



First Session — Thirty-Fourth Legislature
of the
Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS
(HANSARD)

37 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fourth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	LIBERAL
ANGUS, John	St. Norbert	LIBERAL
ASHTON, Steve	Thompson	NDP
BURRELL, Parker	Swan River	PC
CARR, James	Fort Rouge	LIBERAL
CARSTAIRS, Sharon	River Heights	LIBERAL
CHARLES, Gwen	Selkirk	LIBERAL
CHEEMA, Gulzar	Kildonan	LIBERAL
CHORNOPYSKI, William	Burrows	LIBERAL
CONNERY, Edward Hon.	Portage la Prairie	PC
COWAN, Jay	Churchill	NDP
CUMMINGS, Glen, Hon.	Ste. Rose du Lac	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DOER, Gary	Concordia	NDP
DOWNEY, James Hon.	Arthur	PC
DRIEDGER, Albert, Hon.	Emerson	PC
DRIEDGER, Herold, L.	Niakwa	LIBERAL
DUCHARME, Gerald, Hon.	Riel	PC
EDWARDS, Paul	St. James	LIBERAL
ENNS, Harry	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Laurie	Fort Garry	LIBERAL
EVANS, Leonard	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen Hon.	Virden	PC
GAUDRY, Neil	St. Boniface	LIBERAL
GILLESHAMMER, Harold	Minnedosa	PC
GRAY, Avis	Ellice	LIBERAL
HAMMOND, Gerrie	Kirkfield Park	PC
HARAPIAK, Harry	The Pas	NDP
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HEMPHILL, Maureen	Logan	NDP
KOZAK, Richard, J.	Transcona	LIBERAL
LAMOUREUX, Kevin, M.	Inkster	LIBERAL
MALOWAY, Jim	Elmwood	NDP
MANDRAKE, Ed	Assiniboia	LIBERAL
MANNES, Clayton, Hon.	Morris	PC
McCRAE, James Hon.	Brandon West	PC
MINENKO, Mark	Seven Oaks	LIBERAL
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rossmere	PC
OLESON, Charlotte Hon.	Gladstone	PC
ORCHARD, Donald Hon.	Pembina	PC
PANKRATZ, Helmut	La Verendrye	PC
PATTERSON, Allan	Radisson	LIBERAL
PENNER, Jack, Hon.	Rhineland	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren	Lac du Bonnet	PC
ROCAN, Denis, Hon.	Turtle Mountain	PC
ROCH, Gilles	Springfield	PC
ROSE, Bob	St. Vital	LIBERAL
STORIE, Jerry	Flin Flon	NDP
TAYLOR, Harold	Wolseley	LIBERAL
URUSKI, Bill	Interlake	NDP
WASYLYCIA-LEIS, Judy	St. Johns	NDP
YEO, Iva	Sturgeon Creek	LIBERAL

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, August 22, 1988.

The House met at 8 p.m.

BUDGET DEBATE

Mr. Speaker: On the proposed motion of the Honourable Minister of Finance (Mr. Manness), standing in the name of the Honourable First Minister (Mr. Filmon).

Hon. Gary Filmon (Premier): When we left earlier today, I was saying that no Government should act as if there is no tomorrow. No Government should mortgage the future of our province because it lacked the foresight, the courage and the intelligence to plan effectively, because Manitobans know from bitter experience the ramifications of Budgets which seek to satisfy only short-term goals.

Manitobans are sensible people. They set their own budgets within their own households. They understand the difficulties that individual families have meeting regular expenses when personal debts become too high. They do not necessarily have the huge incomes of the Leader of the Opposition and her family. They make choices, careful responsible choices every day, and they decide every day that there are some things they just cannot afford.

The same principles apply to the provincial Budget. When the debt load becomes too high, when the interest payments reach mammoth proportions, when the credit rating drops, it becomes more and more difficult to meet the regular costs of vital necessities.

We have reversed that trend. We will encourage and foster a strong and vibrant economy in Manitoba so that we will be able to reduce our debt load, improve our credit rating and decrease the number of interest dollars that fly out of our windows every day, every month, every year—\$1.6 million a day leave Manitoba in interest payments alone. That is \$1.6 million a day that is not spent on health care; \$1.6 million a day that does not purchase medical equipment or provide social services or meet the needs of educators; \$1.6 million a day that could not be spent on Manitobans but instead is gone, not to repay our massive debt but merely to pay the interest on that debt.

In the short time that they were in office, the NDP doubled our provincial debt. Like a tornado raging through Manitoba, the NDP left a trail of destruction in its wake, destruction of fiscal responsibility that we can only begin to repair in our first Budget.

But we have begun. We have begun the laborious task of rebuilding a stable environment for our economy and a stronger financial foundation for our Government. Through the responsible management of our financial resources, we have been able to respond to the social needs of Manitobans in a meaningful way. We have met our commitments.

During the recent election campaign, we promised Manitobans that we would not increase their personal

income taxes for at least four years. That was not an idle promise. It was a commitment that we have begun to meet in this Budget. That was a commitment designed to give Manitobans a sense of stability, a bit of breathing space and some room to grow.

Some Members feel tax stability is not enough. Some Members feel we should take monies that they have described as windfall revenues and then use those funds to lower taxes. There is no Member in this House who does not share in the desire to reduce the tax burden on individual Manitobans. There is no Party in this House that is more committed to that idea than this Party, the Progressive Conservative Party. But there are no quick fixes. Our Government was elected on a commitment to a tax freeze and we have begun to deliver on that promise.

The Leader of the Opposition said that she could not and would not make such a promise to the people of Manitoba. I quote from what she said during the election campaign. I might indicate that she began on this Budget Debate by misrepresenting what we had said during the election campaign.

I will quote from her comments publicly in the Winnipeg Sun: "The Liberal Leader said the Tories didn't deliver on election promises to cut the taxes of Manitobans."

And what did the headlines say during the election campaign, Globe and Mail or Winnipeg Free Press or whichever one you want to read? They all said the same thing because they repeated what we said: "Manitoba PC Leader vows to hold the line on income tax." I did not say that I would cut the tax. I said I would hold the line: "Mr. Filmon vowed that a Conservative Government would not allow any increase in personal income taxes in its first term in office."

What did the Leader of the Opposition say in response to that commitment by us during the election campaign? April 15, 1988, Winnipeg Free Press, quoting the Leader of the Liberal Party, she said: "Sources of revenue have to be guarded . . . — sorry, I will start a little earlier—"Carstairs refused . . . —and by that, Mr. Speaker, I mean, of course, the Leader of the Opposition—" . . . refused to commit herself when asked if the Liberal Government could remove that provincial tax supplied to goods manufactured in Manitoba." She said, "Sources of revenue have to be guarded to balance the increasing demands from the provincial debt deficit and services." She criticized her opponent's pledge not to raise personal income taxes for four years. "To make that commitment for four years is sticking your neck out too far," she said.

