewed, his policy on it?

**HON. R. PENNER:** The Leader of the Opposition is drawing from the same source as reported in the Free Press today. That source was absolutely wrong with respect to the statement that there is more plea bargaining in Manitoba than anywhere else. There is simply no statistical basis for that at all. Indeed, to the best of my information, plea bargaining here is no different than anywhere else. It's very restricted.

Indeed, any proposal to accept a plea to a lesser charge is not left in the hands of the line Crown Attorney alone, although the Crown Attorney in this particular case is one of our most experienced Crown Attorneys, but is reviewed all the way up through the Director of Prosecutions to the Assistant Attorney-General in charge of the Criminal Prosecutions. So we have very, very clear criteria.

Where there are facts on the record which should be left to a jury to determine whether it's the more serious offence or the less, then almost invariably it's the most serious charge which will be prosecuted. There are circumstances in which the Crown has to determine that, in fact, the facts, as we know them from the police report, do not justify the more but justify the less serious charge. It is in those circumstances in which what is commonly referred to as a plea bargain is struck and certainly not, as the person quoted in the paper suggested, somehow over a quick friendly lunch. That does not take place at all.

### **Manitoba Energy Authority - Tabling of consultant's report**

**MR. G. FILMON:** Madam Speaker, my question is for the Minister of Energy and Mines. It has to do with a consulting contract that was awarded to WMC Associates by the Manitoba Energy Authority. The head of the Manitoba Energy Authority has suggested that the consulting contract resulted in a very valuable report that was done for the Manitoba Energy Authority. I wonder if the Minister of Energy and Mines would agree to table that report.

**MADAM SPEAKER:** The Honourable Minister of Energy and Mines.

**HON. V. SCHROEDER:** Thank you, Madam Speaker. I can't see any reason why not to table it, but I will take the question as notice and get back to the member within the next several days.

### **Home Economics Directorate - Status of**

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

**MR. D. ORCHARD:** Thank you, Madam Speaker. I read with some dismay the answers from the Minister of Health to my colleague on Friday regarding the June 3 Home Economists Conference in Brandon.

In view of his answer on Friday that the agenda was changed and money managing, housing and other subjects are no longer part of the agenda on June 3 in Brandon, which is tomorrow, could the Minister inform the House that the reason those items were dropped from the June 3 agenda was because his department and he, as Minister, announced the cancellation of the Home Economics Directorate and those staff positions and their roles would be abolished? That led to the cancellation of the agenda items, not vice versa as he tried to make out Friday.

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

**HON. L. DESJARDINS:** Madam Speaker, I answered on Friday that, yes, it had been announced that there would be a transfer to other departments, that the Department of Health would no longer be responsible for this service. Therefore, there was a change in the agenda and as there were no longer any discussions of money matters or housing, there was no point in having these people attend and that there would be others attending there.

I did say that the first time — but there might have been a misunderstanding — but at the time these people would be reassigned. There have been some ongoing discussions between the Minister of Agriculture, the Minister in charge of the Rights of Women, and a determination will be arrived at and an announcement will be made in the House. There is nothing devious in that at all.

**MR. D. ORCHARD:** Madam Speaker, given the sideways maneuvering of the Minister of Health and given the fact, Madam Speaker . . .

**MADAM SPEAKER:** Is the honourable member casting aspersions? This a supplementary with no preamble?

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

Given that in previous answers, the Minister of Health has assured this House that those home economists who provide money management counselling, housing counselling, and other areas of responsibility that he originally was going to cancel and eliminate from the Department of Health and from government — given that that decision was made and is now in the process of being reversed by this in-house committee study — would it not prove beneficial to allow those staff, those home economist staff people dealing with money management, housing matters, to go to that conference tomorrow in Brandon which provides the planning for the next year for 28 home economists in both the Department of Agriculture and the Department of Health, and quit playing silly games with the Home Economists Directorates in his department?

**HON. L. DESJARDINS:** Madam Speaker, at no time did I say we were cancelling this service from government. At no time was that ever said in this House or outside.

I said that the Department of Health would deal with this and the Department of Health is temporary until a solution, and that is what you call it, a misunderstanding. It might have been wrong to cancel at this time, which was not done. This was not discussed with me at all. I learned about that after the fact.

The point is that they no longer, because it is a department conference, financed by the department, sponsored by the department, employees of the department. It was felt that could be done by the department that will take over this responsibility, and that was the director, who meant well when there was a change in the agenda — no longer will that be discussed. You're not going to send people out there to discuss something that they have no interest in.

**MR. D. ORCHARD:** Will the Minister inform the House that the reason it was removed from the agenda is because his department cancelled those positions and their responsibilities some month ago?

**HON. L. DESJARDINS:** There is no doubt that the responsibility, that advice, would be taken over by another department. At what level? That was never announced. That is what is being looked at.

In the meantime, yes, it might be that they were a little too fast in cancelling that and I admitted that from Day One, but that is the only reason because it will very shortly be transferred to another department. It will not be the responsibility of the Department of Health.

That could be done in another department but it will not be the responsibility of the Department of Health to provide the services re money management and I don't think it should be — nor housing. I don't think that that is the Department of Health.

**MR. D. ORCHARD:** Given the Minister's admission that there was some confusion which led to the cancellation of this program in Brandon tomorrow, will he now simply

admit his department erred and allow those home economists to attend the conference to provide the planning for the next year for 28 home economists serving Manitobans throughout this province?

**HON. L. DESJARDINS:** That would mean more confusion, Madam Speaker; that would mean changing the agenda again to place something on the agenda that is not there. I certainly would not add to the confusion, if there is any.

### Northern Flood Agreement - Settlement of outstanding liabilities

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

**MR. H. ENNS:** Thank you, Madam Speaker.

I direct a question to the Minister of Natural Resources. Under Article 3 of the Northern Flood Agreement, it specifically sets out the criteria for land transfers for land that was damaged or flooded on a four to one ratio.

My understanding is that some 47,000 acres have been identified, various groups, Bands, through the consulting processes, yet only 147 acres has actually been transferred. My understanding is that this has been agreed to, the lands identified in 1983.

Will this new Minister of Natural Resources move on effecting these land transfers?

**MADAM SPEAKER:** The Honourable Minister of Northern Affairs.

**HON. H. HARAPIAK:** Madam Speaker, that part of the Northern Flood Agreement comes under the Department of Northern Affairs. The Member for Lakeside asked that question last week and we told him at that time that the process has been working. There are four parties involved in negotiations for these parcels of land and we are coming very close to settling several pieces of land. Hopefully the Bands will accept those transfers and we can get on with the transferring.

They are very close to settling several parcels at this time.

**MR. H. ENNS:** Madam Speaker, I appreciate the Minister of Northern Affairs' intervention and I acknowledge that he did supply us with a list of information, which included the fact that only one parcel of land has been transferred under his jurisdiction.

Madam Speaker, I also am aware of how this government works and it is the Department of Natural Resources . . .

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

**MR. H. ENNS:** It is the Minister of Natural Resources that is responsible for transfer of lands.

**MADAM SPEAKER:** Order please, order please.  
Does the honourable member have a question?

**MR. H. ENNS:** Will the Minister of Natural Resources carry out the mandate for which he is responsible for,

transferring lands that have been identified, some 47,000 acres to make up for the flooded acres some years ago as a result of the Churchill River Diversion and other hydro flooding projects?

**HON. H. HARAPIAK:** Madam Speaker, the program falls under the Northern Flood Agreement and the Department of Natural Resources is responsible for the negotiations under the Northern Flood Agreement.

Once the negotiations are completed, then the Department of Natural Resources is responsible for the transferring of the land.

**MR. H. ENNS:** Madam Speaker, a question to a different Minister, the Minister responsible for Native Affairs. Madam Speaker, does the Minister responsible for Native Affairs of this government regard progress at the rate of 147 acres in a three-year period as suitable progress for the concerns of his people?

**MADAM SPEAKER:** Order please. Could the honourable member please rephrase his question so it does not seek an opinion — whether he regards something or not is irrelevant.

The Honourable Member for Lakeside.

**MR. H. ENNS:** A question to the Minister without Portfolio. Would the Minister without Portfolio consider asking the Minister of Natural Resources to take over the responsibility of these land transfers, inasmuch that the Department of Northern Affairs is obviously not accomplishing a great deal?

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

**HON. E. HARPER:** Thank you, Madam Speaker.

Yes, I will work closely with the Minister of Northern Affairs and the Minister of Natural Resources and work cooperatively to settle these issues.

### Potash mine, Manitoba - Status of

**MR. H. ENNS:** Another question on a different subject, to the Minister of Energy and Mines. Several days ago, the Minister of Energy and Mines took a question as notice that I had asked. That is, namely, what is this government's fiscal commitment to the development of potash in Western Manitoba in the current budget year?

**MADAM SPEAKER:** The Honourable Minister of Energy and Mines.

**HON. V. SCHROEDER:** Thank you, Madam Speaker. I will have an answer to the member shortly.

### Child abuse

**MADAM SPEAKER:** The Honourable Member for Brandon West.

**MR. J. McCRAE:** Madam Speaker, my question is directed to the Minister of Community Services.

Last week the Minister announced an independent review of Child and Family Services in relation to child abuse. On Thursday, the executive director of the Children's Aid Society of Western Manitoba said that his society faces an 18 percent increase in sexual assaults this year.

He said that Brandon doesn't have enough trained professionals to cope with the increased workload and that the workload, if stretched any further, would stretch them to the breaking point; also, that the increase in child abuse in the Brandon area is higher than in other societies in the province.

Will the Minister's review include the Children's Aid Society of Western Manitoba and other agencies in the province, including Native agencies?

**MADAM SPEAKER:** The Honourable Minister of Community Services.

**HON. M. SMITH:** Madam Speaker, the review that is looking at the system aspects of child abuse will be a province-wide review.

### Child Abuse Registry

**MR. J. McCRAE:** I rise on a new question for the Minister of Community Services.

The executive director of the Children's Aid Society of Western Manitoba also made the point that children shouldn't have to die before the government recognizes their needs; and he said that he's looking forward to seeing the release of guidelines for the Child Abuse Registry, a proposed provincial listing of known child abusers. He said that such a list would assist in screening applicants for employment. My question to the Minister is when will there be the implementation of this child abuse registry?

**HON. M. SMITH:** Madam Speaker, it still surprises me that I am getting questions from the other side about movement on child abuse because it has only been in the last few years that we have had programs developing in addition to the guidelines which are out there for all of the professionals in education, justice, health and community services as to the ethics of reporting and the procedures they're to follow.

We have had multi-disciplinary teams working in the field and they will soon have sharper guidelines for how they are to make their decisions or resolve disputes.

The question of training people, we have in addition to the provincial coordinator and the Winnipeg coordinator, two trainers coming on who will be providing training, there's also been a child abuse specialist with the Native cultural aspects particularly under their jurisdiction, and a great deal of buildup throughout these four systems.

The problem has been, Madam Speaker, not only the dearth of people trained in the field, but the lack of awareness of most professionals of what the problem was and what to do about it. So, as we are building the system, we are researching the best methods of both preventing and dealing with the long-term effects of child abuse.

**MR. J. McCRAE:** Madam Speaker, may I ask the Minister, when will there be implementation of the proposed Child Abuse Registry?

Monday, 2 June, 1986

**HON. M. SMITH:** Madam Speaker, there is a Child Abuse Registry in operation now. There has been a committee reviewing that registry that should have its report on my desk very shortly in terms of how to. We are also cross-referencing both the abusers and the children who have been victims of abuse.

But there are civil rights issues, Madam Speaker. As I said in this House last week, in fact, the Child Abuse Registry in Ontario has been thrown out because of conflict with a civil rights principle.

Our review will be to fine tune and strengthen the registry which we already have, and I should have the recommendations for improvement from that group this week.

**MR. J. McRAE:** Has the Minister of Community Services availed herself of legal advice respecting the constitutionality of such a Child Abuse Registry?

**HON. M. SMITH:** Madam Speaker, I think my previous answer indicated that we are aware of that element and part of the review has been to look at those principles. Because the constitutional principles are relatively new on the law books, exactly how they are going to be interpreted in the courts is not crystal clear to anyone. But we have availed ourselves of the best advice we can get so that we can come out with the appropriate balance between the need to protect the children and the need to protect the civil rights of adults.

### Tax discounters - students

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

**MRS. S. CARSTAIRS:** Thank you, Madam Speaker. My question is to the Minister of Education. Would the Minister assure this House that the Student Aid Branch has been informed that it is not to recommend that young people go to tax discounters?

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

**HON. J. STORIE:** Madam Speaker, I thank the member for River Heights for that question.

The practice of counsellors referring individuals in dire straits, with no other option, to the community income tax service, which is a non-profit group, was raised with me a day or two ago, or perhaps Thursday or Friday of last week.

I indicated that I didn't feel that was an appropriate avenue. I have asked the department to review options, either independently or perhaps with such services, so that students in difficult financial circumstances won't be left with that as their only alternative.

I think the member will appreciate that because of some of the actions of this government and the Federal Government, those services are not the disreputable and usurious kinds of places they were.

The referrals occurred only to the non-profit organizations which provide not only the rebate service for immediate funds for students but also the counselling function which is extremely important in most of these instances because we're talking about

students with limited financial resources and obvious needs beyond simply the money at this point.

**MRS. S. CARSTAIRS:** Would the Minister tell me if in fact the students are being recommended to fill out TD1 forms which in fact make them totally exempt from paying taxes on the basis of the fact that they are students which cost them nothing and not 15 percent on the first \$300.00?

**HON. J. STORIE:** I'll take that question as notice. I can assure the honourable member, however, that the individuals who are providing the service to students, and the information, I think are aptly qualified and aware of all available sources of funding for student assistance and student advice.

The question the that member raises I am sure has been raised previously, but I will certainly ascertain as to whether or not the department is providing that type of advice as well.

### Public Utilities and Natural Resources Committee

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

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

My question is to the Minister of Energy and Mines. Given that the House this afternoon has passed the first report of the Public Utilities Committee, can the Minister give the House an assurance that the answers to any questions asked and all information desired will in fact be made available to the House?