We stuck our neck out and we knew what we were doing. Now when we are keeping that commitment by keeping taxes down, she turns it around and says, you promised to reduce them.

An Honourable Member: Which we never did.

Mr. Filmon: Revisionist history, Mr. Speaker, revisionist history—nothing, nothing.

This is what she said about what she could do under the circumstances, and I quote again from the same article on April 15. She said she could not possibly promise to hold personal or corporate taxes at the current rates without knowing what kind of financial shape the province is really in. "I would love to be able to say that," she said, "but how can you bring down the debt and deficit of the province and commit to holding down taxes?"

An Honourable Member: How can you do it?

* (2010)

Mr. Filmon: You can do so by making a commitment to deal with what you have to deal and keep faith with the people of Manitoba, and we have done that, Mr. Speaker. We have done that.

Here is even more that she said at that time because the Leader of the New Democratic Party (Mr. Doer) said that he was going to use the more than \$80 million of the so-called windfall revenues from Ottawa to reduce personal taxes to individual Manitobans. The Liberal Leader (Mrs. Carstairs) said "Doer's proposal will simply mean less money for social services and education." So she is saying that ergo you would have to have tax cuts if you gave any tax breaks to Manitobans, and that was a \$58 million tax break. Now she wants a \$200 million tax break by removing the 2 percent tax on net income and she says that will not result in reduced services.

Mr. Speaker, that is exactly what she and her Finance critic have said. That is the kind of two-faced approach that we have. I have advice for the Members opposite, including their Leader. Just keep on talking because you know the good thing about this Legislature is that everything is down in writing and every word that you utter is going to be repeated to you over and over again. You did not have a record to run on before and you could say anything you wanted to—one thing in Minnedosa, another thing in The Pas, another thing in north Winnipeg—but now you have to be responsible and you have to live with what you say. We are going to read it back to you and we are going to read it back to you and we are going to read it back to you. We are going to read it back over and over and over again.

When the Finance critic from Transcona (Mr. Kozak) contradicts his Leader, we have it on the record, and when the Member for Ellice (Ms. Gray) contradicts the Member for Radisson (Mr. Patterson), we have it on the record and we are going to repeat it over and over and over again so that people know what you stand for, which is all things to all people and nothing to anybody.

She asked the rhetorical question during the election campaign: "How can I bring down the debt and deficit of the province and commit to holding down taxes?" Now, Mr. Speaker, we have done it in our Budget, and what does she say? It is not good enough. We are voting against it. That is what she says.

Let her read and let her learn because we are also delivering on our promise to begin the elimination of the punitive payroll tax, a tax which has acted as a major, major roadblock and disincentive to job creation; a tax that has acted as a hindrance to the expansion of business opportunities; a tax that has prevented growth and development and the kind of strong, dynamic economy that results from growth and development.

Without a strong, dynamic economy to support our essential services, those services are put at risk. It is imperative that we regain a competitive edge in Manitoba, that we encourage entrepreneurs to invest. Manitoba is one of only two jurisdictions in North America to have imposed such a horrendous counterproductive tax. Soon there will be only one jurisdiction left, and it will not be Manitoba.

The payroll tax exemption level as a result of this Budget has been tripled. Half the employers who are now paying the payroll tax will be exempt from paying the payroll tax after this Budget takes its full effect. These are small, middle-size businesses, employers with payrolls of up to \$300,000, and they will pay the payroll tax no longer. Employers with payrolls between \$300,000 and \$600,000 will pay a reduced rate. These businesses will now be able to begin their plans for expansion, for hiring extra staff, for adding to the improved health of our overall economy.

This is something else the Leaders of the NDP and the Liberals would not or could not do for the people of Manitoba. The Leader of the NDP would not do it because he thinks that the payroll tax is justified. He thinks it is a good tax. He thinks that, by making it difficult for businesses to locate here in Manitoba and difficult for existing businesses to expand and hire more employees, he is doing the people of Manitoba a favour—some favour!

The Leader of the Liberals could not do it because she does not know how. She does not think that the payroll tax is necessarily a good idea. She thinks it is a bad tax. In fact, her first promise to the people of Manitoba in the election campaign, just in March of this year, was to get rid of it completely. Then of course as the campaign went along, she made a new promise. She said that she would get rid of it in three years and then, lo and behold, as we got to the point where we were having the public debates amongst the three Leaders, she said well, I did not say which three years.

We have acted on our commitments. The question that people have to ask themselves is: Could the Liberals ever fulfill their promises regardless of which of the three they picked? We are taking action to remove the payroll tax and to restore incentive for genuine permanent job creation in Manitoba. As well, the Small Business Tax Reduction Plan will exempt new small businesses from paying corporate tax in their first year of operation and then, for the subsequent four years, they will be paying tax at a reduced rate. Parents who dream of opportunities for their sons and daughters can now recognize that their children will have one less barrier to face if they wish to establish a small business that has the potential to enable them to become self-sufficient and independent. We have responded, Mr.

Speaker, in no small measure to some of the most pressing tax concerns. We have responded in a reasonable way, because the deficit is estimated as well to be \$196 million. That is the lowest it has been since the '80-81 Budget.

We would like to do better, but we know that we have made a significant start. We have done it while maintaining and enhancing essential services. We have done it while holding the line on personal income taxes. We have done it while beginning to eliminate the payroll tax. We have done it, Mr. Speaker, in just three months, when the Opposition felt it could not be done at all. We have done it with the help and the support of the people of Manitoba who care about positive change, who want to witness a striving for perfection and who want to be strong again.

I might say, as I think about the payroll tax promises that the Leader of the Opposition cartwheeled her way through, that she made one other pronouncement on the payroll tax, and that was three days after the election when the Dominion Bond Rating Service came out with the announcement that they were reducing our credit rating in Manitoba. At that time, after all of those promises on the payroll tax reduction, she said that the Government would be wise not to move on the payroll tax reduction at all because they ought to put all their resources to reducing the deficit. So that was the fourth position, Mr. Speaker.

Much has been made of the extra revenue available in this Budget that was not available in the NDP Budget. In fact, earlier today, we had the Deputy Leader of the Opposition saying that they did not know that there was any extra revenue, despite the fact that a letter was released during the election campaign signed by the Deputy Finance Minister and confirmed by both the Premier and the Leader of the New Democratic Party and the former Finance Minister. Despite the fact that was in all the media, he said they did not know that there was this extra revenue available.

Well, Mr. Speaker, it is true that there are extra monies available. However, the question is not the money. It is how that money would be used. Some Members want to make a token reduction in personal taxes for short-term political gain. We have heard that suggestion from Members of the Liberal Party opposite. This Government is concerned about the long term. If our debt is not reduced, if our credit rating continues to slide, the impact on all Manitobans would be severe, too severe to be offset by a small limited tax reduction. Short-sightedness, of course, was a trait of the previous administration. The quick fix was their trade mark. We have rejected that approach. Instead, we have set a course that is responsible and responsive.

Our Budget has made significant departures from the previous administration's policies. To name but a few, we restored the funding to the Law Reform Commission and set it apart as an independent body again. We restored funding for rural RCMP services. We have protected services for women at River House. We have provided resources to initiate long-term strategies to deal with the many fundamental issues facing Manitobans. I have listed many of those studies and reviews and analyses that we are going to be doing

to make sure that our policies meet the needs of the future of Manitoba: a Health Advisory Network, for instance; a Literacy Task Force; a Seniors' Directorate. All of those are funded as a result of initiatives in this Budget and the Estimates that we have tabled for this House.

We have provided additional funds to the Women's Directorate to make sure that there is a comprehensive consultation and review and establishment of services for women by this Government. These initiatives are a concrete demonstration of our willingness to listen to Manitobans, to provide positive leadership on issues of importance to all Manitobans. We have established a new era of cooperation with local Governments throughout Manitoba. We have removed the cap from the provincial-municipal tax sharing arrangements. We have reached a settlement on the school tax remittance issue, and we have implemented a simplified, more effective and more equitable reduction of education tax on farm land.

* (2020)

Having done all that, you can imagine how surprised I am to read the news release that was issued earlier today, just as Question Period was about to begin, by the Liberal caucus in the provincial Legislature. It is entitled, "Liberal Caucus to Vote Against Budget," and it says: "The Leader of the Opposition announced today that she, along with all Members of her caucus, will register their dissatisfaction with the Conservative Government's Budget by voting against it in the Assembly." In other words, Snow White has convinced the 19 dwarfs that they can do no wrong, that they can be as irresponsible as they like, that the polls are with them and it does not matter what they do or how irresponsible they get. All they have to do is worry about what the polls say and they can vote against this Budget. That is all they have to do.

"The Leader of the Opposition indicated that the decision to vote against the Budget was taken following discussions between herself and the Liberal MLAs." That means she talked and they listened. "Members of the Liberal caucus unanimously agreed that the Budget failed to fulfill the needs and the concerns of the people of Manitoba." Well, I am glad that they are applauding that statement because I am going to remind them of their earlier words. Here is the quote. "We have an obligation to the people of Manitoba as the Official Opposition to take a firm position." Was not that the same person who did not vote on the Budget in this Legislature in 1987? Was not that the same person who changed seats so that she did not have to vote on that Budget—a firm position?

Which vote was it that you ducked? -(Interjection)- On the vote, Mr. Speaker, a firm position on the vote on the amendment of the 1987 Budget, a firm position. She did not show up for the vote. That is the firm position.

Mr. Speaker, the interesting thing is that this so-called firm position is exactly opposite to the position she was taking before the Budget was announced because, before the Budget was announced, what did she

advocate publicly? She said, this is what I am looking for in a Budget. She said, I want to see them reduce the deficit. I want to see them reduce the payroll tax. I want to see them protect and preserve health care and education and vital services spending, and we did. And we did!

Some Honourable Members: Oh, oh!

Mr. Filmon: Before the Budget, she said cut bureaucracy not services, and we did that too. Now she is opposing the Budget. She and her group of 20 are opposing the Budget because they have partisan politics as their only goal in this Legislature. They are a group who has a greed for power that is unrivalled in this House and, as a result, it does not matter what they said during the election campaign.

It does not matter what they said a year ago in this House. It does not matter what they said two weeks ago before the Budget. All that matters is they think, if they were to bring our Government down, they would have an opportunity to be in power. It is that greed and that lust for power that motivates exactly what they are doing in this news release.

The rallying cry of the Liberal Party or about the Liberal Party these days is tell the people the truth. The Free Press editorial page coined it with respect to the federal Party, the federal leader and of course Mr. Axworthy, the federal Member for Fort Garry. But of course, the same applies to the Liberals here in the House. They come out before the Budget and they lay out their expectations. They say, this is what the Budget should contain in our judgment. When it contains those things, they say, well there were other things that we had in mind. We were looking for other things. An entirely different set of criteria is set up afterwards just to justify and to bend over backwards to try and justify their voting against this Budget.

What else did they say? What else did they say before the Budget? They said, and the Leader of the Opposition was saying this early on in our mandate, we are going to give them a chance in Government. We are going to give them an opportunity to govern. Then what happened? Every day for several days in a row, for weeks on end, she said, well, if they say this, I am going to bring them down. Then she said, if they say that, I am going to bring them down. Now of course, they have got a Budget that meets the criteria that they set for us themselves and she says, I am going to vote against them. I am going to try and bring them down in Government. That is not responsibility.

What else does this news release say? "We would be letting Manitobans down by supporting a Budget which provides so little at a time when so much is required." Is this not the Leader of the Opposition who says that it is the same as the previous Budget, that it has all of the same expenditures in it, and that we have been too generous? Are they talking about the same Budget, the Budget that we have tabled, that provides for a 9.1 percent increase in health care, a Budget that provides for a 23 percent increase in day care, a Budget that provides a 12.5 percent increase for foster parents in this province? Is that the same

Budget that provides so little that they are talking about in this news release?

The Leader of the Opposition added that she could not support a Budget which, with few minor exceptions, is identical to the NDP Budget she voted against. Those few minor exceptions amount to more than \$80 million of new expenditures and an equivalent amount of reductions that are in that to adjust for and provide for the circumstances we have, which is protection of vital services and reduction of the deficit and reduction of the payroll tax and all of those things that she said that she wanted.

* (2030)

Mr. Speaker, "The Budget document failed to deliver on promises for innovative spending in areas such as health care, education and agriculture," is what the news release says—agriculture, innovative spending. We have provided funding for drought relief in agriculture, much-needed funding, \$18.3 million. We have provided \$11 million to MACC because they are going to have many, many farmers who are faced with personal devastation financially because of the financial circumstances that are being brought about as a result of the drought and all the problems they are facing. We have provided a 25 percent reduction in the GSE levy on agriculture farm land, all of those things for farmers, and she says that there if no innovative spending for agriculture in this Budget. She says the Tory version did not offer any relief for taxpayers.

Mr. Speaker, the taxpayers are happy not to have been pounded with another increase in taxes, as they have experienced year after year after year over the past half-dozen years. Now they have got some stability in the tax structure. They have also got a reduction taking place in the payroll tax. So what did they say? What is the conclusion of this news release? The conclusion is: "The Liberal Party of Manitoba has clearly defined policies and options which we have been and will continue presenting to the people of Manitoba." What are those policy options and alternatives that they have been providing to the people of Manitoba?