**MADAM SPEAKER:** The Honourable Minister of Energy and Mines.

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

I had indicated at the time of the last meeting of the committee that the questions taken as notice would be answered as soon as available to me from Manitoba Hydro and the Manitoba Energy Authority, and they will be passed on to the members of the committee and other members of the Legislature who asked the various questions.

### Crop Insurance adjustments

**MADAM SPEAKER:** The Honourable Member for Ste. Rose.

**MR. G. CUMMINGS:** Madam Speaker, my question is to the Minister of Agriculture. Presently, many farmers in the province are experiencing difficulty of a combination of circumstances with the weather and the Manitoba Crop Insurance, the difficulty being that the 1985 crop is still in the field. Fields will not dry while the crop residue is there. The farmers are unable to write off that crop because they are waiting for approval from Crop Insurance. My question to the Minister is, will he take action to see that the Manitoba Crop Insurance can immediately come to an agreement with these farmers before they lose two crops?

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

**HON. B. URUSKI:** Madam Speaker, this situation is a difficult one for the corporation in adjusting claims and this year — (Interjection) — Madam Speaker, it appears that members opposite, especially the Member for Pembina, doesn't want to hear the answer. He has his mind already made up. If he'd only keep quiet, I will attempt to answer the question which was put by the Member for Ste. Rose.

Madam Speaker, there is no difficulty for any farmer who wishes to have the crop written off and adjusted. However, if in fact there is an amount of crop left on the field equal to or even less than what he's insured for, that will be deducted from this claim and that's the difficult situation many people find themselves in because the crop can be adjusted.

However, if in fact that crop can be harvested in the next number of days, then in fact the farmer has the crop and has — as the member is suggesting — a zero adjustment which makes a 100 percent claim. The corporation is endeavouring to settle and is prepared to settle every claim.

There are at the present time, I'm advised, approximately 100 claims yet to be adjusted and some of those that were raised last week — in fact one of the farmers did have a proof of loss and hadn't signed it to be paid. The other gentleman that raised this matter, one other claim was adjusted last week and it's in the process of being paid.

But, quite frankly, the reason that farmers wish to get on their field and would like to get on their field is of course if the field could dry off, and if the field was dry, then they could be harvested as well and the claim could be settled. If they are too wet to harvest, then of course they would be too wet to seed as well, Madam Speaker.

**MR. G. CUMMINGS:** Madam Speaker, I appreciate the Minister's problem and his concern. I also appreciate the problems of the farmers because the crop has to be removed from the field in order for it to dry up. The crop adjusters are presently concerned that the farmers will be beating the Crop Insurance out of some funds if they are allowed to write off the crop that is there and then use it for livestock residue.

My question is, is there a manner in which crop insurance can come to an agreement with these people so they will be able to burn the crop or get rid of the residue? It would actually be a savings to crop insurance.

**HON. B. URUSKI:** Madam Speaker, that type of a situation is in fact what is occurring by adjusters going out and adjusting, and in fact if an adjustment is made on the crop and there is less than what the coverage is for, there are some negotiations going on and that's how this matter is being settled. But, quite frankly, Madam Speaker, there are cases where in fact the crop on the field far exceeds what the insured coverage is for and that makes it difficult in terms of settling the claim. The farmer would like to be paid 100 percent, and if in fact he can remove more crop than what he is insured for, that makes the situation even more

difficult from an equity point of view between other farmers and the corporation.

**MADAM SPEAKER:** The Honourable Member for Ste. Rose with a supplementary with no preamble.

**MR. G. CUMMINGS:** Madam Speaker, my question is, will the Minister tell us what is a reasonable length of time for farmers to have to wait for settlement for the 1985 crop, given that the adjustment changes daily?

**HON. B. URUSKI:** Madam Speaker, if an individual farmer wishes to either go on his field to plough it and wishes to write off his claim and have it adjusted immediately, all he has to do — as is normally the practice — is call the agent's office, an adjuster will be there to adjust the crop and settle it right there. The problem remains, Madam Speaker, is that there is more crop on the field than the coverage there and that's what makes the situation difficult, Madam Speaker.

### Day care

**MADAM SPEAKER:** The Member for Burrows.

**MR. C. SANTOS:** I have a couple of questions, Madam Speaker, about day care, directed to the Minister of Community Services. There is currently a federal committee of seven members studying again the subject matter of day care. Does the Minister consider making representation to this committee again?

**MADAM SPEAKER:** The Honourable Minister of Community Services.

**HON. M. SMITH:** Yes, Madam Speaker, I have indicated my willingness to meet before the committee. It's certainly an issue where, if we're ever going to achieve economic equality among men and women, that there must be adequate support services such as day care.

In our submission, we have asked for a new funding mechanism for a National Day Care Act, adequate standards preference for non-profit community-based boards, and also similar to what was developed under Medicare in its early stages, a capital fund and a small research fund.

**MR. C. SANTOS:** Would the Minister inform this House and the people of Manitoba about the present adequacy of day care facilities to meet the mounting needs of children in this province?

**HON. M. SMITH:** Madam Speaker, the quality of the existing day care is good, but the supply of day care is not adequate to meet the needs. We've been building the system gradually and will continue to do so, but if there were a federal funding plan, we would be able to close the gap much more rapidly.

### Expenditure and revenue forecasts

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

Monday, 2 June, 1986

**MR. C. MANNES:** I direct my question to the Acting Minister of Finance. The report of the Provincial Auditor, Page 4, under "Summary of Matters of Concern and Recommendations," the Auditor has recommended that a multi-year financial plan be made available to legislators. Is the Government of Manitoba intending to implement a forecast of expenditures and revenues beyond the one year, as presently is done within the Budget?

**MADAM SPEAKER:** The Honourable Minister of Industry, Trade and Technology.

**HON. V. SCHROEDER:** Thank you, Madam Speaker. I'll take that question as notice for the Minister of Finance, or possibly, if the member wants to wait for a little while, he'll be able to hear from the Minister who is back.

**MR. C. MANNES:** Whatever you rule, Madam Speaker, I would ask the Minister then, who has just arrived, whether or not it's the government's intention to provide a forecast of expenditures and revenues beyond the present one year, as is done within the Budget; whether it's the government's intention to do so in concert with the recommendation provided by the Provincial Auditor, in his last report, March 31, 1985, where he calls for a multi-year financial plan?

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

**HON. E. KOSTYRA:** Thank you, Madam Speaker. That area is under active consideration at the present time, and once we're at a position to make a decision as to whether or not it can and will be done I'll make a report to the House on that.

**MR. C. MANNES:** A supplementary, Madam Speaker. Has the government asked the Auditor for his reasons for making that recommendation?

**HON. E. KOSTYRA:** I presume there have been discussions between staff of the Department of Finance and the Auditor with respect to that. I have not the opportunity to meet with the Auditor to review his last report, but I intend to do that over the next period of time.

**MR. C. MANNES:** Could the Minister tell us the time frame in which he will be making a determination or the government will be making a determination as to whether or not they will provide for a forecast beyond one year of expenditures and revenues?

**HON. E. KOSTYRA:** I would expect to have a report on that matter some time later this year so that it can be reviewed prior to determinations that take place with respect to next year's Budget and tabling of Estimates.

### Quarterly reports

**MADAM SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Madam Speaker, thank you.

A question to the Minister of Finance. Could he inform the House whether it's the intention of the government to continue to produce and publish quarterly financial reports for the balance of its term in office?

**HON. E. KOSTYRA:** Yes.

### Pre-judgment Interest Act

**MADAM SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Madam Speaker, a question to the Attorney-General.

Last year, the government had promised to introduce a pre-judgment interest act during the last Session. It was introduced and then subsequently withdrawn for re-examination. Could the Attorney-General indicate whether a pre-judgement interest act will be introduced at this Session of the Legislature?

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

**HON. R. PENNER:** Madam Speaker, yes, it will.

### Imax Theatre Complex

**MADAM SPEAKER:** The Honourable Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Thank you, Madam Speaker.

My question is to the Minister of Industry. IMAX System Corporation have been awarded a contract to build and design a theatre and produce a film for the Province of Manitoba with the North Portage Corporation. Imax has said in a press release, the company has always encouraged support of independent film makers, to use IMAX medium. Mr. Kroitor said, "I'm excited by having found such a pool of creative people in Manitoba and will . . ."

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

Beauchesne's Citation Rule 362 which I've quoted several times suggests reading telegrams, letters, or extracts from papers as an opening to an oral question is abuse of the rules of the House.

**MR. F. JOHNSTON:** That's fine, Madam Speaker.

IMAX Corporation has been given the contract to build a theatre, and design the theatre, and to produce a film. They have also said that they use Manitoba or local people wherever they can. He has also said that they have criteria for using the good people in the Province of Manitoba. They said they will be using independent people.

My question, Madam Speaker, has the IMAX Corporation forwarded to the Minister, criteria and plans for using Manitoba people in the production of this film?

**MADAM SPEAKER:** The Honourable Minister of Small Business Development.

**HON. M. HEMPHILL:** Thank you, Madam Speaker.

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Monday, 2 June, 1986

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The film production is under my department, under Travel Manitoba. We're also very pleased that we have such creative and such tremendous film talent in Manitoba. I think that's recognized not only here but throughout the country. We've taken steps to make sure that we are using Manitoba people. I think there's only going to be two people, the executive director and one other who are from IMAX and the rest of them we expect them to use Manitoba artists and film people.

To make sure that happens, Madam Speaker, my department, under Travel Manitoba, will be working with them and we are also calling on the National Film Board to work with us and together we're all going to make sure that we use our people in Manitoba.

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

### ORDERS OF THE DAY BUDGET DEBATE

**MADAM SPEAKER:** On the proposed motion of the Honourable Minister of Finance, and the amendment thereto by the Honourable Leader of the Opposition, the Honourable Member for Pembina.

**MR. D. ORCHARD:** Thank you, Madam Speaker.

I want to participate in this Budget Debate this afternoon and lest the Minister of Finance and his colleagues opposite have any reservations after I've finished, I will not be supporting the Budget document. I will be supporting the amendment proposed by my leader because the amendment as proposed by my leader and is written by my leader contains an awful lot more direction and an awful lot more fact than the entire Budget document.

Madam Speaker, I have to first off say to the Minister of Finance that he did produce a rather skillful Budget Speech. It allowed him and his government to pay some IOU's that were rung up during the election campaign to certain special interest groups and others. It's a Budget document skillful in the fact that it blames everyone else for all of the woes in Manitoba and refuses to have the government shoulder even one iota of responsibility for the current financial crisis in Manitoba. It skillfully paints a rosy picture, Madam Speaker. I suppose this painting of a rosy picture begs the obvious question that if things are so good in Manitoba under the stewardship of this terribly competent group of people, then why is it that our deficit is still skyrocketing, and why is it that we find ourselves faced with a government that has to blame the Federal Government for every woe and ill in the Province of Manitoba if, in fact, as the NDP attempt to tell us, Manitoba is in good shape?

The Member for St. Charles (sic) had indicated that the Budget Speech this time was quite rhetorical. I have to tell him that had he listened to four others from this Minister of Finance's immediate predecessor, he would find that not to be the case. There was some illegitimate rhetoric in there, some untruthful rhetoric in there, but not nearly the amount that was in previous documents by his predecessor. It skillfully blended in a little bit of humour, Madam Speaker, although it was

black humour, because how could anyone in their right mind congratulate the efforts of the former Minister of Finance with a straight face. Surely, they jested with the people of Manitoba when they congratulated the Member for Rossmere and his tutorship of the financial affairs of this province over four years, because how else could you but with black humour congratulate a man who raised the deficits of this province through the roof; who raised every levy and tax in this province like they have never been raised before; who chose as Minister of Finance over four successive Budgets to chop and hack and slash away at the capital spending of the Department of Highways and Natural Resources. Surely, that humour was nothing but black humour in the opening remarks of the Throne Speech.

(Mr. Assistant Deputy Speaker, M. Dolin, in the Chair.)

I want to offer my honourable friend, the Minister of Finance something of a caution, and that is a caution of not to follow the precedent set by his former Finance Minister, the Member for Rossmere. After all, the actions of the former Minister of Finance led to the reason why we've got a new Finance Minister in this province. That former Finance Minister had lost his personal credibility in the financial community and in the Province of Manitoba. He never answered questions. He demonstrated a clear lack of understanding of the portfolio of Finance. He was clearly over his head in his ability to handle the situation. As a former member of this House, Russ Doern, said that after the 1986 election, if he should be defeated, he could always get a job as a clerk in the Land Titles Office at Beausejour. That demonstrated the kind of ability that the former Minister of Finance brought to the portfolio. He simply wasn't honest and open with the people of Manitoba and wasn't truthful in the presentation of a number of facts.

If you want examples, I give you but three. First of all, was the tabling of the second quarterly report on December 31, 1985, on New Year's Eve. It was tabled then to avoid any media discussion of the second quarterly report. It had no projection of the deficit which is the first time a quarterly report has ever been tabled without a projection of the deficit, the first time in some eight years. Certainly, the former Minister of Finance wasn't honest about his treatment of his constant and his party's constant haranguing and criticizing of the Federal Government for bank bailouts. Because that Minister of Finance and this government and this current Minister of Finance are relying on the bank bailout by the Federal Government to cover over \$8 million of term deposits in the Northlands Bank. On the one hand, they cry and whine about bank bailouts and, on the other hand, they've got their hands out to the Federal Government demanding their payment of over \$8 million on short-term deposit in the Northlands Bank. Some people, Mr. Deputy Speaker, would call that hypocritical, and I think that in the context of the use of the words, both parliamentary and unparliamentary, that would truly be a parliamentary use of the term "hypocrisy," to complain on one hand and have your hand out on the other.

Now, Mr. Deputy Speaker, the third area in which this former Minister of Finance lost his credibility was in the delay of the Third Quarterly Report until after the election, in which the bad news of the increased deficit was then made public to the people of Manitoba — after the election.

So, Mr. Deputy Speaker, I offer my caution to the Minister of Finance to follow what his Premier has said, that he won't shy away from the questions that will come to him on the Budget. By the Premier saying that this new Minister of Finance won't duck the questions, automatically confirms what I have said time and time again that his former Minister of Finance ducked them all the time, refused to be honest and open with the people of Manitoba, and was not an honest Minister of Finance.

Now, Mr. Deputy Speaker, the major message in this Budget was really a hidden message and was not told by the Minister of Finance. It was a skillful document, as I've already given the Minister credit for, but it wasn't an honest document. Certainly, the Budget document was not consistent. I want to point out a number of inconsistencies in this Minister's first Budget.

Inconsistency No. 1: taxes were not raised, according to the Minister of Finance, for fear they would stifle the economy of the Province of Manitoba. I quote from the Minister's Budget, Page 10: "Ordinary Canadians are reducing their spending due to higher federal taxes."

But what is the reality of this Budget, Mr. Deputy Speaker? The reality of this Budget is that this Minister of Finance is receiving a 10.3 percent greater increase in corporate income tax and individual income tax as a result of those higher federal taxes, which this Minister of Finance piggybacks on to the tune of 54 percent. Now if that isn't an incredible inconsistency in his approach, I don't know what is, Mr. Deputy Speaker.

But what is the reality of this Budget? It is the 10.6 percent increase in individual income tax piggybacked on the Federal Government while this Minister stands up and says, we shouldn't raise taxes because it will stifle the economy. Very inconsistent.

Mr. Deputy Speaker, further in the Budget document — I want to refer honourable members to Section E-7. Section E-7 of the Budget gives the estimate on tax reform which is the latest cottage industry in the New Democratic Party — tax reform.

I quote from Page E-7. "The Auditor General has estimated that tax expenditures made by the Federal Government is delivering between \$35 billion and \$50 billion in preferences, exemptions and incentives annually. These sums are large in relation to the federal deficit." Now this is part of the Budget document, leaving the clear impression that the Federal Government should remove those kinds of inconsistencies, inequities and incentives.

If it did, how consistent are the Minister's words then on fear of raising taxes? If he wants the Federal Government to glean another 35 billion to 50 billion out of the tax system, what impact would that have on consumer spending of the ordinary Manitobans he wanted to protect so much in his Budget by not raising taxes? How much would it impact on them? Very very inconsistent, Mr. Deputy Speaker.

They have indicated, in terms of another inconsistency, that tax avoidance is a growth industry. Well, Mr. Deputy Speaker, the NDP cannot have it both ways. First of all, they can't criticize tax avoidance as a growth industry and attempt to be the champions of this reform of the tax system, while they have prominent members in their Treasury Bench participating in those tax avoidance schemes.

More importantly, Mr. Deputy Speaker, because that matter has been subject to a lot of discussion in this

House, this Minister of Finance cannot be consistent when he goes to the Federal Government complaining about the need for tax reform when his former Minister of Finance — and he is continuing with it — has undertaken one of the largest legalized tax scams in the Province of Manitoba through the vehicle of Manitoba Properties Incorporated, which I shall deal with later on. That Manitoba Properties Incorporated took advantage, Sir, of one large tax loophole in the federal taxation system. It's hardly consistent for them to say, on one hand, we need tax reform, and then take advantage of every loophole as government, let alone as individual members as the Member for Transcona and the Member for Radisson had done.

In another major inconsistency, we have the Minister of Agriculture in his discussion of tax reform saying that we need tax reform; that people of wealth and of substance aren't paying their fair share of taxes, but he criticizes the Federal Government for the removal of the capital investment tax credit as it has applied to new farm machinery purchases in the farm community. When is the Minister of Agriculture going to be consistent, and when is the Minister of Finance going to be consistent?

Inconsistency No. 2, Mr. Deputy Speaker: that Budget document criticized our government from 1977-81 as being a cruel and heartless government, one that stifled growth in the economy. We heard the Mickey Mouse statistics from the Member for Brandon East on Thursday, I believe it was. Now, I have to remind the Minister of Finance that the major initiatives to help people, ordinary people — and I don't like that term, because if you read "ordinary" in Webster's, you'll find it describes people as vulgar and common, etc., and I don't particularly like calling people ordinary and calling them vulgar.

But, Mr. Deputy Speaker, the major impact in this Budget to the real Manitobans out there stems from programs put in place in 1977-81 by the Lyon Progressive Conservative Government. First, MACC rebate to young farmers on the interest rate that they pay on long-term mortgages to buy land.

I want to remind you, Mr. Deputy Speaker, because you weren't here in 1977-81, that in 1977 when we assumed government, there was no such thing as a long-term loan for the purchase of land through MACC. The NDP, in their drive to socialize agriculture and make the system akin to the Soviet system, as the Minister of Agriculture would want to do in Estimates about four years ago, eliminated long-term lending in land purchases. We reinstated it with the write-down in interest rate and that is what this government in this Minister's first Budget is a major initiative.

Secondly, the CRISP program initiated by the Lyon administration, they have said they are going to be the salvation of some 1,500 farm families by putting them into the CRISP program. Well, I want to remind you once again because you weren't here last term, but this is the same government that cut 1,000 to 1,200 farm families off the CRISP program in 1983. Now they're reinstating them, Mr. Deputy Speaker.

Thirdly, the SAFER Program which provides rental assistance to elderly, another program brought in by the Lyon Progressive Conservative Government — it's hardly consistent to criticize our government as being the worst government in terms of social spending and

social innovation in the province, and then to build the major planks of his first Budget on programs that we established and we brought in. Hardly consistent.

Inconsistency No. 3, Mr. Deputy Speaker: constant criticism of the Federal Government. The Federal Government is the whipping boy of this provincial administration because they cannot come to grips with the problems. But yet, Mr. Deputy Speaker, where is the major job creation in this city coming from? It's coming through Boeing, and why is it coming through Boeing? It's coming through Boeing because they have bought De Havilland in Eastern Canada, which was a Crown corporation sold by the Federal Progressive Conservative Government, and now the operations are expanding into Winnipeg and creating jobs. That is hardly consistent to criticize the Federal Government, but yet take jobs created by their initiatives.

Secondly, housing starts are up, which is a constant reminder that our New Democratic friends say is a sign of strength in the province. But housing starts are not a result of any initiative of this NDP Government either now or in the past four years. They are simply a reflection of: No. 1, pent-up demand; and No. 2, and most importantly, a reduction in the interest rates on mortgages that those new homeowners can avail themselves of. That lowered interest rate is a direct result of federal fiscal policy and it has created more jobs in the Province of Manitoba than any other effort this gang of incompetent New Democrats have done in the last four years or will do in the next several years that they should bless this Chamber as government.

Now, Mr. Deputy Speaker, in terms of helping the farm community, what has this government done? My colleague, the former Minister of Agriculture, the Member for Arthur, pointed out exactly what this government has done in this Budget. They talk about a 21 percent increase in funding, but they didn't tell the farm community that it's all borrowed money, that if you're going to get assistance from this Minister of Agriculture and this government, you are going to take out a loan, you are going to sign on the dotted line.

That is in sharp contrast to what has been done federally and what has been done by the sister provinces of Saskatchewan and Alberta where they have actually put their money where their mouth is. They have stopped whining and crying. They have rolled up their sleeves and they have done something for the farm community. This Minister of Agriculture, this Minister of Finance and his Cabinet are still whining and crying and doing nothing for agriculture in a meaningful way.

Now, Mr. Deputy Speaker, again I refer my honourable friend, the Minister of Finance, to the federal record over the past two years in terms of the interest rates in the province and in this nation. Mr. Deputy Speaker, I think it is very very demonstrative that we now take a look at what has happened to interest rates since election day September 4, 1984. They are now down a full 2.75 percent — the bank prime rate. If you believe that isn't beneficial to the housing industry, to the agricultural community — every 1 percent drop in the interest rate represents a \$600 annual saving on average to each and every farmer in Manitoba. That means that farmers in Manitoba this year will benefit to the tune of over \$1,500 from interest-rate reduction alone which was the objective of two past federal budgets.

Is there such leadership and direction in this Minister's Budget? I submit, no, Sir. He has hidden from the reality of what his responsibilities are, and they insist on whining and crying and blaming the Federal Government for everything. The reality is — \$1,500 for every Manitoba farmer.

If you want to go further, Mr. Deputy Speaker — well, I won't go further because it would just confuse the Minister of Agriculture and he wouldn't know what I was talking about.

Debt in 1984, which is the latest statistic I have, Mr. Deputy Speaker, was \$1,822,600,000.00. Well, the 2.75 percent drop in prime rate has already injected over \$91 million annually to the provincial farm economy. This Minister of Agriculture gives us 50 million in loans and says he has done a good job? He has shirked his responsibility, he has failed in his duties and he is the laughing stock of rural Manitoba and the farm community.

But let me talk now, Mr. Deputy Speaker, about the real thrust and the real threat of this Budget and that, ladies and gentlemen, is the size of the deficit. Now many have addressed the deficit, and even in faint-hearted terms, honourable members opposite have even mentioned that the deficit can't continue in the levels of \$500 million annually that they have foisted on the people of Manitoba. But they haven't done anything about it. They haven't shown the leadership that is required in reducing the deficit.

Now, Mr. Deputy Speaker, I beg honourable members over there — (Interjection) — the Minister of Agriculture has just brought together an interesting little comment. He says, "We sure did a lot about the deficit." I want him to take a look at any chart he wants to look at that starts in the mid-60's and take it through to the mid-80's where we are today and find out who institutionalized deficits in the Province of Manitoba. He will find it's a New Democratic administration under one Ed Schreyer. That's who institutionalized deficits in the Province of Manitoba, and the last deficit that we left was budgeted.

My honourable friend, the Minister of Agriculture, calls from his seat: "Idiot, it was Roblin." I want to tell him that when Roblin was government in 1967 and '68, there was a \$21.8 million surplus. There was a \$21 million surplus the next year, a \$25.5 million surplus the next year. I ask you, Sir, who is the idiot? and it is the Minister of Agriculture because he hasn't looked at the charts.

Now, Mr. Deputy Speaker, the Minister of Finance has not dealt with the deficit problem. The Federal Government have a deficit problem and they are trying to contain it. But the Federal Government, unfortunately, was not the creator of their own problem. They inherited their deficit from some 15 years of Trudeau largesse and misspending, and they are trying to clean up a mess by that socialist government under the Liberals, under Prime Minister Trudeau. But these people, Mr. Deputy Speaker, have inherited their own fouled nest, because they are the ones who created the deficit from 1969 on, institutionalized it and made it larger and larger and larger. They have inherited and created their own problem and they are powerless and idealless to solve it.

Now, Mr. Deputy Speaker, no one can argue with that statement I just made because these people sitting

opposite have been government for four of the last seventeen years in the Province of Manitoba when we have rung up these massive deficits.

Now, if you want, don't take my word for it, I just refer you to several charts. The first one I want to refer you to, because the Minister of Finance has talked about debt, and he says the net debt is something like \$7.327 billion. I refer honourable members, in case you haven't read A8 in the Minister's Budget document. Under the date of issue, the deficit is \$7.327 billion; but if you convert it to current values, if you retired the debt, it escalates to over \$8.4 billion because of offshore borrowing by Schreyer and by Schroeder as Ministers of Finance and as governments over the last four years in this House. Those are the people who caused this, and if you think that this isn't an alarming sort of a problem to have, if you think this is not an alarming problem, then I simply refer you, ladies and gentlemen, to A7, the chart on the previous page. I beg all members opposite to read it for your own edification.

What you will find in there, and I will read to you from the notation on the bottom of the graph on Page A7: "The above table indicates the Province of Manitoba will have to borrow for the purpose of repaying direct and guaranteed debt after application of sinking funds based on the Canadian dollar equivalent on the date of issue." We are borrowing to repay debt. We are not repaying the debt as self-sustaining debt that the Minister of Finance says we are doing in this province. We are borrowing to repay debts from the Schreyer Government and from the Pawley Government's first four year terms.

If you want to take a look, take a look at the chart, and I want to show you, for instance, in 1993, we have to borrow \$511 million simply to repay debt acquired in previous years. My honourable friends say, "so what." Because that's what socialists say, "so what to debt." As a matter of fact, the Liberal Leader, in a debate, in Carman this spring, even had the audacity to say, that debt in Manitoba is not a problem because we owe it to ourselves. Therefore we don't worry about it, the old Liberal shibboleth about debt, the Leader of the Liberal Party in Carman.

**A MEMBER:** She didn't use that in the campaign.

**MR. D. ORCHARD:** She certainly didn't because I straightened her out at Carman before she made the mistake anyplace else. Ask the people in Zurich, ask the people in Tokyo, ask the people in London, ask the people in New York if they consider the money that we have borrowed from them to be owed to Manitobans, and ask them if they wish to have it repaid at some point in time and you'll get the answer that everyone of you know will be there. Yes, they expected to be repaid and with interest. But, Mr. Deputy Speaker, I want to refer honourable members to another Budget. It's call the 1984 Budget Address and I want to refer you to Page A8 — A9, I'm sorry. It is a similar chart to what is reproduced on Page A7. And do you know what? If you compare these two charts you will find out that in two short years of socialist administration in this province, that we have gone, for instance in 1991, to a refinancing requirement in the 1984 Budget

of \$252 million in that year, to now a refinancing, two years later, of \$443 million. That is escalating exponential growth in the debt that we have to pay, and that, Sir, is in two years. That is the difference between the identical chart in two years of NDP socialism in the Province of Manitoba.

I want to take you to another year. If we talk about 1992, the year of the alleged profits from our Hydro sales came into Manitoba, we are going to have to repay — not reborrow and refinance, not \$353 million of debt, as it was in 1984 — but we now, with this year's Budget, have to refinance \$420 million. Now my honourable friends over there have this funny look on their face, about where's this guy getting these numbers from? I'm getting them from socialist Finance Minister's Budgets.

I want to point out just one more thing before I drop this issue. Here is probably one of the more reputable Budgets, the 1981 Budget Address, Province of Manitoba, and I want honourable friends to get a copy of the 1981 Budget Address, go to the exact same chart which I have described in the last two Budgets, 1986 and 1984, and find out what has happened to the Province of Manitoba and its financial picture under five years of socialism under the Premier of Manitoba and his lack of leadership. You will find, Sir, that it is truly shocking and I will give you some cumulative figures, Mr. Deputy Speaker.