Let us look at some of those policy options that they have been providing, some of them in this Legislature since July 21, since we have been sitting. These are some of the Liberal spending commitments that they have been advocating through their questions and through their presentations in this Legislature just since July 21. Eliminate rural party lines in the Telephone System, \$33 million per year is the price tag on that one; eliminate long-distance charges for Dugald and St. Francois Xavier, \$1.2 million; provide funding for the in-vitro fertilization program, .75 million; allow producers to enrol retroactively into crop insurance programs—that is the Member for Fort Garry's (Mr. Laurie Evans) commitment—\$100 million; emergency funding for additional police on the Red River, \$65,000; additional funding to the Churchill Development Board to make up for the withdrawal of funding from Saskatchewan and Alberta, \$104,000; funding for rail line rehabilitation and development to Churchill. The Canadian National Railways estimates \$101 million; utilize—this one is from the Member for St. James (Mr.

Edwards)—utilize all the additional revenues from the Land Titles office to reduce their backlog, \$12.7 million of additional spending; roll back the 2 percent tax on net income—that is what was advocated by the Member for Transcona (Mr. Kozak)—\$200 million; additional staff for the Public Trustee's Office—that was advocated by the Member for St. James (Mr. Edwards)—\$316,000; increase foster care rates to levels acceptable to the Foster Parents' Association, \$2.1 million; increase Manitoba's per capita funding for rural ambulance services to the same level as other Progressive Conservative Governments—we will pick the Saskatchewan level, it is not quite as costly as others, \$3.7 million; provide the Manitoba Assembly of Chiefs with a grant to prepare a brief for their Native Justice Inquiry, \$140,000.00. That is just since July 21. That is \$455 million of additional spending or reductions in revenue.

You can understand the frustration that the Leader of the New Democratic Party had when listening to the various promises that were being made by the Liberals during the election campaign. He provided a costing of just some of the promises that the Liberals had been putting forth during their campaign. They wanted to provide a \$100,000 payroll tax exemption to all businesses in Manitoba because the CPR and CNR and the federal Government and ICG and Great West Life and all of those big companies needed the \$100,000 payroll exemption. They all needed that break from the Liberal Government. Twenty million dollars was the cost of that promise to help all of those big corporations in Manitoba. That was the promise that they made.

They said that they wanted to increase the staff of the Provincial Auditor's office. That was during the election campaign, .5 million. They said that they were going to provide resources for groups who were presenting briefs to the Public Utilities Board. That is \$250,000.00. They said that they were going to provide special needs programs for Native children, \$1.1 million; counselling for pregnant women, .5 million dollars; additional agriculture research funding for the University of Manitoba, \$100,000; additional funding for the Manitoba Health Research Council, \$200,000.00. A royal commission on health care, now were we not being criticized just a week or so ago for studying health care, saying that all we were doing was having a health care advisory network to study it, and it had been studied to death? But the Liberal promise was a royal commission on health care. Now talk about talking out of both sides of your mouth, that is what they want to do, and it costs money. Six hundred thousand was their estimate, and their estimate was probably low.

Now here is another one. The Leader of the Opposition said that she was going to fund education in Manitoba to 90 percent from the general revenues of this province, \$115 million more money to be spent for that promise. She said binding arbitration for doctors and nurses that was estimated by many observers as being worth at least \$20 million more than the settlement that they accepted through the negotiated settlement.

Her Member for Selkirk (Mrs. Charles) said that she was going to end the dumping of sewage from the City

of Winnipeg, treated sewage I might add, into the Red River. That, the Member for St. Vital (Mr. Rose) and the Member for Wolseley (Mr. Taylor) I am sure know, is a \$100 million price tag. So we have another \$250 million, another quarter-billion dollars of those promises that they were going to make.

* (2040)

What other promises do these people make when they think people are not listening, when they think that people are not keeping track of them? What other promises are there that they think Manitobans are going to be fooled by? Here are some of the other election promises: extend small business loan guarantees to farmers—that was March 29; 14 promises to Native leaders, all of which had a price tag that is uncoded; welfare payments for pregnant women carrying their babies to term, March 17. Liberal candidate Peter Rampton said they were going to dredge Lake Dauphin and make sure that they fix that problem. We are talking massive millions, tens of millions of dollars, Mr. Speaker, but that was a promise made by the candidate in Dauphin.

Establish a centre for children with learning disabilities, that was a promise on March 21; funding 90 percent of post-secondary education, that was a promise by the Member for Fort Garry (Laurie Evans) on March 31; increase the (Interjection)- no, there was 90 percent for public schools. This is 90 percent for university students.

They said that they would increase the fee schedules for doctors in certain specialized fields such as psychiatry, ophthalmology, anesthesiology. That was a promise on April 14. What an embarrassment for these people to try and argue publicly in their news release today that they are interested in spending more wisely, that they are interested in giving tax breaks to people, that they do not think that we have chosen the right priorities when they, in the past four or five months, have advocated .75 billion of additional spending or tax breaks in the course of their promises—what hypocrisy!

Mr. Speaker, the Member for Wolseley (Harold Taylor) got it right for the first time. He said, "What baloney." That is what we believe and that is what the people of Manitoba believe about their promises.

Mr. Speaker, our Throne Speech set out the goal of this Government. This Budget presents concrete progress toward that goal. I began by suggesting that all of us in this House have a responsibility to act in the best interests of our citizens, and there comes a time when partisan concerns must give way to the larger issues of significance to Manitobans.

We have presented a Budget that looks to the future, a future in which prosperity can be achieved by those with initiative and determination, a future that provides for those in need and, at the same time, does not penalize those who simply want opportunity to succeed. We have not mortgaged the future. We have begun the difficult tasks of balancing the Budget. It may not be glamorous, but it is absolutely necessary if Manitobans are to grow and prosper and improve the quality of their lives.

If we, as elected representatives, fail in that duty, all Manitobans will pay a heavy price. Votes of confidence require responsible consideration by all sides of this House, particularly in our minority situation, and we have done our part. The Budget lies before the Members of this House. The decision is yours, is theirs, and Manitobans will be the judge.

I find it very, very interesting that, when this Budget first came up for debate, the very first speaker who rose to address the Budget was the Leader of the Opposition just over a week ago, and she delivered an attack that was filled with self-righteous indignation. It became apparent that she was sacrificing substance for style. Her perception was that the role of Leader of the Opposition demanded that she be negative, react without consideration, attack without justification, without understanding, simply for the sake of attacking. Perhaps she should take her own advice, and that is to listen and evaluate before you speak. Am I being too harsh?

The Leader of the Opposition prides herself in being a new-style politician, untainted and honest. Let us take a look at that honesty. What did she say early on in this Session about playing games? What did she say? I will quote from Monday, July 25 in the Leader of the Opposition's reply to the Throne Speech: "It is not in my personality nor in that of my caucus to play games."

What have they been doing since the Budget was introduced but playing games? We are not going to tell Manitobans how we are going to vote on the Budget. This is the group who said they were going to act responsibly, and they leave it to play chicken with the Leader of the N.D. Party and the NDP caucus. They have a public game of chicken so that they can string out the drama and the intrigue and keep Manitobans guessing and show that they have some authority in this House.