In the Budget tabled last week by the Minister of Finance the accumulated amount of money — and I once again want to read to my honourable friends — this is the amount of money that the Province of Manitoba will have to borrow for the purpose of repaying direct and guaranteed debt. In 1990 to 1994, in this Minister's Budget tabled last week, that five-year period says we are going to have to refinance \$1.992 billion of borrowing. What was that figure in 1981? — and I want honourable members to refer to the 1981 Budget — it was \$598 million and that's all. There is a 333 percent increase in the amount of refinancing that has taken place in five short years of socialism in the Province of Manitoba, and I ask you gentlemen and ladies in the government, is that not alarming to you, in five years to triple the amount of money that this province has to borrow to refinance past expenditures?

If you want to take another statistic, the cumulative figure of 1995 to 1999 in this Minister of Finance's recent Budget, indicates we refinance \$938 million over that five-year period. In the 1981 Budget, that figure required was only \$310 million, a 302 percent increase in the amount of borrowing that we have to undertake in the Province of Manitoba for the five-year period, 1995 to 1999. Now that, Sir, is a shocking state of affairs for the Province of Manitoba and the people of Manitoba to have to bear. It is given to us, compliment solely and exclusively by the NDP over the last five years, because the 1981 Budget had \$598 million of refinancing for a five-year period, their's is almost \$2 billion.

Now what is the danger here? I want to tell my honourable friends opposite what the danger is. The danger is your offshore currencies. You are borrowing in foreign markets and you are going to repay in foreign markets, and if you think that isn't dangerous, ask the citizens of Mexico what they think about foreign borrowings.

Monday, 2 June, 1986

At this time 11 short years ago, in Mexico as a sovereign nation, the peso was convertible to the Canadian dollar at the rate of 11 pesos per Canadian dollars, just 11 short years ago. Do you know what it was in January of this year? — 130 is the bid — shall we go higher, gentlemen and ladies? Do you know what it was in Mexico 11 years after it was 11 pesos to the dollar? It was 330 pesos to the dollar.

Now you ask yourself how you're going to have to print money by the wheelbarrow full to pay off New York and Zurich and Tokyo, then we've got a crisis. And, in case my honourable friends don't understand the implication of that devaluation of the Mexican currency, do you know what the short-term interest rate for a nine-month deposit in a Mexican bank was in January of this year? Do you know what the interest rate to the depositor was? It was 74 percent. You put in 1,000 pesos today, nine months from now you get \$1,740 pesos. That's what you get as a lender, as a depositor. Imagine what the interest rates of the business community, the farming community, the tourist community is in Mexico. It would be in the neighbourhood of 100 percent per year, and this is what these people are taking us to, and refer yourselves to the 1981 Budget and you'll see it in black and white. Compare 1981 to 1986 and you're finding that we have to refinance multiples of three and four times, simply to repay our debt. Mr. Deputy Speaker, that is shocking. (Madam Speaker in the Chair.)

I want to ask my honourable friends how they expect to maintain social benefits in the Province of Manitoba, given that kind of demand on the Provincial Treasury, simply to repay debt.

Madam Speaker, I notice my light is on. Have I got several minutes left?

**MADAM SPEAKER:** Yes, the honourable member has 10 minutes remaining and I don't know why your light is on.

**MR. D. ORCHARD:** Oh, super, it's not flashing, that's right, Madam Speaker, I'm sorry. This allows me to go into one other area that I wanted to deal with in the Budget.

Given that my honourable friends will go home and read these Budget documents from 1981 to 1986 and get the comparison, so that you can see for yourself what your socialism is doing to the future of our children and our province. Read it and see and I know you will read it and weep like I have.

But, Madam Speaker, the Minister of Finance, in his first Budget, did — and I know I'm going to tread on the verge of parliamentary indiscretion — but he did not tell the truth and nothing but the truth in his Budget, Madam Speaker. In fact he understated considerably the amount of this year's Budget that will be needed for debt servicing in the Province of Manitoba. He stated in his Budget that it would be 8.3 percent of total expenditures. That simply is not factual, Madam Speaker. That simply is not factual.

I want to point my honourable friends in the House, once again, to Page A8. In Page A8, if you go three lines down from the "Purpose of Debt, General Government Programs, Other," you will find a line called "Manitoba Properties Incorporated," in which this

government has borrowed \$399,143,000 and they have borrowed it through the backdoor, taking advantage of the kind of tax scams that they criticize institutional investors and the wealthy of this province for doing. They took advantage of a tax scam. They borrowed through the backdoor, \$399 million, and how did they do it, Madam Speaker? Well, you know how they did it because you were part of the government that did it. They did exactly what the Minister of Finance, on Page 31 said, and I have to read this quote back to him because it is so inconsistent. It is so bizarre.

On Page 31, the Minister of Finance says, "As at March 31, 1986, our total direct and guaranteed debt stood at \$7.3 billion net of sinking fund." Now that's not exactly an honest presentation because current evaluation has it at \$8.4 billion, but we'll let him get away with that little indiscretion. We could reduce it substantially if we sold some of the assets, the investment financed by that debt helped secure. Now who would you think is saying that? It wouldn't be a socialist Minister of Finance; but it was this Minister of Finance.

He said, "For example, more than half our direct and guaranteed debt is related to Manitoba Hydro and the Manitoba Telephone System. These could be sold and the debt reduced, but would we be better off," says the Minister of Finance, pointing a poignant question at the people of Manitoba. "Would a family be better off by selling its home to pay its mortgage?" And this is a Minister of Finance that was part of a government that did exactly that. They sold \$400 million of government homes to institutional investors across this nation. They sold the house and they borrowed the money and now we're paying rental payments instead of interest.

Madam Speaker, what is shocking, in terms of the Minister's understatement of the debt servicing charge, is his convenient exclusion of the rental payments to Manitoba Properties Incorporated, because you know you don't take out \$400 million of preferred shares to institutional investors without paying them interest, and they skillfully call it rental payments. The rental payments on those \$400 million of preferred share raisings that this Minister of Finance and his predecessor attracted to the province are costing us \$58,962,000 for rental payments.

Now, Sir, first of all, the numbers are a little funny. If the Minister says that the \$58,962,000 is cheap interest, why does it figure out to over 12 percent on the \$400 million they borrowed? That's a question he's going to have to answer when we get into Interim Supply.

Secondly, why isn't it included in the calculation of the amount of monies that we expend for debt servicing in the Province of Manitoba? I suggest the Minister of Finance does not want that to be part and parcel of those figures because it shows what a disastrous state of affairs the provincial finances are indeed in, compliments of the tutorship of five years of socialism under the weak-kneed leadership of this Premier that doesn't even have the ability to govern the Province of Manitoba.

Madam Speaker, that \$400 million of sold buildings didn't even pay off three-quarters of the debt of one year's profligate spending by the socialists. No. We sold \$400 million worth of buildings and we didn't even pay off one year's deficit. No. So the Minister's

Monday, 2 June, 1986

statement rings hollow when he asked the rhetorical question, would we be better off if we sold the assets to pay the debt. Because they've done it, they've still got the debt, they haven't got the assets, they're paying exorbitant rent, and it's costing the people of Manitoba and it's costing the disadvantaged, the needy, the health care system, the education system needed dollars, because that's where \$59 million could have went that went to pay preferred shareholders in Manitoba Properties Incorporated.

Now, Madam Speaker, if there is no more problem that we have to deal with in the Province of Manitoba than our deficit, I don't know what it is; and if there's no better time for a government to do it, it should be in their first term. After all, this Minister says that we are now approaching good times in Manitoba. Good times means that you can reduce the deficit, that the economy should be growing and producing the revenues to allow you to bring the deficit down, but that isn't the case with this group over here. We are getting deeper and deeper in debt.

Madam Speaker, this Budget document is a document of extreme cowardice. It is not a Budget document of a party newly elected, ready to make tough decisions as we've heard this First Minister say. This is a government of sheep, sheep who follow and bleat and bleat at the Federal Government for all the problems that they have created for themselves in the Province of Manitoba.

This is a party without leadership. It has been for the first four-year mandate; it will continue to be a party without leadership. This is a party that is hooked on credit. This is a party of credit junkies. These are the credit junkies of Canada.

Madam Speaker, instead of a government with leadership, a government with a command of the issues, a government with solutions for the future, we simply have a credit card Cabinet. Spend today and pay tomorrow. I submit to you that since we will spend the rest of our lives in the future, should it not be incumbent on us to spend some time today thinking and planning about that future for ourselves, for our children and for our grandchildren?

Thank you, Madam Speaker.

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

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

I wanted to congratulate the Finance Minister for a good Budget, skillful Budget and an honest Budget. I want to express confidence in his abilities and hope that he remains in that position for some time to come.

I wanted to take the first few minutes of the address to talk about a subject that I discussed in the address to the Speech from the Throne, that of member services.

As members of this Assembly, our primary obligation is to represent the interests of our constituents. The present \$2,500 that we're allowed is inadequate, and I think those of you who have sat in the Legislature in the past and have had to deal with this \$2,500, most of you will agree with me that it doesn't take you too far.

In order to serve our constituents in an adequate way, we need an office, we need supplies, we need

secretarial assistance, as well as the existing mailing and telephone services. With an office we could do several things. We could meet our constituents on an individual basis; we could meet with different groups in the constituencies; we could disseminate information about government programs and services — and that goes for the members opposite as well; we could increase direct contact with our constituents, which brings them closer to participating in decisions that have an impact on their lives. After all, we are a servant of them; they sent us here. All this would help us do our jobs better in a more professional way and reflect the need for full-time MLA's.

By way of a comparison, what I and others are calling for is by no means unique in Canada. Manitoba in fact is among the poorest in terms of constituency services now available. For example, in Saskatchewan, our neighbour next door, each MLA is allowed \$829 per month for a constituency office rent and \$916 per month for a constituency secretary.

In Alberta, the MLA's are each allowed \$14,700 per year for rent and staff; in B.C., \$25,000 per year for staff and an office, including office supplies; in Ontario, the MPP's are given \$12,230 for office rental and each member has a global staff allowance of \$87,487 for Queen's Park and constituency office staff. The last province, in Quebec, \$74,700 for each MNA, of which \$25,000 must be used for the Legislative office, \$13,500 for the office in the constituency. Therefore, it's fairly clear that there's ample precedence for members receiving allowances designed to meet their constituency needs.

I would like to see all members of this House take action toward enhancing the services available to members. There are several ways that we go about achieving this.

One is that we can refer it to the Legislative Assembly Management Commission and let them deal with it, and there are representatives from each party on that commission; or, No. 2, we could have an all-party agreement to a resolution outlining enhanced services. This is a non-partisan issue as it involves enhancing the services for all members, this side and the other side.

I propose that members give serious consideration during this Session, not next Session, this Session, to a proposal that would include the following:

(1) Provision for a constituency office rent and supplies; (2) a full-time secretary per office — that includes one for the Member for Morris as well — increasing the present \$500 per member caucus allocation to \$1,000, retaining the present \$2,500 constituency allowance to pay for mailings, etc. Now I think that this proposal will go a long way to helping us be more effective.

For those, you know, who suggest that, if you get some of these services, you get an office, you get a staff, that somehow that is going to help the incumbents and going to keep you in there forever, I would ask you to think of the 1984 federal election and ask John Turner, whose members had services and it didn't stop the P.C.'s from picking up — what? — 208 seats. It didn't stop the Ontario Government from changing hands, nor the Quebec Government nor the Saskatchewan Government.

So these services are not something that are going to be the be-all and the end-all, but they are going to

help you in your role as an MLA. At least, more people will know who you are and they'll know where to find you.

I wanted to apologize to the Opposition for suggesting that there is division in their ranks, because you'll recall last speech I suggested that the Leader of the Opposition had placed all the potential leadership contenders in the front row where he could keep an eye on them. I wanted to apologize now to anyone I may have left out in the second row and, in fact, in the back bench. This was an oversight, and I apologize for it.

I sat and listened with great interest to two, maybe more, of the speeches, in particular given by the ordinary members opposite, the Member for Tuxedo, the Member for Morris, not to mention Jake's address the other day too from the gallery. I'm glad that the Member for Morris is here. I want to ask the Member for Morris, would he and his party advocate toll roads in order to reduce the deficit? What about selling the Manitoba Public Insurance Corporation or the . . .

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

**MR. C. MANNES:** Madam Speaker, I heard the member ask me a question. Would you gain consent for me to answer that?

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

**MR. J. MALOWAY:** The members opposite would cut. You know, what would they cut? They talk about balancing the Budget. They talk about cutting the deficit. You've got to do something. You've got to cut something, or you have got to sell something. I am mindful around the world and across Canada of Conservatives, and they're all sort of similar across the world.

In England, there is talk of privatizing the airports. Margaret Thatcher wants to sell the airports. You've got Hydro. We could sell the Hydro plants. Sterling Lyon, when he was in government, was prepared to give away a piece of a Hydro plant to get the Alcan aluminum smelter here.

**MR. H. ENNS:** On a point of order, Madam Speaker.

**MADAM SPEAKER:** The Honourable Member for Lakeside on a point of order.

**MR. H. ENNS:** Madam Speaker, I believe it is a point of order when facts that are patently false are allowed to be put on the public record. It is not accurate for any member of this Chamber to put on the record that the previous administration, headed by Sterling Lyon, was prepared to give away any or a part of Manitoba Hydro.

**MADAM SPEAKER:** Order please.

The honourable member does not have a point of order. A dispute over the facts is not a point of order.  
The Honourable Member for Elmwood.

**MR. J. MALOWAY:** At this point, the most that any of the members opposite have suggested that we cut have

been, well a simple feeble response to cuts, \$50,000 here, \$50,000 there, nothing substantial. I would like to know just where they're going to go.

One of the members previously mentioned that the federal P.C.'s had sold de Havilland. Okay, now that's an example of privatization; that's an example of a government divesting itself of certain things — (Interjection) — that's right. But I want to hear what they plan to do. What about the schools? What about the universities? Do they want to sell those? There is a member over there who owns a college right now. Maybe he'd be interested in buying one or two of the universities.