Is that a responsible way to—is that games-playing? That is games-playing at its very worst. That is exactly what it is, just like the games that they played on Air Canada when, in the middle of the televised debate, the Leader of the Opposition said she had it on absolute authority that the Prime Minister had phoned me and told me that Air Canada was awarding a contract to a Quebec firm and that we were going to lose 400 maintenance jobs in the City of Winnipeg. She had that on absolute authority. Then of course, a day later, just before the election, on the eve of the election, we had the president of the Liberal Party in Manitoba—and this is from a Winnipeg Sun article of April 26 which is election day—headline says: "Grits Admit Guessing on Air Canada. 'Unproven allegations were included in Liberal campaign literature distributed yesterday,' admits Party president, Morris Kaufman. 'We don't have some information, we're guessing,'" he said. If that is not games-playing, I do not know what it is.

Do you recall what the big criticism of the way in which we addressed the Budget was a year ago in 1987 by the Leader of the Liberal Party at that time? Remember what her criticism was? She said that the Conservatives ignored the Budget and did not spend enough time in the Question Period on the Budget. Do you recall that?

She criticized me for ignoring the Budget and going on unimportant issues like \$24 million in reinsurance losses at MPIC that were covered up and the crisis that was taking place. You will recall we had an emergency debate on child abuse during that period of time and we asked questions day after day on that, and she criticized us, saying we did not ask enough questions on the Budget.

The Liberals have asked, as a percentage, fewer questions on the Budget in this Budget Debate period of time than we did in 1987. That is one fact. But more particularly, do you know how many questions the Leader of the Opposition has asked on the Budget since it was introduced?

An Honourable Member: Twenty? It must be twenty.

* (2050)

Mr. Filmon: She has not asked a question on it. Do you believe that? Can you believe that? Do you remember her asking—do you remember that criticism?

Some Honourable Members: Oh, oh!

Mr. Filmon: In her news release and in the public statements, the Leader of the Opposition has said that this Budget was a carbon copy of the NDP Budget. But when she was addressing that NDP Budget that she voted against, she said certain things. This is from her speech on Monday the 29th of February 1988, addressed to the NDP Budget that she voted to defeat. She said: "Who are the real losers in this Budget? Well, Tourism is a real loser in this Budget." What has happened with Tourism in the new Budget? How much is the funding up? \$2.4 million. But that does not satisfy her concerns or her criticisms.

What else did she criticize in that speech on the Budget of Monday, the 29th of February 1988? She said: "Highways had a major cut. Highways are down by 1.3 percent." What has happened in the new Budget? Highways are up \$12 million over last year, \$7 million over the defeated Budget.

She says that is the same Budget that she voted against. What did she say about small business and regional development? She says: "They have forsaken small business in the Province of Manitoba," no commitment to small business.

We have made a major, major commitment to rural economic development. We have established a committee of Cabinet. We have put more funding in the Budget and we have reduced the taxes for new small businesses in this province. But that is not good enough to satisfy the Leader of the Opposition.

What about the Leader of the N.D. Party. What are his criticisms of our Budget? The Leader of the NDP is critical of this Budget because we did not reduce spending in vital areas. He wanted something to shoot at. He had his notes all prepared for the hacking and slashing and cutting that the P.C. Government was going to do. We shot that all to heck.

The Leader of the NDP, what did he turn around and do after he found that we were not the hacking and

slashing and cutting administration that he thought? He turned his attack and he says, they are throwing money at problems rather than trying to reform the spending habit. If I have a bit of sense of irony in my voice, Mr. Speaker, you will have to bear with me. That administration over and over again mastered the art of throwing money at problems. I mean, the echoes of MTX and Flyer, we still have those reverberating in our heads. What really irks him is we did what his Government never could do. We cut the deficit to a 10-year low. We did not raise taxes and we did not cut services. I do not think that is too bad for a first Budget.

The Leader of the NDP is seldom at a loss for words, so he moved into a stirring defence of his Government's last Budget, the Budget that decimated his party, the Budget that alienated 75 percent of the voting public. He said that was a better Budget than the Budget that is here today. Well, Mr. Speaker, I would like him to go back out and try to sell that one to the people of Manitoba because that is exactly what he is going to have to do.

There is surely a little inconsistency here. I do not think anybody can really, really take him seriously. When you look at the differences, when you look at the changes, I do not think that there were ever more apparent differences between the Progressive Conservative philosophy and his philosophy. We have argued that Government does not create wealth, that people with initiative and courage and dreams are the people who create wealth in this province, and we are working to ensure that happens.

The NDP believe that you take money from the people and then you give them back some of it. Then you demand that they support you and give you their undying gratitude. Well, the people of Manitoba had six-and-a-half years of that philosophy. They rejected it, and rejected it totally. Having expressed my differences with the Leader of the NDP, I think it is appropriate at this time to recognize the initiative that was taken by him last week concerning the timing of the Budget vote.

Some Honourable Members: Hear, hear!

Mr. Filmon: We all know that a time conflict developed as a result of the emergency debate that was held on the future of Churchill. Although I made both Parties on the opposite side of the House aware of those concerns on the day that debate was ongoing and that afternoon let both parties know that there was a concern that could be addressed by a little bit of cooperation on their part, no progress was made in attempting to resolve the issue.

Fortunately, the NDP recognized that continued gamesmanship was not in the best long-term interest of the people of this province and the Leader took the steps that allowed us to break the logjam and counteract the lack of cooperation that we were getting from the Liberal Party on that matter. I give him credit for that.

The voters have given our Government an opportunity to bring about change and we will not let them down.

We believe that all of us have to work together and show a responsible attitude, an attitude that is designed to help people in this province and not just go out and seek your own partisan political interest.

I have a great deal more that I would like to say on this Budget but I want to leave some time for the Minister of Finance (Mr. Manness) to close debate and to summarize some of the other important arguments in favour of our Budget. He deserves that opportunity because it is a good Budget. It is one that addresses the needs of Manitoba now and in the future. It is one that builds a foundation for good Government and a sound economic future, and it is one that I am very, very proud to support.

Thank you very much.

Hon. Clayton Manness (Minister of Finance): Let me begin by saying that I am delighted to be able to close the Budget Debate, firstly, to be able to follow my Leader who has just launched an incredible verbal attack on the combined Opposition in this House. If there ever was a need to review the chronology associated with some of the inconsistent remarks that have flowed from Members opposite over the course of the eight days of Budget Debate, it was needed tonight and I really am delighted that my Leader has taken the time to lay that on the record. Hopefully, all of the essence of that argument will be presented to the people of Manitoba so that they may be able to see first-hand the inconsistencies that keep coming forward from the Opposition benches.

I have been here for eight Budgets. This is the eighth. Over that period of time, I have watched the dialogue go back and forth from side to side. Never have I experienced a time though where I have seen less of a positive alternative commitment, alternative approach to the Budget. Therefore, never have I seen an easier Budget to defend as the one that we have done over the last eight days.