**A MEMBER:** The Golden Boy.

**MR. J. MALOWAY:** Sure. That's right, the Golden Boy. The Post Office, you know, there is talk of selling the Post Office, and I'm sure that there are people, members opposite who would like to do just that.

You know, again the Legislative Building, this is a very prime piece of real estate. The real estate markets are ascending right now. Why don't we sell it and become tenants here?

The point is, I think that people have difficulty trusting the P.C.'s because, when they're running for election, they say one thing but, when they get in government, all of a sudden there is a move to privatize this and privatize that. These things are done after they get in, and people have forgotten, I suppose, what they've talked about during an election campaign.

When I try to get a handle on where they're coming from, I recall the statements of their leader, borrowing a page from Mulroney's campaign book when he was calling for jobs, jobs, jobs. The current leader here, he went through the province, saying spend, spend, spend — what was it? — 700 million, 800 million. Does anybody really know how much they were proposing to spend? Which is it? Does the Member for Morris speak for the party or does the Member for Tuxedo speak for the party or perhaps there are others?

Now the Member for Niakwa, he makes a statement that you can have it both ways, I suppose because he's in Opposition. The fact of the matter is that you can't, and that is the ultimate in irresponsibility to suggest that you can have it both ways. But you know, maybe he is their secret weapon, because he had a very conciliatory tone to him, gave me anyway a false sense of security, and I ended up cutting out most of my hard-hitting stuff out of the speech as a result of it. I liked what he had to say. He had a balanced and reasoned approach.

Madam Speaker, clearly what we're witnessing is Round Two of the leadership race. It's the Member for Tuxedo's neo-conservatism or, I call it, born-again conservatism, because that's what he is, versus the Member for Tuxedo's.(sic) I don't know what to call his. Perhaps he's a red Tory, I'm not certain. The traditional Tory post-election leadership battle is on, and we look forward to its results. But in the meantime, the people are denied a credible Opposition.

Now let's deal with the deficit, because this is all we've heard now for the last week. You know, members opposite would have people believe that the government is unconcerned about the deficit. I don't like the deficit

any more than anybody else. It is just not true that we are unconcerned about it. Rather than mindless diatribes about the deficits, we've outlined through the Minister's first Budget a reasoned approach to the social and economic realities of the day. Despite our deficit, we have one of the lowest debt charges on a per capita basis. Our public debt charges are \$100 per capita lower than the national average.

The Member for Morris referred to reserves. He said, you know, when you give a socialist a reserve, they want to go out and spend it. Any time they get their hands on a reserve, it's just gone. Well, I remember him clearly pointing out that he had a big stake in the Conservative campaign strategies that were worked out in this past campaign, and I remember a reserve that was talked about in there, the MPIC's reserve, where they wanted to rebate \$20 million of that \$70 million reserve back to the motorists, and so much for the sanctity of reserves over there. They wanted to get rid of it, it's this side who held back on that. Lest you think I'm picking overly on the Member for Morris — he's a nice guy, I looked at the leadership tapes, the tapes of the convention a few weeks ago, and had I been a delegate there, I would have voted for him myself, he's a likeable guy. — (Interjection) — We recognize the need for a Jobs Fund. Apparently, the Conservatives do also because they voted for it and now they only quibble over the amount. One of the members opposite last week is recommending a \$40 million cut in the Jobs Fund; another one wants to eliminate it completely.

**A MEMBER:** Where's the leader?

**MR. J. MALOWAY:** The leader, oh yes, okay. When the members opposite replied to the Budget, rather than propose alternatives, they launched into a litany of figures put forth, not by their research efforts, but from the Canadian Federation of Independent Business. Now, for the members' edification, we should remember that the Canadian Federation of Independent Business spokesperson for Manitoba stated in the 1986 Federal Budget, just a few months ago, that it didn't go far enough in cutting programs. We must remember the Federal Budget's most onerous consequence was that it shifted taxation from a balance between private and corporate taxation to an increase in private taxation and a reduction in corporate taxes. It's the Canadian Federation of Independent Business that the P.C.'s are willing to quote in their speeches; it's the Canadian Federation of Independent Business that the P.C.'s represent, not the interest of most Manitobans.

I wanted to . . .

**MR. J. McCRAE:** Madam Speaker, on a point of order.

**MADAM SPEAKER:** The Honourable Member for Brandon West on a point of order.

**MR. J. McCRAE:** Madam Speaker, I believe the honourable member has made reference, I'm sure it was unintentional, but to the way honourable members on this side of the House represent our constituents by making the statement that we represent the Canadian Federation of Independent Business, and I

believe if Your Honour looks in Beausheerne, you'll find that it's unparliamentary to refer to the manner in which a member represents his constituents.

**MADAM SPEAKER:** I'll take that under advisement. I can't finger the reference right off the top.

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

If the trend toward reducing corporate taxes continues at the federal level, then the federal P.C.'s will have by 1990, they will increase taxes paid by individuals by \$8.9 billion, and they will have reduced taxes paid by corporations by \$4.1 billion. The federal P.C. tax policies favour those that are income from investments, as against those who earn wage income. In other words, the coupon clippers versus the people who work nine-to-five. A buck is a buck whether you get it from investment or whether you get it in a nine-to-five job, it should be taxed in much the same way. This is easy income that a lot of these people are getting when it comes to investment income.

For example, a wage income of \$30,000 pays \$1,368 more taxes, over the last two Conservative Budgets. An investment income of \$50,000 pays \$909 more in taxes. This is a reduction of 82.3 percent over the last two Conservative Budgets. These coupon clippers, they're primarily in Florida and points outside of Manitoba, particularly in the winter time. I don't believe many people in the Opposition are rich enough to survive totally on clipping coupons; they're here and those guys are letting these guys speak for them. I don't see where they are that well off that they are going to really gain by something like this.

We chose not to raise personal income taxes, sales taxes and small business and farm taxes. Instead, we raised the corporation taxes because they can afford to pay them; the banks — and no one can tell me that the banks can't afford to pay a little more in taxes. This is a fairer tax policy. You look at the Conservative philosophy on an international basis and you look at Reagan's approach and Thatcher's approach, and it's a game. It's sort of trickle-down economics; it's make life easier for the people who have got lots of money, the big corporations, and put the tax burden on the people who are least able to pay.

I wanted to deal for a moment with the conflict-of-interest issue which has been talked about quite a bit in the last couple of weeks and we'll be hearing a lot more about it. I wanted to be on record as supporting the disclosure of assets and liabilities, a complete disclosure. If you just disclose the assets and you don't disclose the liabilities, then you're certainly not providing anywhere near the whole story. I'm mindful of a cartoon the other day in the Sun which calls on members to assume the position. Get ready, it's not long in coming.

The P.C.'s have historically been against disclosure and they've always been dragged along on issues like this. It's the nature of P.C.'s to resist change. Remember the dinosaurs? They didn't change, and look what happened to them. I'm not suggesting that the P.C.'s will disappear. We're not going to come in here to question period one day and find them not here. It would be nice but it's unlikely.

I wanted to deal with activism and financial services, the whole financial services sector. We must have an

activist approach when it comes to issues such as financial services. There is a trend in Canada now, aided and abetted, of course, by the Federal Government to one-stop shopping centres for financial services. Under that type of system you're going to have a situation where the banks are going to own insurance companies; the insurance companies will own security firms; and security firms will own banks and you'll be able to walk into your Royal Bank and buy insurance and securities and real estate and travel, the whole works from one centre.

Lest you think that is something that is inevitable and it's going to build its way into the economy and won't be felt by small business, I suggest you think again. Small insurance agents and other business people trying to make a go of it right now are going to have an awfully hard time — the Member for Riel knows what I'm talking about — competing against the Trilon Corporation which is a big financial conglomerate which will sell you your insurance, will sell you your mortgage, will sell you everything you want. People are going to be sucked into this whole one-stop shopping centre concept. In the area of insurance, just about every day we read about another small business, community club, clinic or other organization that's paying very high liability insurance premiums, or some of them cannot get coverage at all. I give the members opposite credit, there's been a couple of them over there who have shown some interest in this area, have gotten up and asked a couple of questions and they're substantially on the right track, except they don't go far enough. They want the government to provide help, but they don't want the government to be overly involved in the area itself.

Just a word about why this liability situation developed the way it has. It's developed because insurance companies have been underpricing their product for the last five, six, seven years, particularly to the big corporate clients. There was a point three or four years ago where big insurance companies were practically buying business, they were doing what was called cash-flow underwriting. They were attempting to make money on the high interest rates that were prevalent at the time and not really looking ahead to the time when these claims would have to be paid.

Another part of the problem, of course, is that the big losses in liability are really outside of Manitoba. I can't think of any big losses in Manitoba. They have been things like the Bhopal Plant in India; the citrus fruit crops, Air India, the Space Shuttle, the Ariane Rocket that just went down, and all these things are paid for out of the international reinsurance market. So, in fact, we in Manitoba are helping to pay for that.

Now, what have some people done in response to that? What have the doctors done? They have set up their own plan and other professionals have done the same. I have suggested that there are several ways that we can deal with this but I think we have to take a leading role. If we wait for a year, the problem will solve itself. Sure, these companies will recoup their losses; they will have made a healthy profit and people will say, well, there's no more problem. But the people are suffering right now; the businesses are suffering and we should do something now.

One of the proposals that has been discussed — and in the United States there are a few jurisdictions

that do this — and that is, put limits on liability claims. I think California is one example and I believe there may be others.

Insurance co-ops and pools. The Public Insurance Corporation should take the lead and try to get the other private companies on-board to provide some kind of a pool in the Manitoba market; and if they won't do it, if they can't effect any kind of action, then perhaps the MPIC should simply establish a liability insurance monopoly, similar to Autopac 15 years ago, basically putting a wall around Manitoba and the liability would be available through the Manitoba Public Insurance Corporation. Basically it's a form of self-insurance. It's similar to what the doctors are doing and again, the other professionals.

Madam Speaker, what is my time?

**MADAM SPEAKER:** The honourable member has 14 minutes remaining.

**MR. J. MALOWAY:** To the Member for Springfield, 14 minutes, I've got lots of time.

I wanted to deal for a few minutes about the whole area, again, of the life insurance, the pension management, and the accident and sickness business.

You know, the accident and sickness business has been around for a long, long time. We did a study back around 1977, certainly complete before that, a very comprehensive study on the accident and sickness situation in Australia or New Zealand. That program, or a comprehensive program, should be implemented on a competitive basis by the Manitoba Public Insurance Corporation.

The pension management field and the life insurance field, both of these things should be entered into by the Manitoba Public Insurance Corporation, again, on a competitive basis. I am not suggesting a monopoly here at all. It will create jobs in Manitoba and it will lessen the possibility of people slipping through the cracks, because that's what you have right now in the whole area. You have a piecemeal system where, if a person doesn't buy a certain type of insurance, they are not covered. We have to have more comprehensive plans developed and the MPIC could certainly do this and sell it on the market.

This whole plan would not only afford Manitobans an innovative and a good quality of insurance, but it would also provide a source of revenue to the government. The government has to become more interventionist if it is to develop revenue and that to pay for the social programs that we are involved in.

I think that the government has to become interventionist. I think it has to be an activist government. It has to be involved, again, in a whole range of financial services and that could include things such as treasury branches, which we passed the legislation for back in 1977 and have yet to proclaim it, or a near-bank, or a banking-like structure. A structure like this would sell RRSPs, would sell investments, and sell a whole range of financial services.

The Bank of British Columbia has been operating for years and it has provided innovative financial services, jobs, and stability, and we need more of these institutions in Western Canada.

It's true that regional banks or a Manitoba type of banking institution would favour the small guys against

the big guys but, you know, after all, that's what this economy is all about. This is an economy composed of small business people. It is not an economy of huge companies. Such activism makes social and economic sense because it puts the needs of consumers first. As well, activism in the financial services' sector generates needed revenue.

The longer we are non-active and non-interventionist, the worse it will be. One of the members talked about the brick wall that we are heading towards; and he's talking about the deficit. — (Interjection) — That's right, social programs without financial programs are irresponsible. We need the financial programs to help fund the social programs.

I wanted to wrap up and make a comment on deregulation. This is supposed to be the great new wave, the great new world of conservative thought here, deregulate industries and you are going to have terrific competition. — (Interjection) — Yes, progressive, the Member for Morris says.

But what happens when you deregulate, such as you have done in the United States with the airlines? — (Interjection) — Well, the Member for Springfield talks about helping the consumer. Inevitably, what happens is these private companies start cutting corners and you have planes falling out of the sky.

The trucking industry, there is talk of deregulating the trucking industry. What do you think is going to happen to Manitoba with eight of the largest trucking companies in Canada headquartered here; what do you think is going to happen to them if you open up the Manitoba trucking business to foreign competition? You've got huge American carriers who are going to come in here and wipe some of these companies right out. I mean you have to think about deregulation before you just accept it holus-bolus because of some philosophical argument and just because it fits in well with Conservative dogma, that it must be a good idea.

Madam Speaker, I want to thank the members opposite for being attentive once again. Thank you very much.

**MADAM SPEAKER:** The Honourable Member for Roblin-Russell.

**MR. L. DERKACH:** Thank you, Madam Speaker.

I am pleased to be able to rise today for the first time in addressing the Budget Debate.

The Budget Address, Madam Speaker, sets the tone for the province for the coming year. Through it, the Government of the Day displays how effectively it has done its job since the former Budget, and also spells out the economic approach which will be taken over the immediate future. In his address, the Minister of Finance stated two major objectives of the Budget.

First of all, to sustain economic development and provide jobs, economic security, and increased opportunities for women and men throughout the province.

Secondly, to ensure access for all to improved vital services, health care, education, and training for young men and women, quality child care for working and especially single parents, and important income and program supports for seniors and others requiring these services.

In these two major objectives, Madam Speaker, the Minister also stated that the economic farm crisis was the most pressing concern to the government.

Upon hearing these main areas, Madam Speaker, to be addressed by the government, my first reaction was that yes, the stated objectives did, in fact, cover the broad economic needs and concerns of the province. However, in the two major objectives, there was no mention if the government was prepared to address the enormous deficit that Manitobans were facing.