* (2100)

Let me review what has happened. The former administration in 1987-88 forecasted a Budget deficit of \$415 million. That was the 1987 Budget. Before the '88 year-end, in other words, before March 1988 in the midst of the election just before that year-end, a new '88-89 Budget is presented and defeated. That Budget calls for a deficit of \$334 million. Just prior to the defeat of the '88-89 Budget and during the election, it becomes obvious that there is more revenue flowing in '87-88 from three sources: equalization to the tune of \$150 million; income tax adjustments to the tune of \$109 million; and more mining revenue to the tune of \$70 million. That happens in the space between January and towards the middle of the election.

If the Government had lived within their '87-88 Budget expenditure areas, the one with the \$415 million deficit, they should have had a year-end figure—the one I just reported on a week ago for the year-end '87-88—of not a \$415 million deficit but \$140 million if they had lived within the past 1987 Budget. Instead, what they did was they increased spending dramatically.

As a matter of fact and as my Leader has indicated, the former Minister of Urban Affairs, the now Leader of the New Democratic Party (Mr. Doer), promised during the election debate to decrease the tax load on Manitobans by \$58 million. That was part of the promise that he made during the election.

So now 1988-89 comes along. We are cognizant—and we are in Government—of the increase in the new base of income tax revenues and equalization and mining revenues. We reduced expenditures of \$70 million as we went through the whole budgetary exercise, and again my Leader has referred to this on other occasions. We pulled out \$70 million out of the defeated NDP Budget and allocated those savings into these areas: health, \$21 million into the agreement with MONA and the MMA; drought and water, \$20 million; the Swan River flood, \$2 million; firefighting, \$14 million; election costs, \$6 million; new highway expansion, \$7 million.

Mr. Speaker, we still have a decision to make. Do we increase spending beyond 6.7 percent or, for the first time in several years, in a decade almost, do we try and keep spending below two times the rate of inflation and reduce the deficit significantly? What do we do? The decision was not difficult at all.

What we decided to do was to allocate what some would call the windfall but what should rightly be indicated as the Manitobans' hard-earned tax money, we decided to allocate that not to increase spending but to deficit reduction, knocking off more than one-third from the year-end '87-88 figure.

Nobody can say that better than the Member for Lakeside (Mr. Enns). He spent a considerable portion of his speech saying: What would have happened if either of these Parties opposite had been around the Cabinet table when these decisions were being made? What would they have done with the so-called windfall?

As sure as I am standing here, the deficit would not have been reduced to \$196 million. What that means is that, in the public debt figure, whatever figure it was being moved up to as far as global increase in spending would have meant an additional interest expense of several, several million dollars. That is what it came down to. There was no magic associated with what we did. We made a decision which indicated we were going to put some greater emphasis on deficit reduction.

As the Member for Springfield (Mr. Roch) said in his address, what do you do when you have that additional money, remembering that it is the people's money but also remembering it is the people's debt? It is not the Government's debt; it is the people's debt. We did what we thought Manitobans wanted us to do. We took that so-called additional revenue that existed at that point in time and reduced the deficit accordingly.

Responsible Oppositions have some responsibility to get the facts straight if their criticisms are to have any credibility. My Leader has just gone through a long litany of examples as to how the Official Opposition in particular has not got their facts straight. I would like to add some greater detail to some of the points that he addressed and others that the Leader did not.

No. 1, the Leader of the Opposition indicated that the increase in revenue for '88-89 is 8.1 percent and rising from the \$4.038 billion last year. That is wrong. The computer is wrong when she said that it would be 15.5 percent. It is indeed much closer to 8.1 percent.

The net income tax, coupled with the Manitoba tax reduction, includes specific allowances for dependent children, age 65 or over, and disability, contrary to the Leader of the Opposition's suggestion that it applied across the board without any such provision. You see, the Members opposite tried to leave the impression that we should have done more for those who felt the wrath of that tax as imposed by the NDP.

One thing that the former administration did when they put that horrible tax in is they safeguarded the people in the lowest incomes through a major area of tax credit reduction. That was in place. So if we reduced the 2 percent tax on net income by .5 percent or 1 percent, it would have absolutely no impact whatsoever on the lower-income people in this province. They were safeguarded and are safeguarded under the provisions of the former administration's Budget. So again, No. 2, wrong, wrong on that fact.

Thirdly, the Leader of the Opposition claimed the Premier (Mr. Filmon) failed to show leadership, because the Executive Council budget sees an increase under his administration from that proposed by the New Democrats. I am going to allow the Premier, in due course during his Estimates, to indicate specifically what has happened, but I can tell you it has something to do—today there is a much lower staff complement within Executive Council, 59 to 48. During the Premier's Estimates, he will indicate specifically why there is a greater dollar figure.

Again, the Leader of the Opposition is wrong. She claimed that, in a comparison check of the administration and finance Budgets of the New Democratic Party and the P.C. Budgets of 1988, we see a 5 percent increase in the NDP Budget but, strangely enough, a 6 percent increase in the P.C. Budget. Again however, the quick comparison developed by Liberal use of their famous or infamous computer has arrived at an incorrect result.

First, our Budget includes in each salary appropriation the cost of general salary increase. I have indicated this before but in case some people have forgotten, in the defeated Budget, there was an appropriation that had its own vote that had \$24 million in it to account for the general salary increase of all civil servants. When we came along, we knew exactly what that increase was going to be and how it was to be allocated through the various departments of Government, and so it was allocated.

So naturally, we are not comparing the same figures or the same methodology when one compares our Budget to the defeated one. But did the Liberal computer point that out? No, not at all, because of course it was easy political gamesmanship to play to make it appear like we were directing so much more financing to administration. Nothing is further from the truth and yet, once we point this out to the Liberal Party, do they stand in their places and recognize the error of their ways? Nothing, nothing at all.

Mr. Speaker, fifthly, I would like to move into the area of health spending. The Leader of the Opposition sought to minimize the increase in resources allocated to maintaining and enhancing this important service for all Manitobans. She referred to increases above the increases proposed in February. In this way, she was able to convey the erroneous impression of small increases.

* (2110)

Well, again, let me set the record straight. Compared to the preliminary actual results for last year, this is what has happened. Hospitals and community health centres are up by 7.2 percent; medical services are up by 8.2 percent; personal care homes are up by 10.4 percent; home care is up 25 percent, while she cites an increase of one-half of 1 percent over that budgeted in February. Mental health services are up 7.7 percent, while she claims a budget of 1 percent less than inflation, and Pharmacare is up 6.5 percent. Mr. Speaker, I cite these increases to correct the misimpressions that might persist from her remarks that the health budget has either been cut or held to increases below inflation.

On education, the Leader of the Opposition shows a different basis for comparison, in my view, a legitimate one. In this area, she compared, as I did in the Budget, expenditures budgeted versus preliminary actuals. That came to my stated figure of 3.3 percent.