As the specifics of the Budget were unveiled by the Minister of Finance it became clear that, once again, Manitobans would be let down because there was no substance, only empty promises.

As I listened to the Minister present his Budget, I tried to find the positive elements that might be applicable to the residents of my constituency; and just like the rest of Manitoba the people within the constituency of Roblin-Russell could not expect anything except perhaps some indirect taxes that would be levied upon them.

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

In his objectives, the Minister indicated that the agricultural crisis of farm families would be the most priority for the government. A 21 percent increase in the Budget for the farm sector, that the Minister announced, was welcome indeed at first sight. However, the impact was quickly lost because there was again the lack of specifics and the immediate relief for farmers in Manitoba. The Farm Aid Program would no doubt assist those farmers who are in desperate circumstances.

The Farm Start Program would help young Manitobans wishing to begin farming to borrow money and to get started in farming. But where would these farmers be in the next two or three years, because there are no programs to help them after they have acquired this money? Then in a couple of years, they'll be back in the same position that many of our farmers are in today.

But then what about the vast number of farmers who are not in those two categories? How are they going to be looked after by this government? Mr. Deputy Speaker, they are not going to be looked after in any meaningful way through any meaningful programs.

Surely, the vast number of bankruptcies by the many farmers in this province should have shocked the government into reality in realizing that some immediate attention is required for the farming community.

In my constituency, farmers know the positive effects of the programs that have been developed in Saskatchewan and Alberta, especially in Saskatchewan because of the fact that we live so close to the border.

Ask the machinery dealers along the border towns of Manitoba where their business is? They will tell you that their business is in Saskatchewan; it is not in Manitoba, because Saskatchewan has a plan for their farmers and they have implemented their plan. Manitoba farmers don't have anything from their government right at the present time and nothing is to be expected according to the Budget.

Prior to the Budget, many of the farmers in my constituency eagerly asked the question whether or not this Minister of Agriculture was anticipating in implementing a program of low interest per acre loans for farmers as was the case in Saskatchewan. However,

as we saw from the Budget, that didn't happen. This isn't a handout, Mr. Deputy Speaker, that farmers in Manitoba are asking for. It is simply a low interest rate loan to help them out in times when the economy is bad, when the economy is against them, when commodity prices are low and especially in a time when they are planting their crops and operating funds are required. Even if they are going to spend this money on buying machinery that is worn out, that money is going to go back into the economy and it is not only going to help the farmers, it is going to help the people who are in business throughout the province. I can't understand why this Minister could not see that by implementing a program like this, he was not only helping out the farmers, but he was helping out all Manitobans.

Instead of standing in the House, Mr. Deputy Speaker, and pointing fingers at the Federal Government, I suggest that the Minister of Agriculture look at the inadequacies of his own department, instead of attempting and failing miserably at reinventing the wheel, let the Minister look at the programs of neighbouring provinces.

On many occasions, the Minister of Agriculture has made reference to the importance of a small family farm. Does he really know what a small family farm is? If he did, would he really be implementing some of the programs that he has implemented over the last few years? I only make reference to a couple of examples. One of those examples is the reduction of the number of laying hens a small family farm can have on their premises.

At first, any family farm could have up to 500 hens on their premises. Now, the Minister of Agriculture said, "There is a great overproduction of eggs," and now we have to cut down the egg production. So what did he cut down? He cut down the small family farm to 99 hens. Now, that was going to have a big impact on the number of eggs that was going to be reduced to the province. He said, "But any farmer can apply for a permit." And they were anticipating some 2,000 or 3,000 applications. But when the end result came, there were only something in excess of 300 applications, and this is where all the surplus was coming from. Well, upon further investigation I think the Minister did find out where that surplus was coming from, but he hasn't got the courage to address it. How is this going to help the survival of the family farm? He keeps talking about the family farm. Now how is this going to help them?

The second issue and the second example, goes to the broiler hens that the small family farms could keep. Now, when the marketing boards were established it was a known fact, or a statute, that farmers were not going to be affected, small farmers were not going to be affected by the marketing boards. Well, all of a sudden we had, farmers couldn't produce any more broiler hens. Oh, they could up to 1,000, but they could only process 200 in a killing plant. But what are they going to do with the rest? So it's just in a roundabout way of again affecting the family farm. Affecting them positively? — absolutely not, Mr. Deputy Speaker. It's just another obvious way that indicates this Minister of Finance is not really interested in the small family farm, although he stands up and makes a lot of rhetoric about the importance of small family farms. He hasn't done anything to protect the small family farm.

What about the beef plan, Mr. Deputy Speaker? We have a beef plan that was introduced to the Province of Manitoba, and by and large, many of the farmers in Manitoba are quite satisfied with what has happened with the beef plan because it has injected some money into their pockets. However, only a portion of the farmers were affected by it, positively, because then there were those farmers who had some beef cattle on their farms that bought them at the auction marts or whatever or from other farmers, they finished them through the winter and then they were able to sell them in the spring; but now these farmers were going to be excluded from the beef plan, and to date, this Minister of Agriculture has not found a way to implement a program to help these farmers. They are excluded.

What has happened to the feed lots in Manitoba? What has happened to those family feed lots in Manitoba? They are closed today. And where are the cattle going, Mr. Deputy Speaker? They are going out of the province. So what's happening to our slaughter houses? They are laying off people, and that is how this Minister of Agriculture is helping the farmers in Manitoba and helping the people of Manitoba. It's a funny way of helping them, Mr. Deputy Speaker.

Then there was the mention of the CRISP Program and one that was going to have a major positive effect on farm families. Now, again it was introduced by the Lyon Government, as had been stated before, and here we have an NDP Government coming by later, four years later, or eight years later, or whatever, and saying, oh, we're going to take this plan now. But at that point in time, it was introduced at \$200,000.00. Today, that \$200,000 should be increased to something like \$600,000, because the gross values are a lot different; then you would help some families and not by introducing a meaningless program like this.

So, Mr. Deputy Speaker, the Budget does not provide meaningful assurance to Manitoba farmers in any way, shape or form. Manitoba farmers are in desperate shape and for some reason the government cannot see fit to help them out in a time of great need.

What about business development, Mr. Deputy Speaker? The Minister announced \$10 million available to small business. At that point in time, there was a cheering section because the Minister responsible for Business Development jumped up and applauded this great innovative program. Well, small businesses in Manitoba are important in the fact that they do create jobs, and the Minister of Finance realizes by his statement that private businesses in Manitoba must receive incentives to provide jobs and to provide employment for people in Manitoba.

Now during the election campaign, my leader announced, that because the payroll tax was so negative and had such a terrible effect on businesses and on the people who were hired by the businesses, that we were going to eliminate that particular payroll tax when we formed government. Now this would have been a positive incentive because it would have provided employers to hire potential people who were waiting for jobs. Now we have a Minister who comes in and says, "I'll give them \$10 million to start hiring people, but I'm also going to charge them 1.5 percent payroll tax and I'm going to take it away on the other hand." The Minister responsible for Business Development had the urge to stand up and clap because this was going

Monday, 2 June, 1986

to be a great program. If they were really interested in helping the business community, why didn't they take off that payroll tax? I know they'll take it off if they were in government long enough, which they're not going to be, but it will take them four years to realize the positive effects of this.

The payroll tax, Mr. Deputy Speaker, does not only affect businesses in Manitoba, it also affects the farmers. Take that off, and farmers are also going to hire people and create employment in this province.

I am sure that the members on the opposite side of the House were approached, just as we were, about the negative effects of the payroll tax. It isn't that the idea just simply came out of our heads. It was an idea that was talked about by many of the businesspeople, and they were impressing upon us, as well as upon the members of the opposite side of the House, that this was a very negative thing and had to be taken away. But to date, the Minister of Finance does not see it as a priority.

We talk about tourism, Mr. Deputy Speaker. Here again, I have a keen interest, because I live in an area and I represent an area which has an abundance of tourist-potential resources. The Minister announced a 12 percent increase in the tourist expenditures to attract more visitors to share the riches of our province. Tourism should and can be a tremendous asset to this province. Within my constituency, the tourist resources, as I said, are most plentiful. In addition, we have major highways which criss-cross in my constituency.

However, as I indicated in my reply to the Throne Speech, the lack of development of these resources is embarrassing. The unwillingness of this government to allow even private enterprise to develop the area is an attitude which does not promote the objectives that were set down by the Minister of Finance. The hassles that individuals have to go through to get such services as hydro, telephone, a road are just unbelievable.

Let me cite an example of some cottage owners who have been trying to get hydro for about eight years into their area. They have been given prices varying from something like \$4,000 or \$5,000, and the most recent ones have been \$1,400 to get hydro into their area. Why? We have an abundance of hydro in Manitoba. But yet, no one sees fit to develop it and to bring it in where it is needed.

What about roads? I want to mention a little bit about the roads leading into some of the resort areas in my area. It got to the stage where finally some visitors to our area, as well as some sport fishermen, had to pool their resources, hire a grader to come and clear and maintain a road, because the Department of Natural Resources could not see fit to even maintain a major road into the resort area. Now this is what we're facing, and yet here we have a government or a Minister of Finance who's saying that this is going to be a very key area and we're going to spend some money here and we're going to attract all these tourists into our area. Well if this is an example, it's a mighty poor one.

Well, Mr. Deputy Speaker, I can assure the Minister of Business Development and Tourism that I do have a keen interest in where the additional monies will be channeled and what steps will be taken to live up to the commitment of attracting major visitors to share the riches of Manitoba and especially those in my community. So I will be watching as to the monies that

are going to be allocated and where they are going to be allocated.

I would like to shift to a different topic, Mr. Deputy Speaker, and that is education. The best investment we can make in our future is indeed through the field of education. Providing children with equal opportunities is a goal that we all must strive for. Unfortunately, to date, that is not taking place in this province. Many school divisions are finding it impossible to continue with the existing programs, because local taxpayers cannot afford that increased tax burden.

Recently, I posed a question to the Minister of Education with regard to the low-cost school divisions and the funding formulas in place. At present, many school divisions are finding themselves in a situation whereby the provincial funding formula is decreasing while their local levies are skyrocketing. The premise of basing current year funding on previous year's expenditures does not provide any incentive for school boards to operate their divisions in an efficient way. School divisions who were prudent in their spending last year found out late in March this year that this was the wrong approach. In effect, had they overspent and had they completely spent their budget, their revenue in fact could have increased. But because they were prudent and because they were efficient, they were forced to go back to their local taxpayers for extra money.

One school division, in particular, was told that in order to receive the maximum benefits, they would have to increase their programs or essentially their expenditures so as to become a high-spending division. Now, Mr. Deputy Speaker, I simply cannot understand that kind of an approach in a time when our deficit is half a billion dollars and in a time when we should be talking restraint and yet, in order to provide a proper education for children, divisions are being told, well, find some more programs, spend some more money and then, next year, you might get some more funding if the formula doesn't change. If this is, in fact, the attitude of the present Minister of Education, then the 5 percent increase in the education allowance is certainly not going to be enough to make up those shortfalls without even providing any additional monies to children in Manitoba.

So, Mr. Deputy Speaker, there is a need in education to address that funding formula, because right at the present time, about one-third of the school divisions are on the funding formula. The rest of the school divisions are on some other kind of funding formula and Heaven knows, even some of the school divisions don't know what funding formula they're on, and even some of the people in the department are finding it difficult to find the formula.

So, Mr. Deputy Speaker, I hope that the Minister of Education is going to also address the situation and find out what kind of funding formula is supposed to be in place, and address it so that divisions in this province can enjoy quality education and students in the province can enjoy an education which is equal to their counterparts throughout the country.

When we talk about highways, Mr. Deputy Speaker, we are talking about rural Manitoba. Here is where we can see an actual decrease in allocated funding. Provincial roads across Manitoba are becoming desperate situations. I wish that the Minister of

Highways would take a trip outside his constituency to other parts of the province and see what kind of condition provincial roads are in. Perhaps then, he would decide that there should be an increase in the funding for highways, rather than a decrease. He said the decrease was because they were going to take that money and put it into farming. Well that is absurd! That is the most absurd statement I have heard in a long time.

(Madam Speaker in the Chair.)

Even though people using public highways in Manitoba will pay something like \$3 million more in licence fees, etc., the amount of money allocated to roads will decrease by some \$12 million. Yet, this is done at a time when the provincial road network in Manitoba is in deplorable state.

Tax changes are essential from time to time to adjust for the increased expenditures. The Minister of Finance announced very effectively no increase in personal income tax, sales tax, tax on small businesses and farms. However, the taxes that he did announce, tax increases on such things as corporate capital tax, tax on banks and large corporate income tax, will all eventually precipitate down and inevitably affect the personal income of people, the income to small businesses and the income to farmers, and thus affect the income of the wage earner or the employees of both corporation and individual entrepreneurs.

Those tax increases sometimes are necessary, as I said, but we can't keep increasing the taxes and increasing our spending and not show anything for it. That's what has been happening. What has this government shown for the amount of increases in taxes, for the increases in spending? What have they got to show for it? Well there isn't very much, Madam Speaker. As a matter of fact, is there anything?

We find that our road conditions are deteriorating, our education system is deteriorating, or is not keeping pace with what it should be, and yet our expenditures are going up and up and up.

Now where is this money going to? Is it going to the apple polishers that the government is hiring, and then is it caught in its first contract legislation where it can't lay them off and, therefore, it has to keep them on and they are of no value? Where is the rest of the money going to? Well, it's simply mismanagement, Madam Speaker, simply mismanagement.

There was one little glimmer of hope for the farm community, though, that I should have mentioned before, but I didn't. That was the farm fuel tax rebate. Now that is a little glimmer of hope for the farmers. However, what is the net effect of it going to be? First of all, it's long past due; we all know that. But is the red tape that is going to be involved in all of this that's going to take away the benefits and are farmers actually going to pay the same amount as they are paying for their fuels today?

I realize, Madam Speaker, that one cannot curb the deficit by offering more programs, more services, and keeping an overabundance of apple polishers or staff on the payroll. However, there is no apparent attempt to address the deficit of this province. Even though it's going to go up by half a million dollars, there is no long-term plan to reduce it or to address it.