But let us look at what was spent at the very last minute last year to increase the base, Mr. Speaker, and I think the Minister of Education (Mr. Derkach) alluded to it the other day. He talked about where the former administration spent \$7.5 million late in the year to pay off a University of Manitoba debenture and \$2 million to retire the debt on the University of Brandon Music Building, an additional close to \$10 million that was just provided to write off debts that were beginning to hang around the universities. The Government of the Day passed or spent money to move those debts off the books. What that did, of course, was increase the base, and it made the year-over-actual forecast or budgeted-over-actual come out to 3.3 percent. Had that not been done, of course, the increase would have been in the line of 4.6 percent or 4.7 percent.

Moving on, the Leader of the Opposition criticized the increased payroll tax exemption because ". . . it is still only the businesses with small numbers of employees who will benefit." Well, Mr. Speaker, that was the intent. That was the purpose of increasing the exemption. That is why we did not want to have a broad exemption covering everybody because we wanted it to be directed not towards the CPR, not to Great West Life, but to the small businesses who are creating jobs.

So what is the criticism that she would have then with respect to our measures on the payroll tax? To end my point there, in fact 93 percent of Manitoba employers will now be paying less than the full rate and 90 percent will pay no tax at all. The Leader of the Opposition also criticized the tax holiday for new businesses, calling it an empty gesture. I point out again that this new program provides a one-year income tax holiday for new small businesses and significant

reductions for the next four, not three years. It will allow successful new Manitoba businesses to put more of their earnings back into their companies so that they grow faster, compete and create more meaningful and lasting jobs for Manitobans.

There was no clearer signal that we as a new Government could provide to the entrepreneurial spirit that still exists within this province, that this is a new time, that there is a new order in place and that we want that spirit to rise to the surface to create jobs and of course, with it, greater wealth.

There is one other comment with respect to the payroll tax. On page 381 of Hansard, the Leader of the Opposition says that universities, hospitals, nursing homes, receive no benefit from increased exemptions. The Liberal computer is wrong again. Yes, hospitals had to pay \$9.7 million; universities, \$4.3 million; municipalities, \$8.6 million; and school boards, \$12.2 million, but every one of those dollars is compensated for by special grant. How can a leader of a Party stand in her place and make that erroneous statement, that universities are paying payroll tax because they are not. Yet we are to sit here and take her comments as being consistent and as if they had the power of knowledge behind them.

There is one other point I would like to make. On each specific criticism I examined, the Leader of the Opposition has had her facts wrong. I am pleased to have this opportunity tonight to correct her misimpressions but, despite the many errors or perhaps to the Manitobans, in my view at least, from the Official Opposition have been offered no credible alternative.

I think it is of essence that the Liberal Party define the word "streamline" because it sort of was ringing throughout two presentations in particular, that by the Leader of the Opposition and the Finance critic, the word "streamlining." I am hoping that does not mean cutting and firing people, but what else can it mean? I think that Party owes it to all Manitobans to tell us specifically what is embodied in that word "streamlining," because we have presented some of the consolidation that we have done. We have indicated some of the reductions in staff numbers and we have been hammered by the Opposition for doing that.

So we are serving notice to the Party opposite. They are going to have to, for the purposes of maintaining consistency and credibility, define the term "streamlining," put the numbers of staff members who are going to be redundant or removed beside it and the dollar savings that go along with it. So I am serving notice that we will be asking for that greater information.

The Finance critic of the Official Opposition (Mr. Kozak), I enjoyed his sincere recognition of some of his personal history. I also could not help but hear his concern about taxes but, to me, he also displayed a similar lack of acquaintance with the facts. To his credit, he displayed some imagination and provided at least a brief glimpse of the Liberal alternative.

His vision of a better Budget in my view—and this is the vision that I saw as I was able to catch it from the critic of Finance—seemed to be this way. There is

one who spends more on health, more on education, more on employment services, more on housing and a Budget that provides more by way of tax reductions and, at the same time, he professes that greater deficit reduction is required. I want to know the magic that goes into the formula of being able to do it. I will provide the Member great credit if he can provide the magic formula that can allow us to bring all those factors into play as we develop the 1989 Budget. I say that sincerely because we need that support. Mr. Speaker, he said, we want to be on record in supporting reductions of both of these taxes, and he is talking about the payroll and the net income simultaneously. Now that is something I want to see done. Is he talking about .25 percent, .5 percent on the tax on net income? Specifically, how is it that he would profess that the reduction in net income should occur? As I have indicated, that is a net cost of close to \$200 million and taking off, of course, half of it represents \$100 million.

Again, the Finance critic used the word "streamlining." He also talks about a 6.7 percent increase in spending. He talks about the storm clouds and he talks about inflation, 4.7 percent I think he said in the United States, and he talked about the higher interest rates and that is of major concern to us. I can tell you it was a major issue at the Premiers' Conference which I attended, the growing interest rate levels in this nation, particularly in this region, and what it means to economic growth in all its measures.

But, Mr. Speaker, I will not accept yet at this point a doom and gloom forecast as to the economy in 1989. I know one wonders how long this can continue, this growth, particularly generated in central Canada, but I say one cannot give up. In recognizing like he did, I wrote into the Budget the fact that we are hoping it can achieve a 2 percent growth in this year. We are hoping that 1989 will not fall below that, but the reality is we cannot run away and say that the sky is going to fall because there are some good basic building blocks in the Province of Manitoba which of course will lead to a general economic situation which will cause revenues to flow. That is where we find ourselves.

* (2120)

Mr. Speaker, there were other comments from the Opposition benches and I hesitate to even mention this one. The Member for St. James (Mr. Edwards), this was his contribution to the Budget. He said it was a pitiful, pathetic excuse for a Budget. Now here is a new Member, who I am sure wants to make a name for himself, develop some political currency. His contribution to this Budget was to call it pitiful and pathetic.—(Interjection)—the new Member for St. James. And yet, he said we should spend more in Land Titles, more on the Public Trustee and the Remand Centre. He wants to spend more, more, more.

The Member for Assiniboia (Mr. Mandrake)—now this is a prize one. You Members in the House will enjoy this one. He asked to spend more on roads, particularly Highway No. 9. He wants more money spent on Highway No. 9. We would love to spend more money on Highway No. 9, yet not one word of his address told us where that money should come from—not one word.

The Member for Selkirk (Mrs. Charles) said she wants to restructure crop insurance. Yes, we would like to direct some attention to crop insurance and try and bring in a greater percentage of Manitoba's farmers. She supported, through Student Aid, rural graduates coming to university. We support that too. There are going to be some moves there that will be announced in due course by the Minister of Education (Mr. Derkach). But the Member for Selkirk said she wanted more spent on—now this was her list—northern health, the development of Selkirk, affirmative action, pay equity, health care, increased funding to foster care programs, more funding to the 55-Plus Program, wants more for the hearing impaired, wants the Pharmacare deduction reduced, and wants more spent on housing.