When will this government take some sort of initiatives to address the deficit, which even members on the

opposite side of the House have indicated it can't continue? But who has the spine, who has the courage to address that? Obviously, from this last Budget, we found that this Minister of Finance did not have the courage or did not have the authority to do that.

In conclusion, Madam Speaker, this Budget did not reflect the issues and the concerns of Manitobans, and I'm talking about all Manitobans, not that phrase that is used on the other side of the House, "ordinary Manitobans." I talk about all Manitobans. One might call it a band-aid approach to a major wound. This Budget is a dismal failure at addressing the specifics, at addressing the major general objectives that were set out by the Minister himself.

So, Madam Speaker, I cannot support the Budget that was brought down by this Minister, and I will be supporting the amendment that is brought forth by my Leader. I thank you very kindly.

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

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

I agree with the Member for Roblin-Russell that education is the best long-term investment for the prosperity of any country or any province.

Madam Speaker, I'll come to that point about education some time in my speech, but I'd like to begin by saying that I'd like to speak about my limited understanding of economics, about political economy, the origin of property, and the consequent social inequality, the role of government, and also about the Budget, which is the subject matter of this speech on the Budget Debate.

The well-known playwright and dramatist, George Bernard Shaw, one time jokingly said that if you lay all the economists end-to-end, they will not come to any conclusion. I suppose the reason is because even if they are laid down end-to-end with their index finger pointing at the policy directions, their index fingers will be pointing at all directions.

Economics as a field of study and as a social science, the Member for Morris is correct, it is not a perfect science. No science is a perfect science. Economics has something to do with the human behaviour connected with the creation, with the conversion, with the circulation, with the maximization and utilization of wealth. Of course, we owe debts to all the who have written on the subject but, basically, on the level that is comprehensible to us, economics has something to do with the exchanges in society, mostly the buying and selling exchanges of commodities, of goods, of services in the marketplace.

These exchanges in the marketplace between willing and able sellers and buyers yield information; information which will tell us how people in general are able to manufacture goods and services from scarce resources. Everybody knows about the so-called factors of production — land and all minerals that go along with the land; labour or the efforts of human beings that go into the process of production; and capital, which means the manufactured equipment, machineries, buildings and whatever that can still be used in the production of more wealth in society.

Socialists are often prone to saying that wealth is no good or it is evil. It is not. Money is not itself evil;

it is useful. If you read the passage about the evil thing, it is the love of money which is the source of all evil. It's not money itself.

**MR. D. ORCHARD:** Is this called money worship?

**MR. C. SANTOS:** Yes. People do not have to be poor to be pious. In fact, the good person is blessed in this world materially if he knows how to use the resources that are entrusted to his hands.

But going back to the subject of economics, the buying and selling activities of people yield information and patterns of behaviour and conduct relating to the production and conversion and distribution of goods and services that can be gathered in a statistical way such that it will yield patterns that, if analyzed carefully, would be most useful to business and economic decisions.

The more interesting philosophical question, however, is how did this system of political economy come to be, this system of exchanges of goods and services? Obviously, if we go back to the prehistoric era, there is no such thing as money. In the prehistoric state of nature, you can easily imagine every member of humankind roaming around in the wilderness, . . .

**A MEMBER:** . . . dinosaurs.

**MR. C. SANTOS:** . . . seeing all the dinosaurs, climbing up the trees to get the fruits in the trees, picking up the berries in the fields, swimming in the river, trying to catch by his hand, the fresh fish in the rivers, and perhaps locating some fresh eggs in the nests of the fowls, and sucking the raw eggs; and with his hands sometimes, probably strangling some wild animals and using brutish strength, begins to eat the meat in its raw nature, tearing it apart.

Man is mostly free, in the literal sense of the word, because there is no limit to what he can do; there is no seat belt, no laws of any kind but the laws of nature. He can chase any woman he likes with his club, but that is liberty in its natural state of nature. Therefore, there was liberty, but there was no security. Life was insecure. You never can tell whether someone will steal whatever you have stored for the next day or hit you on the head with a club because life was so insecure. In the words of the famous philosopher, Thomas Hobbes, "In the state of nature, life was cruel, brutish and short."

Then the great social thinker and philosopher, Jean Jacques Rousseau, in order to explain the origin of inequality among mankind, wrote that the first man who enclosed a certain piece of land, he said to himself, "This is mine," and because that first man was strong and they deferred to him, the people around him believed him.

In effect, the first member of humankind who said, this is mine, established the idea and the reality of property, as well as the right to property. Once the right to property is established and recognized, the tendency is to expand the scope of the idea of property. He not only enclosed a recognizable piece of land, but he decided to enclose as much land as he could control and place under his influence. Then he no longer can protect the extensive possessions that he is claiming a right upon and there are other people, who, like him,

begin to find ways and means by which they can also appropriate property to themselves.

But in the state of nature, men, in the natural order of things, could consume only a small portion of the bounties of the earth; and if he becomes too acquisitive some of the things he will collect will only spoil and will be of no use to him.

Of course there is gold. There might be gold nuggets in the rivers or maybe precious stones like diamonds, but since these things are non-consumable, he probably tried to eat some of the diamonds and the gold, but it hurts him and so he ignored all these precious things because they are of no use to him. These are non-consumable things which have no utility to the primitive man.

Then all these proprietors, those who enclosed lands as their own, thereby depriving the rest of the members of mankind of their natural right to the land and all the fruits of the land, they gathered together, according to Jean Jacques Rousseau, and concocted a plan, what the philosopher called, the profoundest plan, that they will establish a civil government ostensibly to protect all from plunder and invasion but, in reality, to protect themselves and their property from the many who were effectively dispossessed by their trickery and their usurpation of the natural rights of mankind to the bounties of nature, to the bounties of land.

I'm quoting Jean Jacques Rousseau: "Such was or may well have been the origin of society and law which . . . bound new fetters on the poor, and gave new powers to the rich, which irretrievably destroyed natural liberty, eternally fixed their law of property and inequality, converted clever usurpation into unalterable right, and, for the advantage of a few ambitious individuals, subjected all mankind to perpetual labour, slavery and wretchedness."

Indeed, history had confirmed the event by the establishment of a feudal system in society with the acts epitomized by the Norman conquest of England and the claim of the king to all the land in England. It is also established and confirmed by history, in the pre-Lincoln world of slavery and wretchedness of humankind.

You will perhaps all seen the movie about the Roman gladiators. What's the name of the slave? Spartacus. He was born a slave, but he tried to get away from that status. He led a number of slaves and poor and revolted against the Roman Empire; but in the end, the might and power of Rome prevailed and Spartacus was crucified in the Appian Way, which was the Roman way.

Rousseau added: "Since it is plainly contrary to the law of nature, that the privileged few should gorge themselves with superfluities while the starving multitude are in want of the bare necessities of life, . . . "it is "one of the most important functions of government," listen to this, Member for Pembina, "to prevent extreme inequalities of fortunes, not by taking away the wealth from its possessors, but by depriving all men of means to accumulate wealth; not by building asylums for the poor, but by securing the citizens from becoming poor."

What do we do when they are already poor? It is the moral obligation of government to assure that every citizen should be at least above the level of poverty, to a minimum level to give him the human dignity that is his due. What if he doesn't want to produce? Then

you have to design a system of incentive, economic system of opportunities that will motivate him to produce, hence our Jobs Fund.

In this state of the economy then, when there are poor people and rich people, where there are possessors of a tremendous amount of resources and non-possessors, the haves and the have-nots, what is the moral obligation of government? The very same governmental machinery that was designed for the protection of property primarily, angrily protests that it is protecting of the people.

What then is the role of government in our economy? The government under the theory and doctrine of sovereignty has the power to tax, one of the three basic powers of sovereignty; the other two being the power of eminent domain, the power to expropriate and the other one being the police power of the state, the power to provide for the health, safety and morals of the people. The basic third power of sovereignty is the power to tax. In the words of the Chief Justice, Oliver Wendell Holmes, "The power to tax is a very significant power because it includes the power to destroy."

Given the power of taxation, in order to be able to perform all those functions of government, the government had to provide what the economists call the public goods. These are the goods without any market. Public goods are goods that cannot be provided to one citizen without also being provided to all the other citizens. It's those kinds of goods that, if provided successfully to one member of the community, the provision to all the other members would practically cost nothing additional. It's practically nil.

But the initial capital cost of providing capital goods, of public goods is so tremendous, so astronomical that it is almost always beyond the capacity of any single individual entrepreneur or even a company, business firm, to provide the cost of public goods; for example, providing the intercontinental ballistic missile defence system. Who is the one individual who can spend all the money to provide such a service? Even assuming there is such an individual like Paul Getty or a rich person, Ford or whoever, would he do that? It is very expensive to provide such a system. Now, even if you have one individual who can afford to buy such a system to protect himself from nuclear attack, all the rest of the members of the community can do nothing and spend nothing because once the system is established, it protects everyone in the community whether you are subscriber to the system or not. Therefore, it is only the government which can provide such a system of protection against nuclear attack. Only the government has the sovereign power to raise revenue through taxation or otherwise by the exercise of its sovereign power to govern.

The government also provides transfer payments. As we have seen, the government has the moral obligation to rectify the inequitous (sic) origin of property which it can no longer redress. Therefore, the government has to provide for the poor through its transfer payments. The government has to transfer incomes from one citizen to another citizen; from one group of citizens to other groups of citizens.

In addition, the government needs to maintain peace and order in the community; it has to pay for the police departments; it has to pay for all the court system; it has to pay for all the other related services for the

maintenance of law and public order in the community because the government, through the courts, has to administer justice according to law. The court has to arbitrate civil disputes between civil members of the community, as well as prosecute criminals who violate the law.

In addition, the government will have a duty to provide basic and essential social services. As I've indicated before through transfer payments, they can do it directly by paying welfare cheques to recipients who have no means of livelihood below the poverty level, who cannot otherwise live with decency, or they can do it indirectly through essential services such as providing generally affordable types of education — sometimes below cost or even below cost type of education — health services, mass transportation systems, water supply, and all the essential services to the community — generally, inherently non-profitable enterprises, only the government can do those things.

If the government should, as the Member for Roblin-Russell stated, take seriously its function in providing education, then the future citizens of our country will become better educated. By providing an adequate health services system, the people will be healthier and stronger. If they are healthier, and if they are better educated, then the people can better make decisions. They can intelligently participate in those co-operative kinds of activities that enure to the benefit of everyone in the community.

This is the reason why there are spending Estimates, the government had to estimate and plan ahead how much money to raise as well as a spending Estimate on the Budget, the expenditure side, in order to translate the objective and purposes of government in monetary terms. We'll come to that.

What can a government do to raise money? Let's go to the revenue side if of the Budget — either one of two ways (1) exercises the sovereign power of taxation or (2) borrow money and thus incur public debts, what we call deficits. If the government should borrow money, should exercise the power of taxation, it's only practical common sense that the incidence of the tax should fall upon those groups of citizens who have the ability to pay. Why should you impose the burden on those who don't have the ability to pay? It's nonsensical. They cannot pay anyway. It is better to have progressive taxes such as income tax, which takes from those who make the most income the largest amount of taxes. That's only equity and that's common sense. Cujus est commodum, ejus est onus; he who shares in the benefit should also share in the burden. Those who make the most money in our political economy should share the most in carrying the burden of the civilization.

If the government should decide otherwise for other reasons not to tax but to borrow money, the government will incur deficits. The burden of the deficit will depend on where the money is coming from, the source of the borrowing.

(Mr. Assistant Deputy Speaker, M. Dolin, in the Chair.)

If the borrowed money is borrowed from the very own people themselves inside the political sovereignty, territorial sovereignty, whether a nation or a province, then the owners of the government bonds and government securities, in effect, are creditors of the government, are also the very same people who will

ultimately have to pay as taxpayers, because they are in the same territorial jurisdiction and the burden is not so heavy, especially so if government bonds are widely advertised and widely distributed among all the citizens in the country or in the province, each one bearing according to his ability to earn, each one bearing and shouldering the burden of taxation as responsible citizens.

If on the other hand, the government should borrow from outside the jurisdiction, then the burden of taxation becomes a little bit heavier. Why? Because the people from the lending nation will have to earn interest on this borrowing, and that interest can only come from the additional gross national or provincial product that is produced by the debtor nation in order to pay the debt. In effect, every year, every fiscal period, there is a tribute that is deducted from the people of the debtor nations and flowing outside into the people of the creditor nation. That is why it is heavier to bear that kind of deficit.

On the other hand, even assuming that the money, because it cannot be raised locally, had to come from foreign markets like London — the Member for Pembina said, London creditors — creditors from Tokyo, creditors in New York, Zurich, Switzerland, lots of foreign money markets. Even assuming that the borrowed money comes from external sources, even assuming that the burden of the deficit is really heavy, it will depend on the use of the borrowed money.

If the borrowed money is used for investment purposes such as the hydro-electric development projects which will produce additional jobs and job opportunities by which you can sell extra power abroad and make 1.7 million profits, if such borrowed money is invested in economically productive kinds of activities, then there is the best and the most rational use of deficit money, because it will add to the additional wealth of the country. It will increase the income of the people. It will supply jobs to the jobless and opportunity for those who don't have opportunities.

But in studying the problem of deficit spending, there is also deficit spending taking place at the individual level of analysis. I think the invention of the credit card system in our society is comparable to deficit spending, but people should be wary about interpolating from the individual level to the public level of analysis, because there are certain private vices and private virtues that reverses their character when seen at the perspective of the public level.

Let me give an example, the virtue of thrift, savings, the capacity to save. Compared to the Americans, I have noticed, this is a pattern — this is only my observation. I may be wrong in this. But I notice that Canadians, compared to the Americans, have a tendency to save more money. They always go to the banks to put their money in the banks. This is virtue at the individual level because, at the perspective of the individual, the more you save, the more you deny your present needs, the more you accumulate your personal worth. You increase your assets as an individual. Pretty soon, if you accumulate enough capital, all you need to do is put it in some kind of investment, like guaranteed savings, pension plan or whatever, and then live on the interest. Your capital will work for you, and you can spend all your lifetime going around to Hawaii or some other places, and enjoy life abundantly — (Interjection) — or stay in Manitoba.

The point is, this is virtue at the individual level, but can you imagine if every citizen is saving in the political economy and refuses or are reluctant to spend their money? There would be no buyers of goods. The manufacturers will not manufacture goods. You see, the seller will not sell. The lenders of money will not lend. Economic activity will be restricted and constricted and constricted. There will be economic depression if all people are savers. So the private virtue becomes a public vice at the societal level of analysis.

Now take the opposite kind of behaviour. You have seen maybe one of your children is a spendthrift, so to speak. He doesn't care where the money is coming from. As soon as he gets his hands on the dollar, he spends it, and worse if he has a credit card. Okay, there are people who are called spendthrifts. They just love to spend. Whether it's for useful purposes or for luxurious purposes or for senseless purposes, they simply like to spend. So that is a private vice at the individual level. The spendthrift will not accumulate any amount of personal worth. He will go into debt, and this is facilitated by the credit card system. All you need to do is give the card, and you are spending money you don't have. All you need to do is give your card, and you are spending money you have yet to earn. That points to a bleak future to that individual. Someday, he will become a bankrupt as an individual.

**MR. ASSISTANT DEPUTY SPEAKER:** The honourable member has three minutes. Would you kindly allow him the three minutes with some order and decorum.

Thank you.

**MR. C. SANTOS:** Thank you, Mr. Acting Speaker.

I am saying, even if everybody is a spendthrift, at the public level, that is good. It is a public virtue, because there will be lots of demand for goods and luxuries and manufactured products. Manufacturers will manufacture goods and sellers will sell and lenders will lend. There will be lots of economic activity and there will be multiplication of the money, volume of money, and there will be prosperity. Being a spendthrift at the individual level becomes a desirable public virtue. (Madam Speaker in the Chair.)

Let me now conclude, Madam Speaker, by saying with the political scientist, Aaron Wildavsky, that the budget document is simply an outcome of the political process. Now that's difficult to understand at the surface, but what is the political process? The political process is simply the process of reconciling and accommodating all the various demands and claims of individuals, groups, organizations, in our society and this is ultimately translated into the budget document.

In other words, the budget documents translates the outcome of the compromises, negotiations, and bargainings, into financial terms in order to translate the purposes of government, to achieve the purposes of government.

In other words, whoever wins the political process have the legitimate authority to plan and set the Budget, and make the critical decisions and those who lost in the political process should accept that, because the political process settles everything. It settles the basic economic and political question, who gets what, where, when and how, of what the government is able to give, the very heart and meaning of politics.

I thank you.

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

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

I'm happy to rise again to participate in the Legislative Assembly and participate in the Budget Speech. The first time up was a very overwhelming experience that only a person like myself — getting up for the first time — could experience and get over maybe some of the anxiety of making that presentation. But then I remembered, however, I was told that most great speakers like the Member for Lakeside were bad speakers at first. I'm sure that most new members got a lot of issues and frustrations they've been carrying around through the political campaign and in the House off their chests.

I can only say I was surprised, however, during the Throne Speech re the remarks of some of the government members, re non-constructive criticism. If this is not just small talk, and even as has been suggested by members on the other side of the House, the backbenchers, suggesting that maybe there should be further research backup, that maybe this could be provided, and however they might have the type of criticism that they are asking for.

Another remark made to the new members, that we were all criticizing too much, I'd like to mention that our mandate is to oppose and we'll oppose the government vigorously when we think the government is wrong. To the members on the other side of the House, Madam Speaker, we are not cheerleaders. If we want to talk about criticism, it's this government's inability to suggest anything other than fed-bashing, and I will get to that later.

I was also surprised, Madam Speaker, and astonished by the comments made by the Member for Kildonan in regard to the press. I appreciate it is not an easy job for the press. I do not always agree with their journalism, however you have to take the good journalism with the bad. Some of us have experienced that already in our public life, and I would suggest to the Member for Kildonan — and I'll mention — put on the words by a previous legislator, "At another time." No government ought to be without censors and where the press is free, no one ever will.

There was a statement also made by the Minister of Finance on Page 8, explaining the comments and an excerpt that our Prime Minister had made in regard to the economy of Manitoba. However, there were other comments before that, if anyone wants to read all of the translation and all of the comments of the Prime Minister at the time, they will see that they purposely or some way missed these particular words out of his original context. "Ottawa's economic policies have contributed to the prosperity and begun to restore order to the public finances. Tax trade and investment policy deregulation and deficit control helps sustain the value of Canada's dollar and allow decline in interest rates. Political rapprochement with the provinces and the United has reduced obstacles to economic growth and contributed to national unity.

"Foreign policy has shown more energy and consistency than we have seen for many many years in this country. The parliamentary process has been

performed and the management of government improved." This government should bow to the east every morning.

Also in regard to the upswing nationally, and Manitoba is benefiting as the rest of Canada. The Canadian economy has been showing growing signs of strength since the election in September 1984 of our Progressive Conservative Government in Ottawa.

Employment has risen, Madam Speaker, since the election, and we'll repeat it again — 630,000 new jobs have been created, including, very importantly, 416,000 in the last year. Jobs are being created at a faster rate in Canada than any other major OECD nation.

Youth employment, very important, has risen by 98,000 in the last two years, compared to the net loss of 285,000 from the previous administration. The very important women's employment has climbed by 319,000, the number of unemployed women has fallen by 85,000 compared to an increase of almost a quarter of a million under the previous administration.

Madam Speaker, interest rates have fallen. It's been told time and time again, the Bank of Canada rate has fallen by 3.66 percentage points to 8.72, the lowest since 1978. The rate of five-year mortgages has fallen by 3.75 percentage points to 10.25, the lowest since 1978. To the homeowner, this represents \$124 a month on a \$50,000 mortgage.

As previously mentioned, the interest rate of five-year farm credit corporations loans has fallen by 3 percentage points to 11.0, the lowest rate since 1979.

The chartered bank prime rate has fallen by 2.5 percentage points and the small business that they're trying to promote has gained on this accord. Consumer spending rises, Madam Speaker. Consumer spending is rising. That is good news for retailers, small business, manufacturers and the unemployed.

Small business capital, investment rises, Madam Speaker. A recent Canadian Federation of Independent Business survey found that 32 percent of its members planned to increase their level of capital investment in the first half of 1986.

As previously mentioned, building permits rise. In 1985, the value of building permits was up 26 percent compared to 1984. Housing starts have increased. Housing starts last year were up at their highest level in four years. Housing starts in April 1986 alone were at a seasonally adjusted annual rate level at 203,000, an increase of 44 percent since 1984.

Price stability returns, Madam Speaker. The inflation rate has been in the 4 percent range — the 4 percent range for almost two years — the most stable price of the environment since 1971. Canadian economy is out-performing the American economy, since 1984. The Canadian economy has been outperforming the American economy right through inflation, now running as I mentioned, at 4 percent a year.

Canada leads in job creation amongst the 25 OPEC nations. Canada is second, only in terms of individual purchasing power, just behind the U.S.

Jobs: It is also mentioned jobs, jobs — we keep hearing about the jobs — but, however, with the national it's been mentioned and promised and something has been done about them.

As previously mentioned, the 680,000 or 630,000 jobs, the unemployment rate has fallen from the 11.7, the lowest rate in four years. Between March and April,

and it's very enlightening — between March and April, 57,000 Canadians entered the labour force; 56,000 found employment. Jobs are being created at a faster rate in Canada than any other major nation. In the past year, jobs have been created two times faster in Canada than in the United States. Jobs are being created at a monthly rate, Madam Speaker, of 33,000, compared to the 7,000 under the previous administration.

Now, the unemployment, Madam Speaker, has fallen and employment has risen in every province, every province since September of 1984, not just in Manitoba. Our government talks of increasing jobs. Is it just a coincidence, Madam Speaker, that the rest of Canada is moving in that direction? Is this government also going to take the credit for the rest of the provinces?

I will give you an idea; Atlantic Provinces, 38,000; Quebec, 127,000 created jobs; Ontario, 305,000 created jobs; the Prairies have 80,000 — they can take some of the credit for some of those; British Columbia, 62,000. It is amazing that this government is talking about the good economy and not maybe talking about the national economy. It is just a coincidence that this national has performed? I know the people of Manitoba are smarter than that. This government is trying to make the people of Manitoba believe that the tail is wagging the dog.

Now, the Budget, and the deals with agriculture, Madam Speaker. We are fortunate on this side of the House to have the luxury of many people who will comment, and will continue to comment, on that part of the Budget, so the rest of us city slickers will refrain from doing so.

Water rates. You have already seen my reaction to water rates. That was the strangulation of our new Urban Affairs Minister to the city taxpayers. The strangulation he has will cost the city approximately \$7.2 million in the next two years. Anyone who knows and wants to study the budget of the city, and we have members in this Chamber who have done so, they will know the city will not afford this money.

I can tell you by personal experience in going through the Budget line-for-line, they definitely use this money to decrease the homeowners' taxes and not, like this particular government, counting on the non-earned profits as this government speaks of.

Equalization payments. Maybe I should explain what the purpose of these are. We seem to be getting confused with the word transfer payments. They are really equalization payments. However, on March 3 a recent comment, and I'll quote, by Howard Pawley and NDP publications on the topic of, "Federal funding for health and post-secondary education," seriously misrepresents each government's funding share.

**MADAM SPEAKER:** May I remind the honourable member that we do not address honourable members by name in the Chamber.

**MR. G. DUCHARME:** The Member for Selkirk. "... calculating percentages on a very narrow base with not more than the provincial NDP attempt to show a decreasing Federal contribution."

Established Programs Funding. This \$15.3 billion program contributes to the cost of health care and post-secondary education. The program, Madam Speaker, is not conditional on provincial spending levels.

This year \$580 per capita will be advanced for insured health services and post-secondary education, and a further \$42 per capita will be provided to help finance extended health care services such as nursing homes.

These equalization payments, under the EPF, are presently increased annually on the basis of a formula which reflects increases in the gross national product and changes with each province's population. Based on the existing formula, the EPF payment would have increased by about 7 percent per year over the next five years.

The Province of Manitoba, Madam Speaker, has received an additional \$50 million from the Mulroney Government in the form of additional equalization payments.

**A MEMBER:** It doesn't seem to be going to Brandon University.

**MR. G. DUCHARME:** This supplemental payment, in addition to the regular payment totalling \$408 million, is for the fiscal year 1985-86; and in 1986-87, Manitoba will receive an additional \$65 million in supplementary equalization, making it the only province, Madam Speaker, singled out for extra federal money.

Business development, Madam Speaker. On one hand, we talk about small business; on the other hand they raise the fees of our community colleges by 8 percent, the largest supplier of the small business staffs, that are involved in small business.

Madam Speaker, you have to know people and have confidence in them, an impossibility of this particular government. You have to be in a position to talk to the entrepreneurs, Madam Speaker. Local banks can tell you who needs capital in the neighbourhood; local lawyers, tax advisers, Chamber of Commerce, real estate brokers, who specialize in business opportunities, also know what's up around home.

Another thing, this government is not capable of knowing — I mentioned this previously in the Throne Speech — how independent business feels towards this government. The relationship is the worst in all across the nation; a perfect example of that is the Tan Jay.

We seem to be accused of sticking up for large business, Madam Speaker. The large business corporate tax, it was referred to in the Budget Address — and maybe we can calculate the losses of Flyer at 50 million, calculate the losses of Manfor at 48 million, the McKenzie Seeds at 2 million — this government, through that Budget Address, that extra 1 percent, will raise \$7.1 million in 1986-87. At this rate, it will take 15 years to take this tax from the private sector to pay for the blundering of the previous mentioned government corporations.

The government brags about the success of North of Portage. They should brag about that; it's a good project. It's a tri-level project and a private sector project. The private project participation, as of May 29 of 1986, is approximately 250 million. However, this government has rewarded this investment in capital for their efforts by charging an additional 1 percent on their investment.

The investment climate, Madam Speaker, the picture is not quite as rosy as the NDP would like the public

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Monday, 2 June, 1986

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to believe in Manitoba. New private investment is expected to increase by 8.8 percent, as we're told, in 1986. That's down from the 11 percent in 1985, which is a 4.2 percent decrease. Manitoba is predicted to have the fourth lowest private investment in Canada in 1986.

Madam Speaker, it was referred to the Boeing, the Boeing trying to take credit for some of that. The impending sale of the Crown-owned DeHavilland Aircraft Company, so great, Madam Speaker, was the outcry from the Liberals and New Democrats in Ottawa, the outcry until now. All of a sudden, this sale has developed 200 new jobs, this plant has set a goal with a 50-50 split of the contracts, on the outside contracts, a five-year plan through to 1990 is to employ 1,000 to 1,100 persons, and achieve, Madam Speaker, yearly sales of 75 million to 80 million.

Madam Speaker, this government wants to avoid the word "deficit." However, for us to avoid it on this side of the House would be completely irresponsible. I am not convinced the people of Manitoba want to live with a year-end and year-out deficit of 500 million. There are very serious costs associated with a type of continued deficit.

Madam Speaker, I will continue on with my deficit part of the speech — recess? — call it 5:30?

**MADAM SPEAKER:** My marvellous little clock just turned 5:30.

The hour being 5:30, I am now leaving the Chair and will return at 8:00 p.m., at which time the Honourable Member for Riel will have . . .

### COMMITTEE CHANGES

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

**MR. H. SMITH:** I'd like to announce a change in the Public Accounts Committee — substituting the Member for Rupertsland for the Member for Rossmere; the Member for Elmwood for the Member for St. Johns.

### HOUSE BUSINESS

**MADAM SPEAKER:** The Honourable Government House Leader.

**HON. J. COWAN:** Yes, thank you, Madam Speaker.

On a brief matter of House Business, I would like to inform members opposite that it is our intention on Friday to call The Loan Act (No. 1), as has been discussed with the Opposition House Leader, and go into Capital Supply at that time.

**MADAM SPEAKER:** I am now leaving the Chair, then, and will return at 8:00 p.m., at which time the Member for Riel will have 21 minutes remaining.