We would love to do all those things, but not once in her address did she indicate where it is that we may have found the source of that increased spending. Not one word was directed to where that additional spending may come. And yet, all I had ringing in my mind were the comments from the Finance critic that taxes should go down. There has to be some consistency in the Opposition benches. They have to speak with one voice on some issues, and there is no greater opportunity than on the Budget. The Member for Ellice (Ms. Gray) said that she told us something about elephant chains holding us down.

An Honourable Member: The Member for Ellice?

Mr. Manness: Yes, it was a profound statement on her part. She said that the caseload per employee in Child and Family Services should be reduced from 40 to 32, and it should be. There is no argument from us on that point. She said that we should support with greater funding the Foster Parents' Association but—this was the best of all. When I pushed her, when I heckled and I said, from where? She said, cut roads, forget about the potholes. So at least there was somebody who said the hell with roads, roads are not important. At least somebody had the courage to say what areas should be reduced.

I would like to go on and on, but I cannot, except the Member for Sturgeon Creek (Mrs. Yeo) complained about the underfunding to the PACE Division of education and of course to the University Grants Commission, also the underfunding to health particularly within the area of psychiatric care. Speech after speech after speech, the ringing essence throughout them all was spend, but spend more! Until the Members opposite can tell us how it is, through their understanding of streamlining, whatever that means to them, how it is that we can, within the global figure of \$4.56 billion, how it is we can spend more within that by streamlining to a much greater degree to save those \$450 million and at the same time reduce taxes, I am afraid it cannot be done. I looked for all the ways it could be done, but it cannot be done. So it is just incredible that the Members opposite would see fit not to recognize that fact.

One final comment with respect to the Official Opposition, and that is the House Leader (Mr. Alcock). He made some comments today, very strongly worded, strident comments with respect to our commitment

during the election, with respect to transit support. I will deal with that in depth during Interim Supply, because it begs a response. The Members opposite champion themselves as coming and bringing a new order of politics into this Chamber, as being open and honest, conciliatory and being fair. I thought that the Member for Osborne (Mr. Alcock) particularly, was going to embody those characteristics. I was totally disillusioned after I heard his presentation on the Budget today. I will draw greater note to that later on.

Mr. Speaker, let me spend the last few minutes on some remarks made by the Leader of the NDP because I enjoyed his Budget response. I found it spirited; I found it attacking those areas where, from his viewpoint, from his philosophical understanding, there may be some weaknesses. So I considered it a fair response. But the Member for Concordia (Mr. Doer) said this. The economy was ahead of the national average six out of the last seven years. Now growth will be below national average, unemployment already .5 percent off and youth unemployment a way off.

These are the facts. The Budget recognized that Manitoba's economy performed relatively well in the 1980s—I said that in the Budget Address—although growth exceeded the national average in five, not six of the past seven years, including 1981 under the previous Conservative Government. However, in the past year or so, Manitoba's investors have been increasingly concerned that high debt and high taxation were threatening the province's growth prospects and job creation potential. In 1987, Mr. Speaker, virtually no growth was recorded in total capital investment and private capital investment declined slightly.

The Leader of the NDP neglected to mention that. Annual average employment was up only .8 of 1 percent in 1987. Employment growth in this province has been stagnating over the last year-and-a-half. That is well known. The July unemployment rate of 7.9 percent was only marginally higher than the 7.8 percent rate in April and May, and was below the 8.2 percent rate recorded under the previous administration last October. So we have some distance to go before we have achieved the lofty height of 8.2 percent which the Leader of the NDP neglected to mention.

I am not going to dwell on the rest of the economic counterarguments that I have. But the Leader said this, the Leader of the third Party Opposition said we would rather spend money on people working in jobs. We would rather have people working in jobs and having the opportunity in jobs than eventually having higher unemployment rates and higher welfare rates.

* (2130)

Mr. Speaker, my response, Manitobans recognize that public funding of temporary jobs is unsustainable. This Government is not going to borrow money to put into a Jobs Fund to employ people to cut grass. We will not do that because the debt and the borrowing costs associated with servicing that debt is a legacy for every social service and every taxpayer in support of that social service for years to come. Public debt increases, and eventually increases taxes and leads to fewer

permanent jobs being created in our economy. I know the Leader of the Second Opposition knows that, but he obviously does not recognize that this administration has seized the opportunity to make the major strides taken in this Budget toward our goals.

Again, I repeat them. They were laid out in the Budget. The goals of this Government are: To provide high-quality public health, education and other social services today and to build a fiscal framework to support them in the future; to encourage job creation, investment and to address the needs of the drought-stricken agricultural economy; to control debt and debt-servicing costs; to improve management and accountability in the Government departments, agencies and Crown corporations and to make Manitoba's taxes competitive with other jurisdictions.

Mr. Speaker, that has been the theme throughout the crafting of the Budget. It will remain to be the theme as we work towards the 1989 Budget. It will continue to be our criteria that guides us in every decision we take at Treasury Board, at the Cabinet Table and indeed within the inner councils of this Government.

Mr. Speaker, let me close by telling you that we are very, very proud of this Budget. Everywhere we go, almost without exception, Manitobans tell us that this is a good, good Budget. I hope that all Members of this House will see the wisdom in supporting this Budget and, hopefully, in debate to come on other financial matters, will see fit to put forward the positive alternatives that were so lacking in their criticisms through the last eight days of Budget Debate.

I thank you.

Mr. Speaker: In accordance with Rule 23.(5), I am interrupting the proceedings to put the question on the motion to the House.

The question before the House is the proposed motion of the Honourable Minister of Finance (Mr. Manness) that this House approves in general the budgetary policy of the Government.

All those in favour of the proposed motion, please say yea. All those opposed, please say nay. In my opinion, the yeas have it.

Mr. Reg Alcock (Opposition House Leader): Yeas and Nays, Mr. Speaker.

Mr. Speaker: Call in the Members.

The question before the House is the proposed motion of the Honourable Minister of Finance (Mr. Manness) that this House approves in general the budgetary policy of the Government.

All those in favour of the motion will please rise.

A STANDING VOTE was taken, the result being as follows:

YEAS

Burrell, Connery, Cummings, Derkach, Downey, Driedger (Emerson), Ducharme, Enns, Ernst, Filmon, Findlay, Gilleshammer, Hammond, Helwer, Manness, McCrae, Mitchelson, Neufeld, Oleson, Orchard, Pankratz, Penner, Praznik, Roch.

NAYS

Alcock, Angus, Carr, Carstairs, Charles, Cheema, Chornopyski, Doer, Driedger (Niakwa), Edwards, Evans (Fort Garry), Gaudry, Gray, Hemphill, Kozak, Lamoureux, Mandrake, Minenko, Rose, Taylor, Yeo.

Mr. Clerk, William Remnant: Yeas, 24; Nays, 21.

Mr. Speaker: I declare the motion carried.

Hon. James McCrae (Government House Leader): I would move that the House do now adjourn, seconded by the Minister of Finance (Mr. Manness).

MOTION presented and carried and the House adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).